

June 4, 2025

Office of the Superintendent of Financial Institutions

ATTN: Peter Routledge, Superintendent

Cc:

Page | 1

Bank of Canada, ATTN: Governor Tiff Macklem

Canadian Securities Administrators

Alberta Securities Commission

Parliamentary Budget Officer

Premier Danielle Smith, Alberta

Premier Scott Moe, Saskatchewan

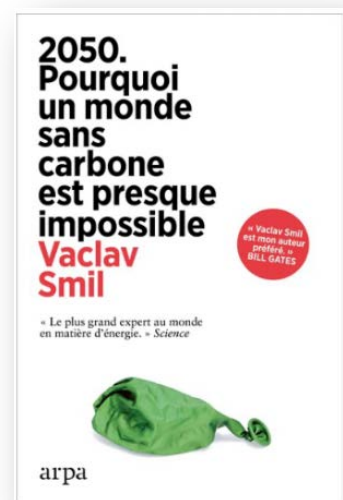
RE: OPEN LETTER - 2050 Net Zero is not possible – Analysis by Prof. Emeritus Vaclav Smil

Dear Superintendent Routledge and others,

We would like to update you on recent insights on Net Zero and climate change.

Professor Emeritus Vaclav Smil has published a new book, presently available in French. We provide you with an overview in French and English by Professor Emeritus Alain Pr  at, titled: [“La transition   nerg  tique : un v  u pieux ?/Energy transition : nothing else than wishful thinking?”](#)

We know that people like Senator Rosa Galvez are still advocating for Bill S-243 [“Climate Aligned Finance Act \(CAFA\)”](#) which includes this passage: “Whereas the Parliament of Canada adopted the *Canadian Net-Zero Emissions Accountability Act*, which requires a Government of Canada plan to achieve a prosperous net-zero-emissions future in Canada by 2050 at the latest, supported by public participation and expert advice;” we request that you review the work of Vaclav Smil and recognize that this proposed Act defies reality. Thus, financial institutions and security companies engaging in the discriminatory activities outlined in Bill S-243, as it was proposed before Parliament was prorogued, would put such organizations in the position of acting in a fraudulent



manner, as no amount of financial effort can make Net Zero a reality; and society will need to use fossil fuels for decades to come.

The federal government claims that [planting trees](#) or methods to remove carbon from the air can make Canada reach Net Zero. This CBC edition of "The House" explains that tree planting will [not do the trick](#) as planned for the 2 billion tree project. This [review](#) of the Canada Energy Regulator (CER) goal of net zero "over-relied on CCUS (33 to 38-fold increase), and a thousand-fold increase in direct air capture." Neither of these are realistic. Robert Lyman, former federal public servant, reports that "[Carbon Capture and Storage is a Trap for Taxpayers.](#)"

Likewise, according to [this article](#) summarizing debate points by President Obama's former Chief Scientist, Steve Koonin and energy analyst Mark Mills, the premise of Bill S-243, that by reducing fossil fuel use, humans can control the global climate, keeping temperatures below the Paris Agreement target of 2 °Celsius warming over pre-industrial time, is based on a made-up limit.

"When [Hans Schellnhuber](#), (Potsdam Institute for Climate Impact Research) the so-called "father of the two-degree limit," was once asked why he gave that number, he responded that it was about right, and it was an easy number for politicians to remember. There is no credible case to make that all manner of chaos will suddenly break out if the temperature rises two, or even three, degrees."

A [new paper](#) by Richard Lindzen and William Happer argues that increasing CO₂ concentrations from 420 ppm to 840 ppm would increase the amount of food available worldwide by roughly 40% while having little effect on temperatures.

Their (along with van Wijngaarden) "Net Zero Averted Temperature Increase" paper abstract says "If the entire world forced net zero CO₂ emissions by the year 2050, a warming of only 0.070 °C (0.13 F) would be averted. If one assumes that the warming is a factor of 4 larger because of positive feedbacks, as asserted by the Intergovernmental Panel on Climate Change (IPCC), the warming averted by a net zero U.S. policy would still be very small, 0.034 °C (0.061 F). For worldwide net zero emissions by 2050 and the 4-times larger IPCC climate sensitivity, the averted warming would be 0.28 °C (0.50 F)."

Canada's 1.5% contributions would be 0.001 °C (CO₂ only) and 0.004 °C (based on the IPCC positive feedback assertion).

The authors are career physicists with a special expertise in radiation physics, which describes how CO₂ and greenhouse gases (GHG) affect heat flow in Earth's atmosphere. They state that in their scientific opinion the Net Zero Theory, all the Net Zero Theory rules and congressional subsidies are scientifically wrong. GHGs will not cause catastrophic global warming and more extreme weather. Instead, there will be disastrous consequences for the poor, people worldwide, future generations, Americans, and other countries if CO₂ and other GHGs are reduced to Net Zero and fossil fuels

eliminated. Net Zero policies will endanger public health and welfare. The summary says, "... the blunt scientific reality requires urgent action because we are confronted with policies that destroy western economies, impoverish the working middle class, condemn billions of the world's poorest to continued poverty and increased starvation, leave our children despairing over the alleged absence of a future, and will enrich the enemies of the West who are enjoying the spectacle of our suicide march."

Indeed, in this short review of climate data, it is clear that carbon dioxide is not the major climate driver – ["CO2's Moneyball Moment."](#)

As you may know, the US House Judiciary Committee, last spring, issued this interim report ["Climate Control: Exposing the Decarbonization Collusion in Environmental, Social, and Governance \(ESG\) Investing"](#) and is continuing an investigation into what they call the "climate cartel" – a collection of banks, asset managers, financial institutions, pension plans and related bodies – which they claim have "declared war on the American way of life." They believe the activities of these organizations may have violated US antitrust laws, which, if proven in court, may result in millions of dollars in fines and jail sentences. The "climate control" report is based on "272,294 documents and 2,565,258 pages of non-public information." Following the release of the report, most of the participants in the Net Zero Banking Alliance walked away, the Glasgow Financial Alliance for Net Zero crumbled and had to restructure, and Blackrock walked back from several Net Zero/ESG commitments. These points are from the "Climate Control" report.

- The climate cartel has declared war on the American way of life. The climate cartel is waging "a Global World War" for net zero against disfavored American companies, including those in the fossil fuel, aviation, and farming industries that allow Americans to drive, fly, and eat. It has described Climate Action 100+ as "the global Navy," and compared Ceres's efforts to "the Army ground troops" and "an 'air cover' strategic and silent bombing campaign by a newly funded division of the Air Force."
- The climate cartel has agreed to force corporations to "decarbonize." Members of groups like Climate Action 100+ expressly commit to engage "with the companies in which [they] invest" to make them reach "net zero [greenhouse gas (GHG)] emissions by 2050" by disclosing their carbon emissions, reducing their carbon emissions, and adopting enforcement mechanisms to strengthen these commitments.
- The climate cartel "[r]amp[s] up" and "[e]scalate[s]" pressure against corporations on the "wrong side of climate history." The climate cartel is "willing to go to the top rung" by filing shareholder resolutions, voting against management, and "replac[ing] board members" with those of its own choosing.
- The climate cartel seeks to "keep fossil fuels in the ground," raising prices and reducing output for American consumers. To reach net zero, as ESG activists demand, "fossil fuel use has to be reduced." Airplane travel must be "capp[ed] . . . at 2019 levels" and "total flights" must be reduced by 12%. Food demand growth must be "reduce[d]," with beef consumption slashed to "about half of current U.S. levels."

- The climate cartel is not done attacking American consumers. Climate Action 100+ “is about action at this point, not just words/commitments/disclosure.” It has “mov[ed] beyond simple disclosure requests” and is now making “more ambitious” demands to companies. For the climate cartel, “the job is . . . only just begun.”

This kind of activity appears to be mirrored in Canada by various groups and is damaging our economy.

It is interesting to note that [Climate Action 100+ reported](#) in 2020 that it had ‘engaged’ with Teck Resources in Canada.

CASE STUDY

TECK RESOURCES LIMITED

Teck Resources Limited (Teck) is Canada's largest diversified mining company and is headquartered in Vancouver, British Columbia. The Climate Action 100+ engagement with Teck has been jointly led by the British Columbia Investment Management Corporation and the Shareholder Association for Research & Education (SHARE), along with three additional collaborating investors.

Climate Action 100+ signatories held four group-wide meetings with the company's senior management and independent board directors since the beginning of the initiative, and participating investors have had individual interactions with the company to reinforce expectations.

Engagement priorities with Teck have included:

- Offering input and support to the company's post-2020 emissions target-setting process, including highlighting the importance of establishing a long-term net-zero emissions goal with interim milestones, and encouraging the company to set a more ambitious alternative energy generation target for some mining operations.
- Asking for enhanced climate scenario analysis including additional disclosure of climate considerations associated with Teck's existing energy portfolio as well as its proposed Frontier oil sands mining project under review.
- Advocating for Teck to assess the climate lobbying alignment of industry associations it is a member of with its own internal climate positions.

- Emphasising the importance of executive compensation and incentive structures in support of climate strategy.

Progress to date has included:

- Teck has been an official supporter of the TCFD since September 2018, one amongst very few North American extractive companies, and subsequently published two TCFD-aligned reports.
- In February 2020, Teck committed to net-zero emissions by 2050 in its own operations (scope 1 and 2), and announced an intensity emissions reduction target of 33% by 2030.
- Teck achieved its alternative energy generation target for 2030 ahead of schedule and set a clean energy target of 100% for its Chile operations.
- In addition to enhanced climate scenarios disclosure, Teck announced in February 2020 it was withdrawing the regulatory application for the Frontier oil sands project from federal review, and wrote off associated costs.

- In May 2020, Teck announced it would not renew its membership in a major Canadian energy industry association as part of a cost-cutting drive. This change substantially addressed investors' previous concerns on climate lobbying.

Building from the productive engagement so far, continued dialogue with Teck in 2021 would be beneficial to address opportunities and challenges of capturing some scope 3 emissions in future target-setting exercises and to further assess the company's approach to incentivising employees and executives to achieve its climate targets.

WHO WE ARE 1

HOW WE MEASURE PROGRESS 2

HOW COMPANIES ARE PROGRESSING 3

Review of company progress

- Oil and gas sector
- Mining and metals sector
- Utilities sector
- Industrials sector
- Transportation sector
- Consumer products sector

WHERE WE ARE MAKING PROGRESS 4

KEY ISSUES IN 2020 5

HOW WE ARE GOVERNED 6

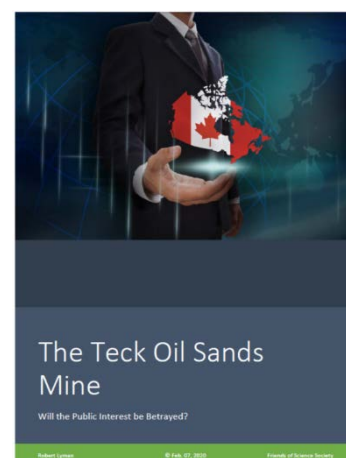
APPENDIX 7

CLIMATE ACTION 100+ 2020 PROGRESS REPORT

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Friends of Science Society published a [Robert Lyman report](#) about this project on Feb. 07, 2020, hoping that the public interest would not be betrayed by the government potentially not approving this project. Robert Lyman is a [retired energy economist](#) who for 27 years served in the Canadian government as an advisor and manager on energy, environment and transportation issues and has written extensively on these issues since that time.

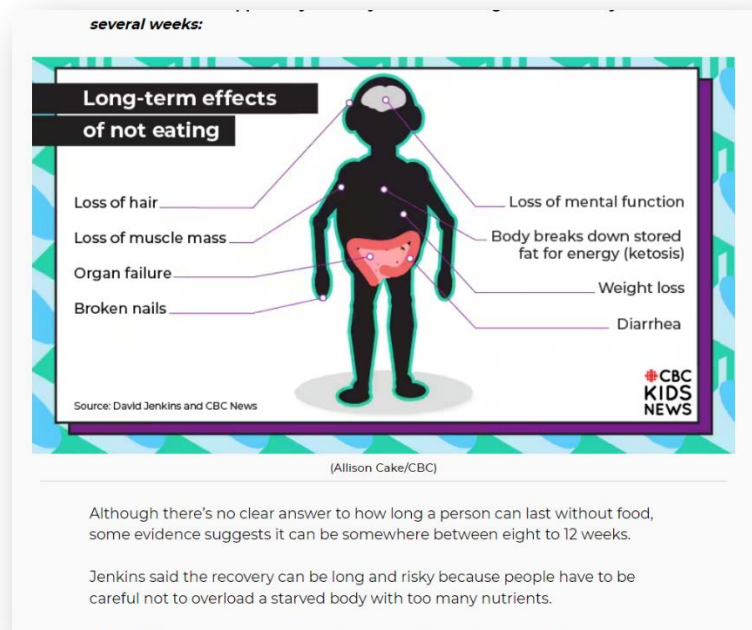
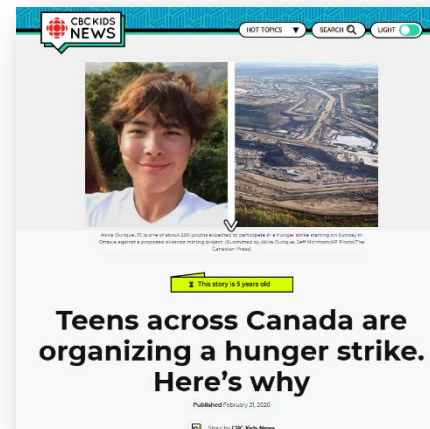
“According to evidence gathered by the (joint Canada – Alberta environmental review) panel, the (Teck Resources Frontier Oil Sands) project will produce about 260,000 barrels per day of bitumen and operate for 41 years. Over that time, it will provide 278,000 person-years of employment across Canada and yield \$70 billion in tax and royalty revenue to governments. It will also emit 4.1 million tonnes of carbon dioxide equivalent per year, which represents 5.4% of oil sands emissions based on 2016 data, or 0.5% of total Canadian emissions. Teck has committed to make all of its operations “carbon-neutral” by 2050.”



However, Teck Frontier withdrew its application, possibly because, in a fashion similar to that described in the “Climate Control” report, activists began a campaign to shame the company into compliance, supported and promoted by the government-funded CBC. Imagine being a corporate CEO who finds, after spending a reported \$1.13 billion and 8 years on development and approval, the project is resisted by the state broadcaster, climate activists and a handful of teenagers, the children of activists, threatening self-harm to force the project’s cancellation.

<https://www.cbc.ca/kidsnews/post/teens-across-canada-pledge-to-join-indefinite-hunger-strike.-heres-why>

CBC provided helpful information on CBC Kids News as to how you slowly destroy your body on a hunger strike but made no suggestion that children and youth had no business putting themselves at risk over a complex energy project managed by adults with years of STEM education and field experience. One could ask the question if the state broadcaster was sent to do the work the government itself did not want to do – or that certain interested investors wanted to see Net Zero compliance without having to take any action that might be poorly regarded by the Competition Bureau. These are speculative comments, of course, but the sequence of events seems to parallel descriptions of coordination actions described in “Climate Control” about the “climate cartel.”

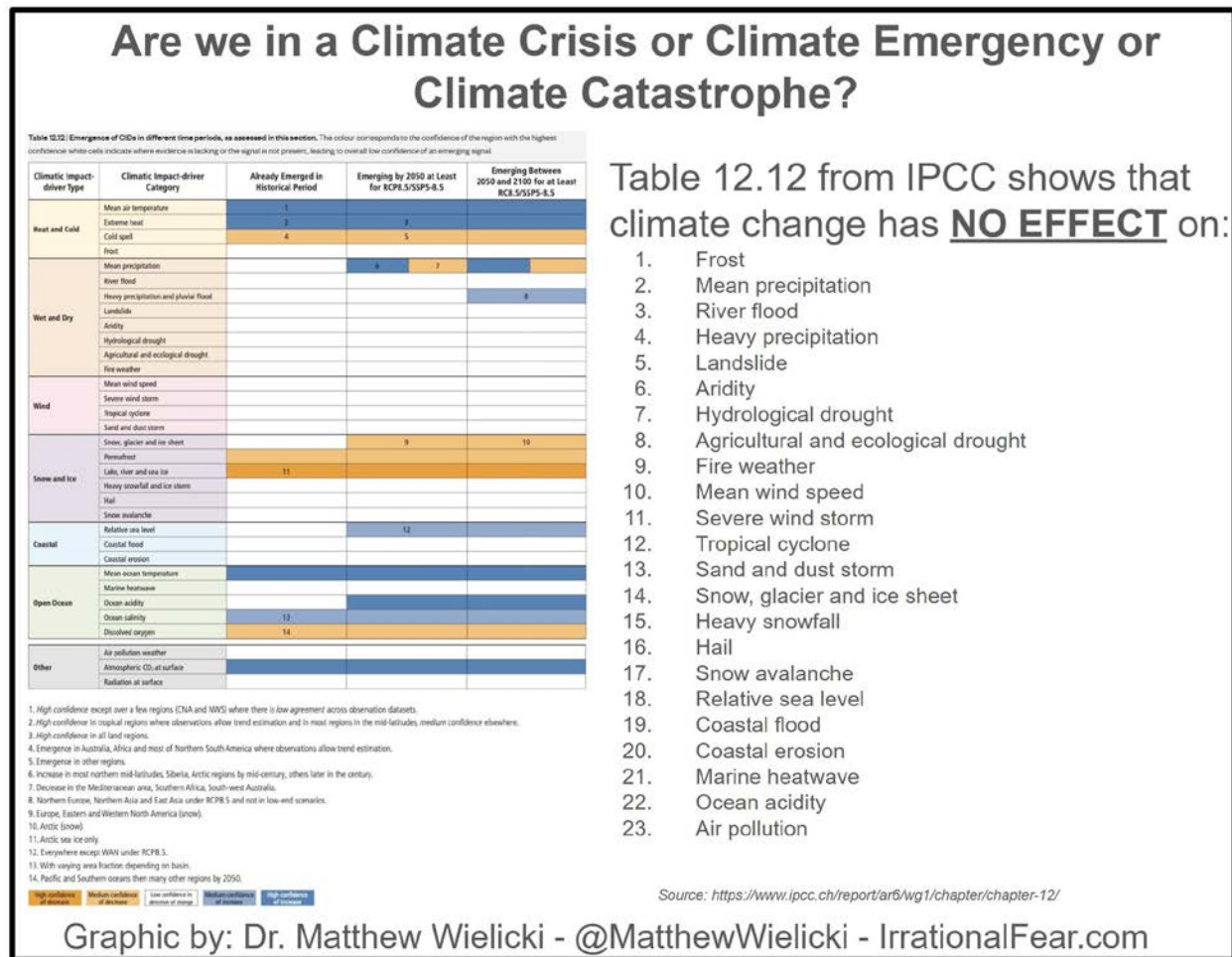


Senator Galvez’ CAFA bill assumes that extreme weather events are getting more intense and frequent, but the Intergovernmental Panel on Climate Change (IPCC) AR6 Working Group I, Physical Sciences report contains no such findings; in fact, they report the opposite.

Here is the CAFA assumption:

Whereas the Bank of Canada recognizes that climate change poses significant risks to the financial system and the economy, including physical risks that arise from more frequent and severe extreme weather events and risks that stem from the transition to a low-carbon, net-zero economy;

Here is the IPCC AR6 WGI Table 12:12.



Thus, the CAFA bill – if instituted - would mislead Canada’s financial authorities, greenwashing the Canadian investment community and public, and do significant harm to shareholders and the Canadian economy.

Despite the fact that many of the parties supporting CAFA are also aligned with the [Trottier Family Foundation’s “Beyond Oil and Gas Alliance”](#) project, Robert Lyman shows in [this report that oil and gas are booming worldwide](#). Canada is the only country trying to actively destroy its reliable jobs and revenue generator.

Quebec's membership in BOGA is probably supported by many Quebecers. Two prominent ones, Stephen Guilbeault (former Minister of Environment and Climate Change) and Yves-Francois Blanchet (Leader of the Bloc Quebecois) have recently stated publicly that there is no need for oil and gas in Canada or elsewhere in the world.

This article will examine how well the goals of BOGA fit the trends in terms of world supply of oil and natural gas.

Oil

According to the Statistical Review of World Energy 2024, in 2023, world oil production was 96.38 million barrels per day. That represented an increase of 9.80 million barrels per day, or 11%, from 2013. So whatever gains are being made by the BOGA countries in reducing oil production is much more offset by increases in production elsewhere.

It is useful to see where the production is occurring. Table 1 presents a list of the ten largest oil producers.

In closing, we invite you to read “Energy & Climate at a Glance” – a handy 88-page guidebook on 22 prominent climate topics. Copies can be ordered [on-line here](#). Please also [watch the recorded events or review the PowerPoints](#) for our “Common Sense on Climate and Energy” event of March 11, 2025.

We urge all of you to return to free market principles, unrelated to Net Zero climate change ideology to ensure that we will have a Canada strong and free, where investors will feel confident about their participation in major projects, and where financing and insurance decisions will not be skewed by any Canadian version of a ‘climate cartel.’

Sincerely,

Ron Davison, P. Eng.
President
Friends of Science Society

