

FRIENDS OF SCIENCE SOCIETY

PO Box 61172 RPO Kensington
Calgary AB T2N 4S6
Canada

Toll-free Telephone: 1-888-789-9597

E-mail: contact@friendsofscience.org

May 06, 2026

Open Letter to the Office of the Superintendent of Financial Institutions on the Changing/Challenging Global Energy Supply Shock and Green Taxonomy Committee

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ATTN: Superintendent Peter Routledge

Cc:

Marlene Puffer, Inaugural Chair, Taxonomy and Transition Planning Council
Kathy Bardswell, Independent Appointment Committee Chair
Bank of Canada
Canadian Securities Administrators
Alberta Securities Commission
AIMCo
The Honorable Danielle Smith, Premier of Alberta
The Honorable Scott Moe, Premier of Saskatchewan
Toronto Stock Exchange
CSSB (sent via FRAS contact form)
Business Council of Canada

Dear Superintendent Routledge,

We note that you are an observer to the board of the Taxonomy and Transition Planning Council charged with establishing Canada's "Green Taxonomy."¹ According to a statement on their website, you are an enthusiastic supporter of this initiative, and you cite last fall's climate risk reports in support of the committee's work.

"Climate-related risks, as financial risks, continue to pose real threats to financial stability. Our climate scenario exercise and returns show clear evidence that these risks are escalating, not receding."



Peter Routledge
Canadian Superintendent of Financial Institutions (OSFI)

<https://www.businessfuturepathways.ca/about/>

¹ <https://www.businessfuturepathways.ca/governance/council/>

Kotz et al (2024) retracted: RCP 8.5 scenario is officially dead

As we have pointed out in several open letters to you, it is our view that the results of the climate risk reporting, if based on the flawed climate damage function of the retracted climate economics paper, Kotz et al 2024, (which was adopted by the Network for Greening the Financial System), the outcomes reported were likely skewed. Likewise, if reporting banks and insurance companies employed the scenario known as RCP 8.5 (van Vuuren et al 2011), the outcomes would not reflect reality, as RCP 8.5 is known to be an improbable scenario, intended for climate research, not intended to be used as a 'pathway' for climate policy.

As climate policy analyst, Roger Pielke, Jr., reports today, April 29, 2026, "RCP 8.5 is Officially Dead."² Related implausible scenarios have reportedly been eliminated from the IPCC climate science framework. He writes:

In a paper released earlier this month, [Van Vuuren et al. \(VVetal26\)](#) introduced a new set of seven scenarios. The authors write of the obsolete high-end emissions scenarios (emphasis added):

"For the 21st century, this range will be smaller than assessed before: on the high-end of the range, the CMIP6 high emission levels (quantified by SSP5-8.5) have become **implausible**, based on trends in the costs of renewables, the emergence of climate policy and recent emission trends."

Read that again — The high-end scenarios are [implausible](#).²

Pielke, Jr., goes on to note:

I disagree that the implausibility of the high-end scenarios resulted from the falling costs of renewables or the emergence of climate policy, but that is a debate for another day.

What matters today is that the group with official responsibility for developing climate scenarios for the IPCC and broader research community has now admitted that the scenarios that have dominated climate research, assessment, and policy during the past two cycles of the IPCC assessment process are implausible: They describe impossible futures.

Global Oil, LNG, and related manufacturing supply shocks ahead

In addition to this news, the global energy supply situation has changed dramatically since the announcement of the establishment of the Canadian 'green taxonomy' committee³ on April 13, 2026,

² https://open.substack.com/pub/rogerpielkejr/p/rcp85-is-officially-dead?utm_campaign=post&utm_medium=email

³ <https://esgnews.com/canada-launches-sustainable-finance-taxonomy-council-to-align-capital-with-climate-goals/>

due to the subsequent events of the US naval blockade of the Strait of Hormuz and regional conflicts in the Gulf.

Just two weeks later, energy investment commentator, Eric Nuttall, Partner and Senior Portfolio Manager with Ninepoint Partners LP, posted on X on April 27, 2026, a graph showing global oil destocking, noting “You have been warned.” **The incoming global energy supply shock will be severe.** Canada will be somewhat cushioned by the fact that we have domestic energy supplies (though not with equal delivery/access to all parts of the country), but this will not make up for globally non-existent barrels of oil or LNG shipments, product streams from oil and LNG, or essential elements for mining, manufacturing, and agriculture (sulphur, helium, urea, etc.). The restoration of Gulf facilities and confident shipping will take months and years, even if the conflict ends quickly.

“Green” energy and devices (like EVs) are made from fossil fuels. Hi-tech electronics require those now absent/severely reduced elements for manufacturing that are blocked in the Strait of Hormuz or are no longer in production in the Gulf states. Thus, a green taxonomy may be moot.



On Oct. 20, 2021, Robert Lyman contributed an article titled “Will We Squander Canada’s Energy Resource Heritage?”⁴ in which he outlined the value of Canada’s conventional energy reserves:

To sum up the previous sections, if they could be sold at present international prices Canada’s fossil fuel reserves would yield gross revenues of about US \$21 trillion. While it is far more difficult to assess the likely net revenues that could result from their sale, it could easily be in the range of Cdn\$13 trillion. The infrastructure to move it to market, including pipelines, railways and ports probably adds at least \$300 billion.

⁴ <https://blog.friendsofscience.org/2021/10/20/will-we-squander-canadas-energy-resource-heritage/>

By comparison, at this time of global energy shock, a “green taxonomy” will not be a market winner.

As Robert Lyman reported in his 2023 presentation “When Will Climate Policy Hit the Wall?”⁵ in the section on clean-tech he wrote:

- For every job created in renewables, two to three are lost elsewhere
- Canada’s clean technology sector is 3% of GDP – same as in 2007

Decarbonized oil is a tax-subsidized shell game for carbon markets

As a ‘green’ taxonomy, the concept of ‘decarbonized oil’ via Carbon Capture Utilization and Storage (CCUS) gained some currency in the recent MOU and negotiations between Alberta and Ottawa. At Friends of Science Society, we see this gambit as an expensive shell game that financially benefits carbon traders but does nothing to address climate change. CCUS, as planned, simply burdens taxpayers with on-going, inescapable costs, as outlined in the video, “[Can we ‘decarbonize’ oil?](#).” Note that our president, Ron Davison, P. Eng. was part of the first CCUS project that we know of; this is an area of expertise.

At this time of a true global energy crisis, the billions of dollars that would be slated for CCUS could be much better spent **getting our Canadian oil, gas and critical minerals to tidewater via additional pipeline capacity, new pipelines, improved road and rail, and improved upgrades to existing ports and the development of new deepwater ports. Most of the projects on that short list will take years; these are not enticing ‘big ideas’ for investors, but these are the forgotten pillars of our once powerful manufacturing and exporting society – solid, reliable transportation and export infrastructure.** These are the things that will return the best value for the nation, for all industries, jobs and citizens.

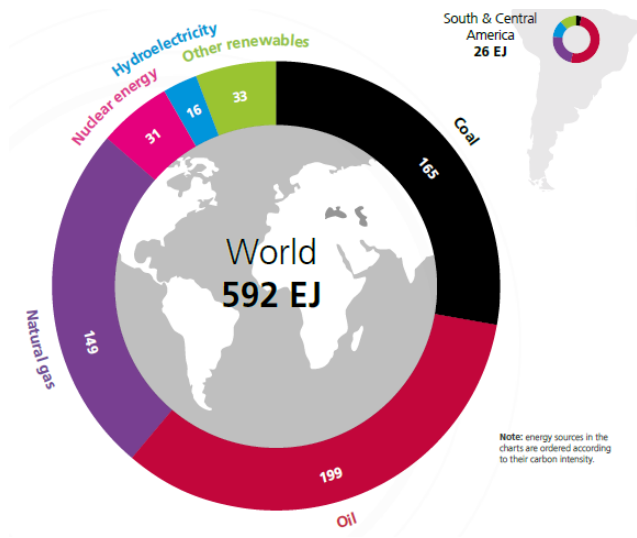
However, they will not bear the flashy label of ‘green;’ will billions more investment dollars be misallocated because of this misplaced affection for ‘green’ projects and meeting ESG/climate targets? We hope you will bring these matters to the attention of the green taxonomy committee as well as the banks, insurers and other financial institutions under your supervision. **Improved transportation and energy delivery infrastructure is critical to the future economy of Canada. Authoritarian capitalism, where banks and other financial/insurance bodies are directing or restricting capital based on favorites, will damage the Canadian economy.** The picking of favorites, which a ‘green taxonomy’ does, was pointed out in April of 2018 in the “Musings” newsletter of PPHB Energy Bankers as destructive to investment in Canada. This statement was issued about the time that Kinder Morgan dropped tools on TMX, exasperated with ENGO lawfare and pipeline *Blockadia*.

⁵ <https://friendsofscience.org/library/events/friends-of-science-twentieth-annual-event,-with-dr.-ian-clark-and-robert-lyman.html>

For an industry that operates with decades-long planning and development timetables, this hostile attitude could cause long-term damage for Canada's economy

For the federal government, its support of certain energy projects, while fighting others, has allowed itself to be positioned as both pro-energy and anti-energy. This split political personality is seen by the global energy industry as a sign Canada has evolved into a hostile location to do business. For an industry that operates with decades-long planning and development timetables, this hostile attitude could cause long-term damage for Canada's economy, and especially its western provinces where the energy industry is centered. Energy hostility will also put the mining, timber and other extractive industries on notice that their growth may soon become challenged.

We know that your office does not set Canadian climate and energy policies, Superintendent Routledge. However, through your climate risk reporting directives, you do continue to give credence to the claim that a climate crisis is imminent and economically catastrophic, thus supporting a push for the alleged 'green' transition, which is not happening. As Michael Cembalst, energy market analyst with JP Morgan, reported in the March 2025 report, "Heliocentrism: Objects may be further away than they appear", ⁶ "Yet after **\$9 trillion globally over the last decade spent on wind, solar, electric vehicles, energy storage, electrified heat and power grids, the renewable transition is still a linear one; the renewable share of final energy consumption is slowly advancing at 0.3%–0.6% per year.**" (bold emphasis added)



Source: Energy Institute⁷

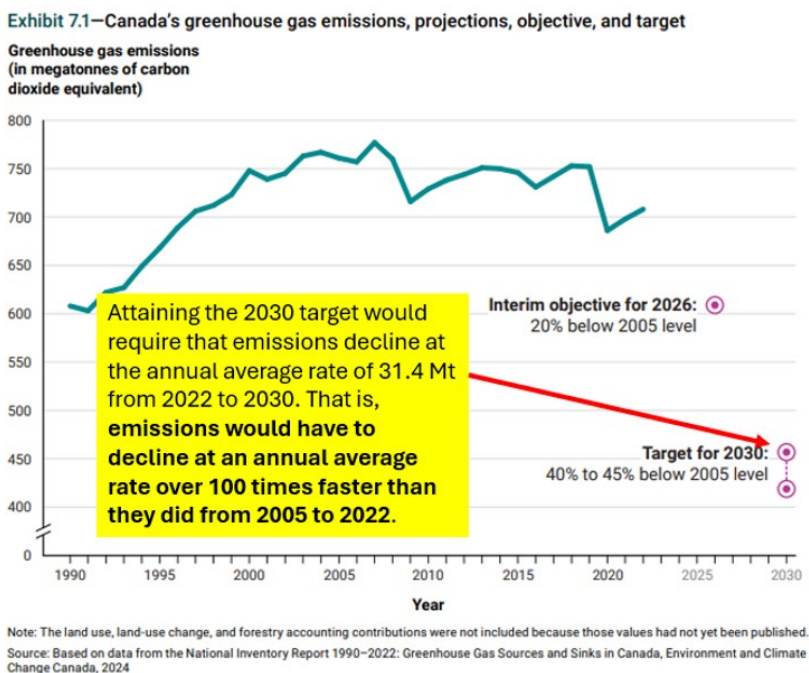
⁶ <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/eye-on-the-market/heliocentrism-amv.pdf>

⁷ <https://blog.friendsofscience.org/2025/06/30/statistical-review-of-world-energy-2025-some-highlights/>

This results in misallocation of precious public funds. Based on the current situation and the information below, we do not believe there is any imminent climate crisis.

Canada cannot meet Paris targets without massive deindustrialization

First of all, Canada cannot meet its Paris targets without destroying the economy completely.



Geopolitical energy expert, Prof. Samuel Furfari, reported in his book *“The Truth about the COPs: Thirty Years of Illusions,”*⁸ global energy use rose 65% ever since the first UNFCCC Conference of the Parties, demonstrating the failure of the COP climate/energy mandate and process.

By contrast, the conflict and US naval blockade in the Gulf has attained, in the space of a few weeks, a drop in energy supply that will reverberate for years.

Significant discrepancies in climate reporting found in Canada and the USA

Two climate science researchers have recently revealed significant issues with long-term climate reporting. In Canada, former Bank of Canada data scientist, Dr. Joseph Hickey, found serious discrepancies in the long-term climate data records in Canada. His report [“Artificial stepwise increases in homogenized surface air temperature data invalidate published climate warming claims for Canada”](#) indicate that in about 1998, there was a sudden, unexplained one-degree Celsius jump in climate data.

⁸ <https://www.amazon.ca/Truth-About-COPs-years-illusions-ebook/dp/B0FXN44PSD>

This year coincides with the implementation of the Kyoto Accord, though that may be purely coincidental.

Data analysis by our president, Ron Davison, P. Eng., indicates that globally there was an incremental rise in other data sets due to an El Niño year, but the step increase was maintained, suggesting that the temperature jump was natural and not due to CO₂.

For a quick video overview, Tom Harris of the International Climate Science Coalition discussed Dr. Hickey's work in this recent presentation from the Heartland Institute's 16th International Annual Climate Science Conference in Washington.⁹

More recently, Dr. John Christy (ret) of the University of Alabama Huntsville, has done a data analysis of the U.S. Historical Climatology Network (USHCN) record back to 1899. As reported in [Phys.org](#) on April 21, 2026, Christy found that *"both hot and cold temperature extremes across the contiguous United States have declined over the past 127 years."* Christy's paper was published in [Theoretical and Applied Climatology](#).

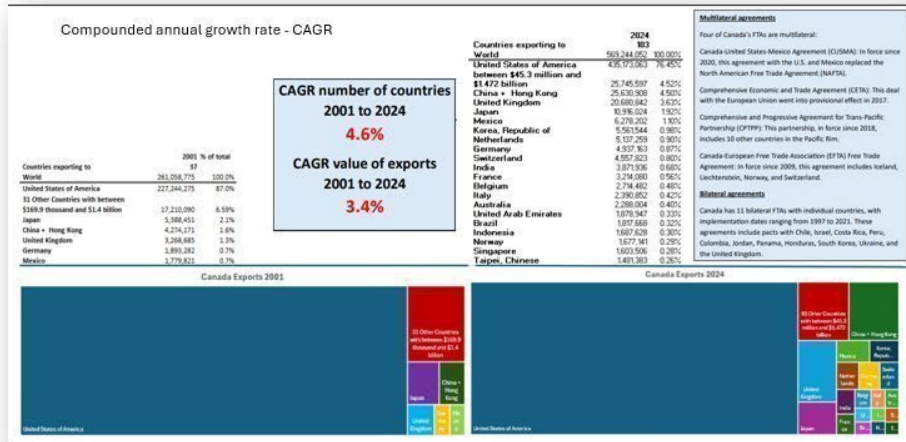
The rationale for a 'green taxonomy' to stop climate change has evaporated

The push for 'green' transportation like EVs in Canada has led to a series of malinvestments that have cost taxpayers billions of dollars in losses. The 'solution' – based on Canada's recent pivot to China as a strategic partner – is to allow 49,000 Chinese EVs into Canada at a most favored tariff rate.

But what will be the attendant losses as Canada's own auto sector is decimated by this move. As discussed in committee meetings this week, the head of GM Canada stated, *"This (Chinese EV agreement) will undermine Canada's supplier base and hollow out our skilled automotive workforce."*¹⁰

⁹ <https://youtu.be/nCqTA0bQ9il?t=22777>

¹⁰ <https://x.com/RaquelDancho/status/2049231811486925197?s=20>



- Between 2001 and 2024, the number of partner countries increased from 37 to 103.
- While Canada increased the number of destinations, it did not expand the value range at the top end. More countries are now sharing smaller slices of the export pie—diversification by count, not by value.

Canada did Diversify Markets.

Source: "Elbows Up or Down?"¹¹

See also: *Facts on Canada's Global Trade – An Open Letter to Senior Deputy Governor Carolyn Rogers*¹²

*Open Letter to Governor Tiff Macklem of the Bank of Canada on his Speech in Saskatchewan*¹³

The Risks?

Whatever one thinks of the risks associated with global fossil fuel use, the actual data on global energy supply and demand indicate beyond any reasonable doubt that global consumption of hydrocarbons continues to increase. This is almost entirely due to the growth in consumption in the developing countries. Canada's role in those global emissions is negligible. Whatever Canada does or does not do to reduce emissions, regardless of costs, can have no measurable impact upon global emissions, temperatures or weather. The "risks" associated with energy investment, in other words, are almost all related to missing the opportunity to develop more energy to meet the world's needs, not to missing emissions reductions goals that are little more than environmentalist virtue signalling.

Thank you for your review of this material. It is clear that the alleged climate crisis was based on the improbable RCP 8.5, now officially shelved by climate science authorities.

¹¹ <https://youtu.be/N2eMaBL5AeU>

¹² <https://blog.friendsofscience.org/2025/10/17/facts-on-canadas-global-trade-an-open-letter-to-senior-deputy-governor-carolyn-rogers/>

¹³ <https://blog.friendsofscience.org/2025/09/30/open-letter-to-governor-tiff-macklem-of-the-bank-of-canada-on-his-speech-in-saskatchewan/>

There is thus little justification for a 'green taxonomy' – especially in light of the looming global energy shock. **Canada must do everything it can to be prepared with broad domestic access to the most affordable, reliable, conventional energy of every kind, ample supplies of fertilizer and diesel for our agricultural communities, and improved transport and export capacity for excess energy, mineral and agricultural products in all directions.**

Sincerely,

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