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Dec. 05, 2025

Office of the Superintendent of Financial Institutions (OSFI)
Bank for International Settlements
Bank of England
Bank of Canada
Financial and Reporting Standards Canada - FRASCanada
Canadian Securities Administrators - CSA
Alberta Securities Commission
AIMCo
The Honorable Danielle Smith, Premier of Alberta
The Honorable Scott Moe, Premier of Saskatchewan
Toronto Stock Exchange
Business Council of Canada

ATTN: Superintendent Routledge, OSFI

Dear Superintendent Routledge,

RE: 2025 Insights on Climate Risk Returns and Retraction by NATURE of Kotz et al (2024)

We read your recent report on the Climate Risk Returns¹ that you have received from the six banks and a handful of insurers.²

We assume that the climate risk evaluations made by these organizations were based on the Network for Greening the Financial System (NGFS) models, which, in the course of the past year, would have been based on Kotz et al 2024, "[The economic commitment of climate change](#)," first issued in the fall of 2024. That was when NGFS adopted their model as a baseline for climate economic damage, despite notes and corrections being attached to the work at the journal NATURE, indicating very early on that the scientific validity of the work was unreliable.

As of Dec. 03, 2025, Retraction Watch has published details about the fact that [NATURE has retracted this paper](#).

Consequently, it is unclear how meaningful the climate risk reports that you have received from Canadian financial and insurance companies can be, if based on unreliable, wildly skewed information.

¹ <https://www.osfi-bsif.gc.ca/en/about-osfi/reports-publications/insights-2025-climate-risk-returns>

² The term "D-SIBs" refers to Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank.

The term "IAIGs" refers to Sun Life Assurance Company of Canada, Manufacturers Life Insurance Company, Canada Life Assurance Company, and Intact Financial Corporation. (from OSFI's document)

From your report *Insights from the 2025 Climate Risk Returns* Page 10:

*Without strong internal capabilities, controls, and **reliable inputs**, FRFIs cannot generate decision-useful information or meet supervisory expectations. Data quality in regulatory submissions is foundational for comparability, credibility, and ultimately for integrating climate-related risks into prudential oversight. **(bold emphasis added)***

Kotz et al is an unreliable input, yet apparently fundamental to NGFS climate scenario analysis.

Roger Pielke, Jr., climate policy analyst who has worked closely with the insurance industry on disaster and risk monitoring for the past ~25 years, also reported on this retraction. He referenced a New York Times article:³

The *Times* cites some of the critics of KIW24.

For instance, Christof Schötz (who, interestingly, happens to be a colleague of the authors of KIW24 at the Potsdam Institute for Climate Impact Research) pulls no punches with his accurate portrayal of KIW24:

The paper does not provide additional evidence of economic damages from climate change, nor can it serve as a basis for reliable future projections.

The *NYT* also cites Lint Barrage, chair of energy and climate economics at ETH Zurich, who offers an important warning, and not just to the authors of KIW24, but more broadly to the climate research community:

It can feel sometimes, depending on the audience, that there's an expectation of finding large estimates. If your goal is to try to make the case for climate change, you have crossed the line from scientist to activist, and why would the public trust you?

Well said.

Curiously, in a public statement upon the retraction of this vital linchpin of central bank climate modeling, the Network for Greening the Financial System (NGFS) is apparently unwilling to abandon this climate catastrophe scenario, that conveniently results in an extraordinarily high shadow price on carbon by 2050.⁴

³ https://open.substack.com/pub/rogerpielkejr/p/a-huge-retraction-the-usual-playbook?r=f96qu&utm_campaign=post&utm_medium=web&showWelcomeOnShare=false

⁴ <https://www.ngfs.net/en/press-release/statement-regarding-physical-risk-estimates-phase-v-ngfs-long-term-scenarios>

Imagine any corporate client similarly clinging to completely unrealistic projection of business success and voluminous profits while applying for a loan or insurance. The financial community would blacklist the party.

Why does your regulated network and NGFS get a pass?

In fact, NGFS published a disclaimer about Kotz et al 2024 one day after we issued this press release,⁵ informing the public of the fact that banks were using a wildly skewed model to set carbon prices and climate policies. We informed you of this in our Open Letter of Sept. 11, 2025.⁶ In your Climate Risk Returns report, there is no mention of those early questions about the Kotz et al work as being questionable or unreliable. As such, it would seem to be a critical, material change.⁷ There is certainly a very significant material change vis a vis the flawed Kotz et al 2024 paper, vis a vis economic projections due to climate damage. Investors and securities exchanges have tight requirements for reporting on material facts and material change⁸; do you not have to meet or exceed such standards as their supervisory body?

In the case of Kotz et al's wild exaggeration,⁹ the paper predicted that global GDP would drop 62%, or some three times greater than previous estimates. Other analysts found that when an "Uzbekistan" anomalous data set was removed, the damage estimates closely paralleled previous, non-exaggerated ones.

According to your mandate:

By supervising federally regulated financial institutions and pension plans in Canada, we're protecting Canadians. Our goal is to contribute to public confidence in Canada's financial system.

Our supervisory activities ensure financial institutions and pension plans follow our regulations and meet our expectations.

What's included in supervision

- *Analyzing trends in the environment to identify issues that could affect financial institutions and pension plans*
- *Evaluating risks facing financial institutions and pension plans by weighing the benefits of their activities versus the potential harm they could cause*

⁵ https://www.prnewswire.com/news-releases/ngfs-central-banks-adopted-exaggerated-gdp-climate-damages-report-says-friends-of-science-society-302536435.html?tc=eml_cleartime

⁶ <https://blog.friendsofscience.org/2025/09/12/open-letter-to-osfi-on-the-network-for-greening-the-financial-systems-ngfs/>

⁷ <https://blog.friendsofscience.org/2025/09/12/open-letter-to-osfi-on-the-network-for-greening-the-financial-systems-ngfs/>

⁸ <https://www.mccarthy.ca/en/insights/blogs/canadian-appeals-monitor/a-material-development-the-supreme-court-of-canada-addresses-the-definition-of-a-material-change-under-canadian-securities-legislation>

⁹ Authors of the first "Matters Arising" commentary [published August 6](#) noted the article projected the global gross domestic product would be lowered by 62 percent by 2100, "an impact roughly 3 times larger than similar previous estimates." The authors of the critique also pointed out the PIK authors had used a dataset for Uzbekistan with "anomalies." By removing the Uzbek dataset, the estimate in the original paper "aligns closely with previous literature," the critique reads. <https://retractionwatch.com/2025/12/03/authors-retract-nature-paper-projecting-high-costs-of-climate-change/>

- ***Being transparent about our practices to keep us, financial institutions, and pension plans accountable (bold emphasis added)***

Just as you direct your supervised financial institutions to develop and run various scenarios, should you not also direct them to explore broader scientific views on climate change and the impacts of carbon dioxide?

This short brief from Prof. Emeritus William Happer is revealing:¹⁰

The highly influential IPCC asserts the "evidence is clear that carbon dioxide (CO₂) is the main driver of climate change," where "main driver means responsible for more than 50% of the change."⁴

Similarly, the National Academy of Sciences recently opined: "Consistent with the attribution of increasing GHG concentrations to human activities, ... the best estimate of the anthropogenic contribution to the observed surface warming of 2.23°F ... for 2015-2024, relative to 1850-1900, is 100%.⁵

All of these assertions are incorrect, badly flawed science. The main reasons are:

1. GHGs from the Beginning of the Industrial Age in 1750 to Now Have Not, Cannot and Will Not Cause Catastrophic Warming, Extreme Weather and Harm. Much of the public is unaware that GHGs lose their ability to warm the climate as the level of GHGs in the atmosphere increases, what is called SATURATION in radiation transfer physics. At today's concentrations, CO₂ and other GHGs can only cause slight, beneficial warming, not extreme weather and any harm.
2. Most of the observed warming since the year 1750 has been a natural recovery from the Little Ice Age. GHG's have contributed only a small fraction of the warming.
3. More Carbon Dioxide and Using Fossil Fuels are Hugely Beneficial to People Worldwide. Increasing CO₂ emissions and increasing the use of fossil fuels benefit people worldwide with more food and cheap energy. Doubling CO₂ from today's 420 ppm would increase the world's food supply 40%, with a trivial increase in temperature.

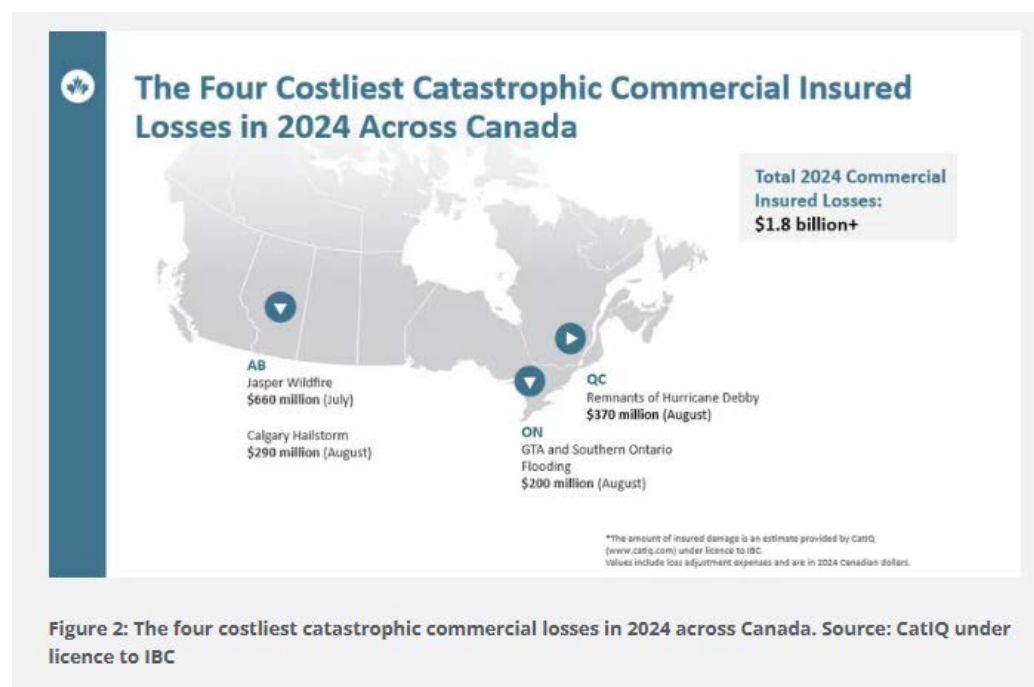
In summary, very basic science demonstrates that GHG emissions from the beginning of the Industrial Age in the year 1750 until today have not caused any harm and have been a net benefit to life on Earth. Because of SATURATION the warming from CO₂ and other GHG emissions in the future will have an even smaller impact.

The unfortunate outcome of having NGFS and OSFI promoting an economic climate damage baseline that overexaggerates global economic damage to GDP is that it lends credence to demands from the Honorable Senator Rosa Galvez and her bevy of supporters, for their push for Bill – S238 (formerly Bill S243).¹¹ Galvez claims in her Oct. 2025 press release that insurable losses in Canada were \$9.2 billion in 2024, as if these are signs of climate change.

¹⁰ <https://co2coalition.org/wp-content/uploads/2025/11/Happer-Comment-Reconsideration-of-the-Greenhouse-Gas-Reporting-Program-GHGRP-2025-11-3.pdf>

¹¹ <https://rosagalvez.ca/media/3vjdoqln/2025-10-29-press-release-climate-aligned-finance-act.pdf>

According to the Insurance Bureau of Canada, the four costliest disasters were as mapped here.¹² None of these can be ascribed to climate change.



The Jasper Wildfire was a disaster waiting to happen. As explained in our video **“Jasper Wildfire - Not if...but When. Not Climate Change”**¹³ a megafire had long been predicted by experienced foresters like Ken Hodges, who also testified to the Standing Committee on Environment and Sustainable Development.¹⁴ No significant measures had been taken at scale by the town of Jasper or Parks Canada. Instead, during a climate change planning process, Parks Canada actually told residents that their fears of a wildfire were exaggerated.¹⁵ This was six months before the disastrous mega-fire, which could have killed all 25,000 tourists and residents. As outlined in our video **“Climate Fanatics Exploit Jasper Wildfire Anniversary”**¹⁶ the climate community attempted to blame the wildfire on climate change.

Blaming climate change for wildfires, instead of instituting FireSmart measures at the homeowner, community and industry levels, means billions of dollars are diverted from fire mitigation and fire fighting equipment and resources. Wind farms and solar panels will not stop wildfires. Fuel load reduction and FireSmart measures will mitigate potential damage.¹⁷ Wildfires are essential for a healthy forest because they remove excess forest litter and allow new growth to thrive.

Regarding the flooding in the GTA, in our video explainer on Toronto Floods, Robert Muir, P. Eng., outlines how climate change has nothing to do with urban flooding; infrastructure deficits, paved over urban lands, and sudden unplanned population increase, increases flooding impacts.¹⁸

¹² <https://www.ibc.ca/news-insights/in-focus/new-data-finds-severe-weather-inflicted-unprecedented-losses-for-canadian-businesses-in-2024>

¹³ <https://youtu.be/F4y026PwiEM>

¹⁴ <https://www.ourcommons.ca/Content/Committee/441/ENVI/Evidence/EV13326148/ENVIEV125-E.PDF>

¹⁵ <https://www.westernstandard.news/opinion/stirling-jasper-wildfire-dust-up-leads-to-climate-change-report-revelations/66315>

¹⁶ <https://youtu.be/vvEZIalFHiQ>

¹⁷ <https://blog.friendsofscience.org/2020/10/23/slate-climate-crusade-against-the-public-good/>

¹⁸ <https://youtu.be/YRPei1-8hg>

The Calgary hailstorm is unrelated to climate change but may be related to the fact that southern Alberta is in a geographic area of a 'hailstorm alley.'

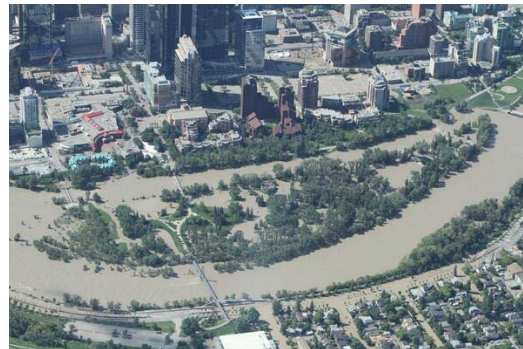
As you may be aware, most solar farms that are hit by hail storms are a total loss. **As Roger Pielke, Jr. has shown, insurance losses are related to factors like development of more high value assets, particularly real estate, and population increase, not climate change.** However, by the banking system relying on flawed models like Kotz et al, resulting in wildly skewed projections of GDP losses, 'the financial/insurance system' then looks favorably upon proposals like that of Senator Galvez, which would devastate Canada's already weak economy.

The city has built up so much in the flood plains because we have actually had less flooding than expected, says Sanders.



Harry Sanders lists 1897 as the second worst flood in Calgary's history. This shot was taken looking west from a point on the south bank of the Bow River near Langevin Bridge, which connects Bridgeland to the southeast side of what is now downtown. (Glenbow Museum)

Calgary flood 1897



Calgary flood 2013

Regarding the Insurance Bureau's reference to "the remnants of Hurricane Debby," extratropical storms are caused by a difference in temperatures of colliding air masses. In a warming world, the northern polar region warms more than the tropics, causing a decrease in the north-to-south temperature gradient that drives storm. This has resulted in a 53% decline in the frequency of severe EF3+ tornadoes in the USA over the period 1955 to 2023. It also results in a reduction in the frequency of strong-wind events in mid-latitude regions. [Footnote link](#).

It is odd to think that people who are predicting more extreme weather events want the public to underwrite weather dependent power generation sources like wind and solar farms, both of which can be destroyed by extreme weather events.

On page 5 of the climate risk report, you run some numbers on Canada's GHGs and sector exposure vis a vis those reporting on climate risk. These emissions are a rounding error compared to China's emissions. The result of restrictive financing or insurance policies will simply be carbon leakage; large emitters will move operations to less restrictive countries. If agriculture in Canada is regulated out of business, we will just pay more for imported beef, pork, chicken, eggs, milk, or cheese. Would oil and gas competitor nations stop selling oil and gas if we shut down our industries? No. Look at our emissions compared to those worldwide – your data:

Aggregate financed GHG emissions reported in the first submission are approximately 301 million (MtCO₂e) for banks and 58.2 MtCO₂e for insurers. Combined, the financial industry reported around 360 MtCO₂e. While this figure is not directly comparable to Canada's national inventory—694 MtCO₂e, according to a September 2025 estimate by the Canadian Climate

Institute—it shows the magnitude of the financial sector’s indirect exposure to carbon-intensive activities.

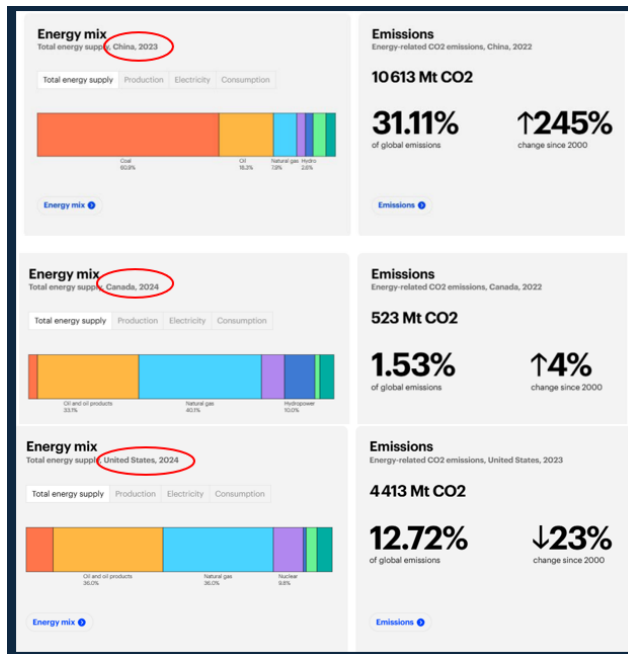
For the D-SIBs, sovereign bonds and corporate loans accounted for around 80% of these emissions. Excluding sovereign assets (37%, 111 MtCO₂e) without sectoral details, TVS represent about 50% of financed emissions led by Agriculture (mostly driven by livestock), Transportation, and Fossil Fuels.

And there is this table related to insurers’ exposure in your report:

	MtCO ₂ e
Fossil Fuels	29.8
Power Gen. & Dist.	6.8
Transportation	1.5
Manufacturing	0.9
Mining	0.5
Agriculture	0.4

What do we see when we look at the broader picture of two of the world’s largest emitters, the USA and China? Whatever reductions we might make in emissions, will be overtaken by China, which plans to be the world’s manufacturer of all hi-tech by 2025.

This year.



Source: IEA

Professor William van Wijngaarden has studied the impact of Canada’s greenhouse gas emissions on warming and finds our nation’s contributions are immeasurable.

Gas	World Warming	Canadian Contribution	Alberta Contribution
	C/Century	C/Century	C/Century
CO ₂	0.85	0.016	0.0052
CH ₄	0.085	0.0016	0.00052
N ₂ O	0.064	0.0012	0.0037
Total	1.0	0.019	0.006

six thousandths

-The world warming column is from: C. de Lange, J. Ferguson, W. Happer & W. A. van Wijngaarden, 2022, “Nitrous Oxide & Climate”, *Atmos. & Oceanic Phys.* arXiv: 2211.15780.
 -Canada produced 1.9% of CO₂ according to <https://www.worldometers.info/co2-emissions/>
 -According to Environment and Natural Resources Dept. of Government of Canada in 2019 Alberta generated about 37% of Canada’s carbon dioxide equivalent output.
 -For simplicity, we assume same emission fraction for CH₄ and N₂O as for CO₂

Canada has a bountiful agricultural industry. **Climate regulations and climate finance directives may damage or destroy it** – yet this is one area where Canada literally has huge ‘growth’ potential for export. **One benefit of carbon dioxide emissions is that of CO₂ fertilization.** Due to that and to nominal warming from CO₂ emissions, instead of a Social Cost of Carbon, there is a substantial **Social Benefit of Carbon.** Is consideration of this included in your climate risk directives?

Our research director, Ken Gregory, has done an analysis using the FUND model by adjusting the temperature projection to match climate models at a given climate sensitivity, adjusting the CO₂ fertilization effect based on new studies, and reducing the impacts of temperature change on space heating and cooling cost based on actual USA cost data. These were the results (the ‘-’ symbol indicates a benefit):¹⁹

*“Using an ECS of 2.0 degrees C, and a 3% discount rate, the SCC is about US-\$10.38 per tonne CO₂. With a 5% discount rate, the SCC is about US-\$5.92 per tonne CO₂. In both cases, CO₂ emissions are beneficial for the world. When the ECS is set to 1.6 degrees C to account for the UHIE [urban heat island effect] and the millennium cycle, and retaining the previous changes, the SCC is calculated by FUND to be about US-\$13.07 per tonne CO₂ at a 3% discount rate and about US-\$7.28 per tonne CO₂ at a 5% discount rate. That is, CO₂ emissions are currently quite net beneficial. **This finding is significantly different from the estimates used by Environment and Climate Change Canada (ECCC) and calls into question virtually all of the expenditures made by governments and industry in Canada to reduce emissions.**”*

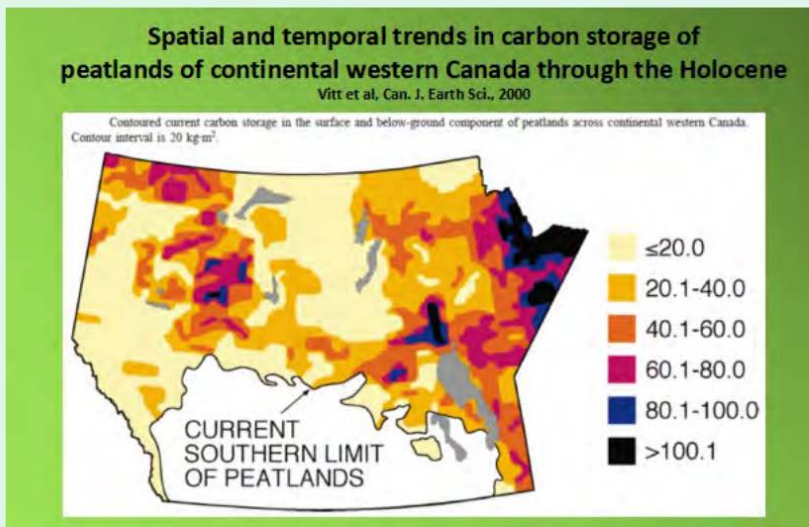
¹⁹ <https://blog.friendsofscience.org/2025/09/28/the-us-doe-critical-review-of-the-impacts-of-greenhouse-gas-emissions-on-the-u-s-climate-a-simplified-version-of-ken-gregorvys-comments/>

Two scientific studies show that the global UHIE added a 50% component to the observed warming over land since 1980. This was determined by analyzing the strong statistical correlation between indicators of urban development and warming.

The current Ottawa-Alberta MOU calls for a 75% reduction in emissions from the oil and gas and agriculture sectors. If OSFI requires banks and insurance companies to equate methane emissions as 'high climate-risk' industries, and if Senator Rosa Galvez' Bill S-238 goes through, the oil and gas and agricultural sectors of Canada will be devastated – squeezed by climate ideology in finance, versus science and evidence.

To this point, Dr. Joseph Fournier, explained how Canada's massive peat bogs are by far the largest emitter of methane in Canada, to levels that cannot even be properly measured as the emissions fluctuate dramatically based on diverse and complex factors such as atmospheric pressure, wind, temperature, and more. He questions the discriminatory bias toward agriculture from the climate community, and demonstrates that natural peat bogs, aka Mother Nature, are the larger methane emitters.²⁰ As shown above in Prof. Wijngaarden's work, Canada's industrial methane emissions are an immeasurable part of 'global warming.' From Dr. Fournier's presentation:

Estimating Background Biogenic Emissions - Part III



Peat (carbon) accumulation increases in proportion to CH₄ emissions and decreases with reduced precipitation or higher temperatures.

Elevated CO₂ emissions suggest carbon content in soil is decreasing.

Expansion of the Boreal Forest is a precursor to the onset of the next glacial maximum - also called the Holocene Neoglacial sub-epoch.

Actual CH₄ emissions from Boreal ecosystems is at least 10x higher than from either Canadian oil & gas or agricultural sectors. Similarly we can expect biogenic N₂O emissions to be proportionately higher.

Excerpt of Dr. Fournier's presentation for Friends of Science Society: "Food Prices, Farming and Net Zero Ideology"
<https://friendsofscience.org/assets/files/fournier-2025september-fos-presentation1.pdf>

In climate risk evaluations, as outlined in your referenced Bank of International Settlements document, and the recent Bank of England Prudential Regulation Authority, Supervisory Statement 4/25, "Enhancing banks' and insurers' approaches to managing climate-related risks" of Dec. 03, 2025,²¹ the potential for litigation is also listed as a climate risk. **Consider that in future, vital industries like fossil**

²⁰ https://youtu.be/383_HY4T04s?t=1945

²¹ <https://www.bankofengland.co.uk/prudential-regulation/publication/2025/december/enhancing-banks-and-insurers-approaches-to-managing-climate-related-risks-ss>

fuels, power generation and distribution, transportation, manufacturing, mining and agriculture that have been discriminated against by financial and insurance organizations, may take legal action against those discriminating against them. It seems your proposed discriminatory financial considerations and the restrictions proposed by Senator Galvez' Bill S238, are contrary to your stated mandate:

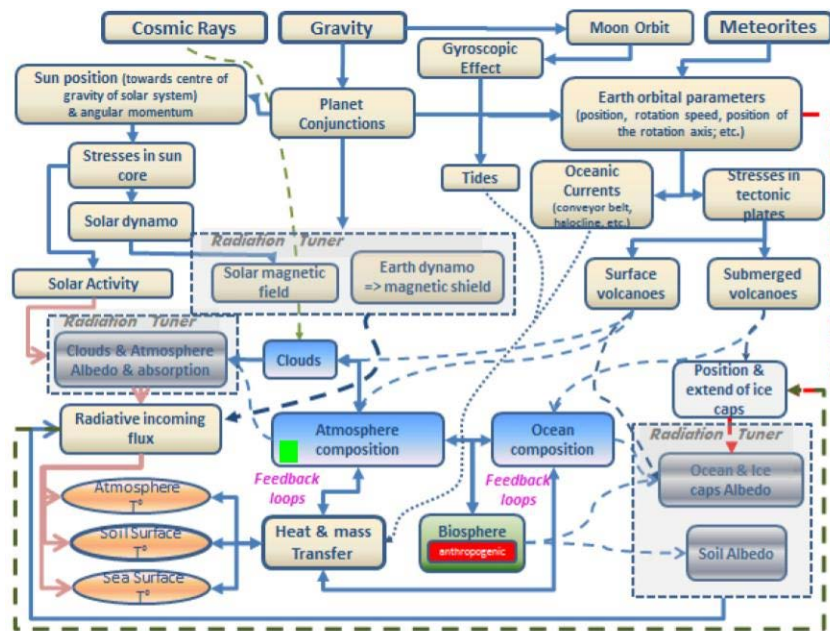
By supervising federally regulated financial institutions and pension plans in Canada, we're protecting Canadians. Our goal is to contribute to public confidence in Canada's financial system.

Either the industries damaged by such discriminatory action, that is not based on hard evidence or reliable cost-benefit analysis, may respond with legal action. Or a body of citizens who have suffered untenable loss of access to affordable food, electricity and energy due to your restrictive lending and insurance climate policies, may take a leaf from the climate activist notebook and file class actions against banks and insurance companies for dealing in bad faith, for using flawed resources like Kotz et al. What is the penalty for using flawed data to mislead people in the banking, finance and insurance communities, especially when the model was known to be exaggerated and faulty for over a year? What kind of deceptive climate risk policies are being set by relying on Kotz et al 2024; indeed, what deceptions are inherent in finance and insurance "climate risk assessments?" As Prof. Emeritus Happer and Prof. van Wijngaarden's work, and the global emissions evidence posted above, shows **will not have measurable impact on climate change.**

When will you issue a public statement about the impact of the misuse of Kotz et al, in particular, to balance the discussion related to the Galvez Bill S238?

The recent Bank of England directive (Sec. 4.123) suggests that under the Prudent Person Principle (PPP), "...where insurers bear the investment risk, insurers must diversify their assets to avoid excessive accumulation of risk in the investment portfolio."⁷⁴ Solvency II insurers should therefore consider whether there is an excessive accumulation of climate-related risks. Mitigants should be identified if risk accumulation is found to be excessive.⁷⁵

Shouldn't the Prudent Person Principle apply as one looks at the broader picture of climate drivers? Would not a Prudent Person then evaluate whether "taking climate action" to restrict



Visualization by Henri Masson, complex systems expert.

financing or insurance on any large emitting sector will have any significant impact on this non-linear, complex, chaotic system?

Further to the above, in the Bank of England's recent Prudential Regulation Authority document, there is significant emphasis on the notion that certain irreversible 'tipping points' may be reached.

Characteristics of climate-related risks

2.6 Climate-related risks to firms have three characteristics which, when considered together, present unique challenges and require a strategic management approach:¹⁴

- **The risks are systemic.** To varying extents, they will affect every customer, every company, in all sectors of the economy and across all geographies. Their impact will likely be correlated, non-linear, irreversible and subject to tipping points. Over time, they are likely to occur on a greater scale than other risks that firms are used to modelling and managing.
- **The risks are uncertain in both scale and timing and yet foreseeable to some extent.** The exact combination of physical and transition risks that will emerge is uncertain, but either current emissions pathways will continue (or worsen) and result in greater physical risks or the pathways will improve as a result of reducing emissions, likely resulting in greater transition risks.
- **The size and distribution of future risks is likely to be affected by actions taken now.** Once physical risks begin to manifest in a systemic way, it may already be too late to reverse many effects through emissions reductions. Similarly, the longer that meaningful adjustment to a lower emissions path is delayed, the more disruptive a transition is likely to be.

Source: Bank of England Prudential Regulation Authority Supervisory Statement 4/25, "Enhancing banks' and insurers' approaches to managing climate-related risks" of Dec. 03, 2025, page 6

The concept of "tipping points" originates with the German-based Potsdam Institute for Climate Impact Research (PIK),²² the very organization from which the flawed economic model, Kotz et al 2024, originated. One of the more prominent scientist-spokesman for PIK is Johan Rockstrom. Since at least 2017, he has advocated for a carbon price of some \$400/t²³ and has publicly stated, against all evidence, that, "The phase-out of fossil fuels is the easy one – there's no excuse not to do it...we have so much more to do than phase-out fossil fuels, let's just tick that one off, now."²⁴ More recently, Stephen Guilbeault, on CTV's Power Play with Vassey Kapelos, was advocating for a massive increase in the price of carbon to some \$400/t,²⁵ claiming that due to the Ottawa-Alberta MOU and the cancellation of the Clean Electricity Regulations for Alberta, that such an increase would be the only way Canada could meet its climate targets. As outlined below, with a comment by retired energy economist Robert Lyman highlighted, **Canada's climate targets are unattainable by any but the most intentional, draconian**

²² <https://www.pik-potsdam.de/en/home>

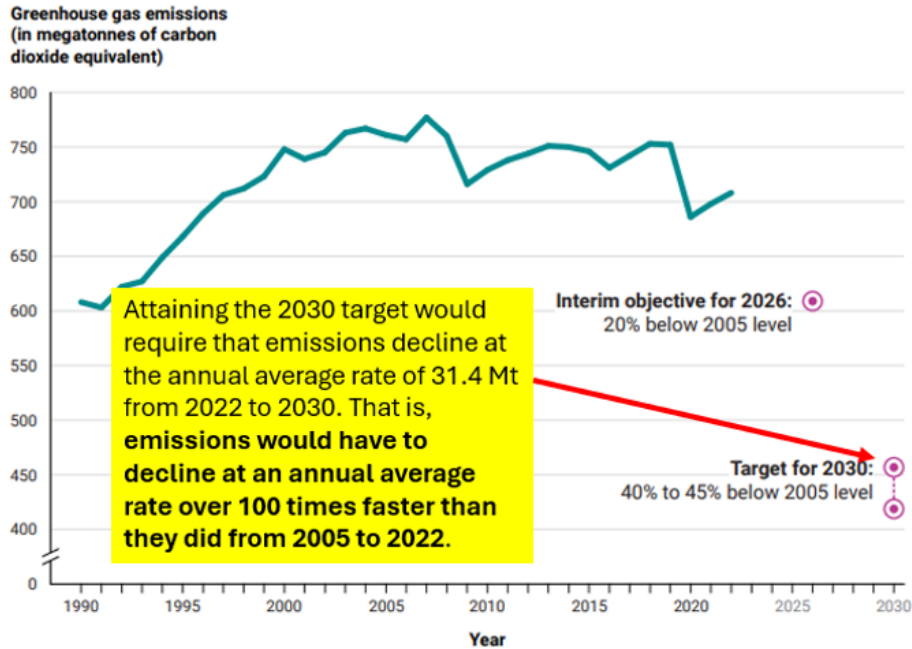
²³ <https://www.rescuethatfrog.com/wp-content/uploads/2017/03/Rockstrom-et-al-2017.pdf>

²⁴ <https://youtu.be/zxUkYohlPKE>

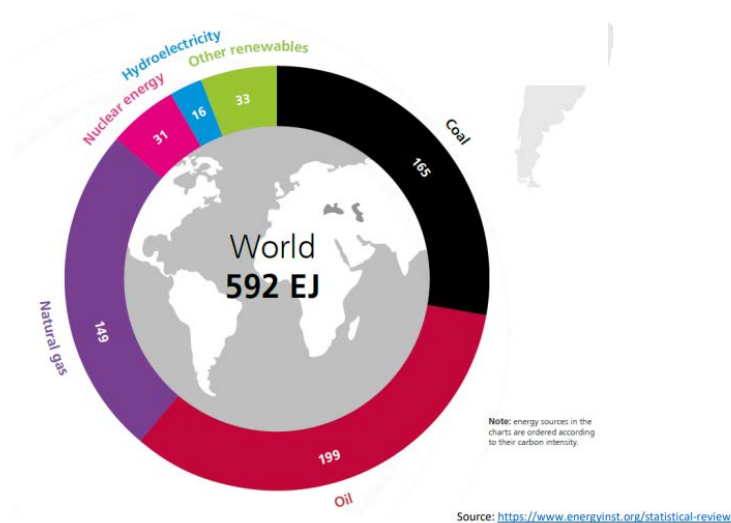
²⁵ https://x.com/CTV_PowerPlay/status/1996356733388648809?s=20

measures, such as a total collapse of industry and agriculture, let alone a \$400/t carbon tax. As shown above with the work of Happer and Wijngaarden, and the emissions evidence compared to that of China, Canadian efforts to ‘stop climate change’ by reducing our emissions is nothing but futile folly.

Exhibit 7.1—Canada’s greenhouse gas emissions, projections, objective, and target



Going back to the claims of Johan Rockstrom of PIK, that we can “phase-out fossil fuels immediately,” the evidence does not support his claim at all. The June 26, 2025, Statistical Review of World Energy, summarized by Robert Lyman²⁶ shows that no such transition is in progress.



²⁶ <https://blog.friendsofscience.org/wp-content/uploads/2025/06/STATISTICAL-REVIEW-OF-WORLD-ENERGY-2025final.pdf>

Further, in terms of Canadian energy use, security, and exports, this Sankey diagram from the federal government shows that electricity only constitutes 18% of Canada’s energy mix, with wind comprising only 7% of that, and that Canada benefits economically from our oil and gas exports.

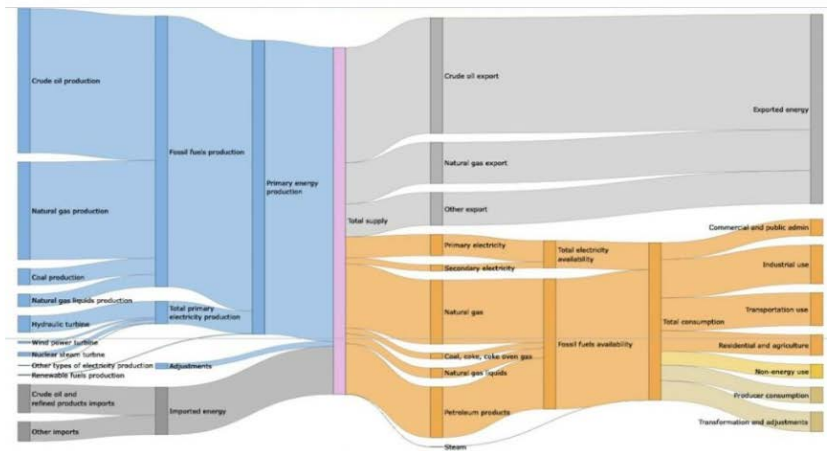


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INSIGHTS FROM A SANKEY DIAGRAM

SEPTEMBER 25, 2025 // 0 COMMENTS

Contributed by Robert Lyman © 2025. Robert Lyman's bio can be read [here](#).



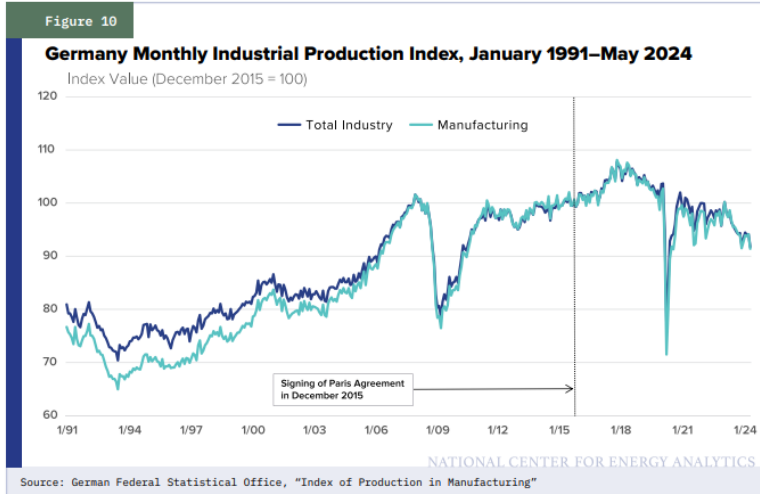
The full interactive original diagram comes from the Canadian Centre for Energy Information. The Sankey diagram depicts Canadian energy flows. The diagram for 2023 can be found [here](#).

It appears that Germany is following the advice of PIK climate activist scientists, to their detriment. The result is that Germany is once again deemed to be the “sick man of Europe” as outlined in an analysis by Paul H. Tice,²⁷ in “The SEC’s Climate Rules Will Wreak Havoc on U.S. Financial Markets.”²⁸ Germany is de-industrializing, in large part due to climate policies and the Ukraine-Russia conflict which led to the shut down of pipeline deliveries of oil and gas at reasonable market rates from Russia. But where are German companies going? Some are closing or dismantling factories and moving to more friendly locations with ample energy supplies at reasonable rates, like China²⁹ or the USA. They are destroying their own countries and economies for no global climate benefit; no carbon tax or Carbon Border Adjustment Mechanism (CBAM) will rebalance the books.

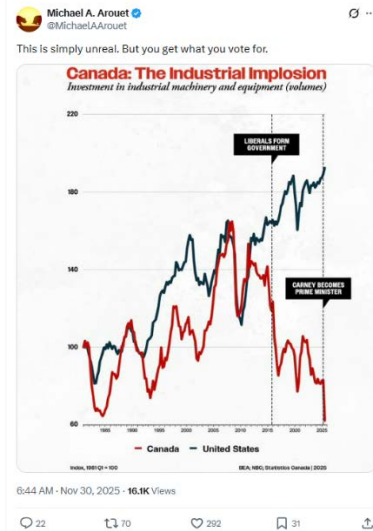
²⁷ Paul Tice spent 40 years working on Wall Street at some of the industry’s most recognizable firms, including J.P. Morgan, Lehman Brothers, Deutsche Bank/Bankers Trust and BlackRock. For most of his career, he specialized in the energy sector—both as a top-ranked sell-side research analyst and a buy-side investment manager—which has also made him an expert in climate policy and environmental regulation and its financial off-shoot, the ESG and sustainable investment movement. Paul is the author of “The Race to Zero: How ESG Investing Will Crater the Global Financial System.” <https://energyanalytics.org/team/paul-tice/>

²⁸ <https://energyanalytics.org/wp-content/uploads/2024/09/NationalCenterforEnergyAnalytics-PaulTice-Report-v6.pdf>

²⁹ <https://www.echemi.com/cms/1939901.html>



Source: <https://energyanalytics.org/wp-content/uploads/2024/09/NationalCenterforEnergyAnalytics-PaulTice-Report-v6.pdf>

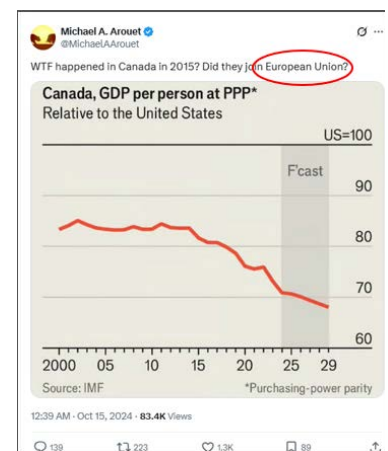


Unfortunately, Canada is following in Germany's footsteps.

In a Sept. 2024, op-ed in The Hill Times, titled "Where Europe leads on climate, the United States should not follow,"³⁰ Tice puts it succinctly:

"Rather than de-risking the financial markets through disclosures, these rules will inject more volatility by accelerating the shutdown of fossil fuel production, thereby weakening underlying economic fundamentals, restricting investment options and further eroding personal wealth and retirement savings. Instead of just shifting investment dollars away from carbon-emitting companies, the end result of these climate rules may be to drive capital away from the developed financial markets altogether.

It is long past time that government officials be required to show proof of concept for their climate policies and regulations, rather than simply rolling the dice on a clean energy transition and hoping that technology catches up in time." (bold added)



³⁰ <https://thehill.com/opinion/energy-environment/4901511-europe-climate-policy-risks/>



Thus, one can conclude, that PIK and the Kotz et al (2024) are indeed employing activist tactics, rather than scientific or well-grounded economic methods, as outlined in the opening quotes of this letter from the NYTimes.

The *NYT* also cites Lint Barrage, chair of energy and climate economics at ETH Zurich, who offers an important warning, and not just to the authors of KIW24, but more broadly to the climate research community:

It can feel sometimes, depending on the audience, that there's an expectation of finding large estimates. If your goal is to try to make the case for climate change, you have crossed the line from scientist to activist, and why would the public trust you?

Well said.

Have your reporting banks and insurance companies also provided an account of the enormous financial cost in terms of human resources and computing time, wasted on running climate risk analysis, when not all of the climate variables are even being considered? Is this being accurately reported to their shareholders?

As shown in the recent US DOE climate report "*A Critical Review of Impacts of Greenhouse Gas Emissions on the U.S. Climate*,"³¹ carbon dioxide has only nominal impact on warming. Most economists prefer an adaptation approach versus mitigation.

We would appreciate a response, preferably a public statement, as to where OSFI stands on the use of the Kotz et al material in climate risk evaluations, and any other comments you may have on this letter's insights. We hope you will also speak out and reject Senator Rosa Galvez' Bill S238 which would devastate our economy and food systems, as shown above.

Sincerely,

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

³¹ https://www.energy.gov/sites/default/files/2025-07/DOE_Critical_Review_of_Impacts_of_GHG_Emissions_on_the_US_Climate_July_2025.pdf