



# Has Mark Carney Abandoned his Climate Goals? The Facts.

Leopards can't change their spots

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*Concept:*

*A leopard can't change its spots: People are unable to change their innate nature or character... close up By [Lila Patel](#)*

# HAS MARK CARNEY ABANDONED HIS CLIMATE GOALS? – THE FACTS

## EXECUTIVE SUMMARY

The departure of Steven Guilbeault, former Minister of Environment and Climate Change from political office has given rise to several media comments about what this means for Prime Minister Mark Carney's commitment to the climate policy long embraced by his predecessor, Justin Trudeau. In this article, I compare what actually has changed and not changed between the Trudeau and Carney climate policies.

The Carney government removed the federal fuel charge (generally known as the consumer carbon tax) effective June 1, 2025. The government did not change the "other" consumer carbon tax, known as the Clean Fuel Regulations (CFR). The Carney government also left in place the industrial carbon tax. The rate of the industrial carbon tax was subsequently raised to \$95 per tonne of carbon dioxide equivalent (CO<sub>2</sub>eq) in 2026 and will increase by annually set amounts until it reaches \$130 per tonne in 2035 and \$140 in 2040.

This marks a reduction in the rate of the tax, which had previously been scheduled to rise to at least \$170 per tonne in 2030. It does not change the rationale for the tax, which is to force industrial producers to reduce their hydrocarbons consumption, nor does it change the ultimate goal of the tax.

The federal government previously proposed to implement by regulation an oil and gas greenhouse gas (GHG) emissions cap on the upstream oil and gas industry. In a December 2025 Memorandum of Understanding, the federal and Alberta governments later agreed to eliminate this specific cap conditional upon several other provisions of the MOU being met. Whether or not this represents a moderation of federal climate policies thus depends largely on whether the other provisions of the MOU will be met. The removal of the cap on GHG emissions from

the oil and gas industry simply means that the federal government will place increased reliance on other instruments to achieve the same objectives.

The federal government previously imposed a series of mandates on light duty vehicle manufacturers requiring them to meet a series of increasingly stringent goals in terms of the percentage of zero-emission vehicles they sold, rising to the point at which 100% of new car sales would have to be zero-emission by 2035. Contrary to public perception, however, one regulatory standard has simply been replaced by another one, a stricter set of outcome-based GHG emissions tailpipe standards designed to make 75% of new cars electric by 2035. This really means that in 2035 – less than 10 years from today – when the only vehicles which conform to the new standard are EVs, that will be all that consumers can buy.

There is a long list of barriers to the successful regulatory approval, financing and building of a new oil pipeline from Alberta to the Northwest coast of British Columbia. The Carney government has given no commitments to removing these barriers.

It has long been part of climate activists' public relations campaigns to claim that emissions reduction measures will promote economic development rather than stifle it. I describe here flawed assumptions underlying the thesis that Canada or the world can quickly and affordably decarbonize the electrical energy system.

Nor can Canada realistically gain a competitive advantage in the production and export of green technologies. The central reality of the global market for production and sale of green technologies is that China has an overwhelming competitive advantage due to its massive state-backed industrial strategies, unparalleled industrial scale, and dominance over critical mineral supply chains.

The departure of Steven Guilbeault, former Minister of Environment and Climate Change from political office has given rise to several media comments about what this means for Prime Minister Mark Carney's commitment to the climate policy long embraced by his predecessor, Justin Trudeau. Stephanie Taylor and Catherine Levesque, writing in the National Post, headlined that the Liberals' Climate credibility is "in Limbo", citing a "weakening of the industrial carbon tax", "cancelling of a scheduled cap on oil and gas emissions", "scrapping of a national electric vehicle mandate", and "signaling an openness to repealing parts of the oil tanker moratorium off British Columbia's northwest coast". Tim Gray, writing in the Hill Times, claimed that "the federal government has gone all in on fossil fuels". Father Raymond De Souza, a generally centre-right editorialist in the National Post, contrasted Carney's climate policies with those of Justin Trudeau by describing them as promoting "climate prosperity" (a lucrative transition to a low-carbon economy) rather than "climate penance" (punishing Canada for a high-carbon past). Even Alberta Premier Danielle Smith is now being quoted as seeing Carney as a leader who can be trusted.

In this article, I will test these perceptions against the facts; that is, what actually has changed and not changed between the Trudeau and Carney climate policies.

### CONTEXT

I have long been concerned by Canadians' limited awareness of the climate policies have been implemented over the period since 2014. In 2025, I co-wrote with Robert Scagel an article entitled, [\*"Hoqqing Your Wallet: Climate Policy Measures – What Canadians Need to Know and Don't"\*](#). Here is a short version of that article.

- The goal of climate policy is to sharply reduce Canada's greenhouse gas (GHG) emissions so that, by 2050, they have either been eliminated or offset by various measures;

- Human-related GHG emissions, largely from the burning of fossil fuels, now represent about 73% of Canada's energy use.
- The federal and provincial governments have implemented a wide range of policy instruments to encourage and/or force emissions reductions. These include between 140 and 327 different measures (the totals differ by source) including: carbon taxes and other charges applied on consumers and industry; subsidies to consumers, producers and other orders of government; tax credits; regulations (performance standards, technology mandates and product standards); information (e.g. labeling); onerous reporting requirement for business; government procurement; research and development; and funds given to non-governmental organizations to aid them in influencing public behavior. **There is no reliable inventory of all the measures that have been implemented and few have been assessed in terms of their costs and benefits or the extent to which they overlap and duplicate.**
- No authoritative figure has ever been published by the federal government as to the projected economic or financial costs of the measures that would have to be taken to achieve "net-zero" GHG emissions by 2050. Professor Ross McKittrick has estimated that under the measures announced to date, Canada's GHG emissions by 2050 would fall by about 70 percent, relative to the base case, which is enough to reach the Paris target but not net-zero. **The simulations also show that the costs to the economy are exceptionally severe, including a seven percent drop in GDP, relative to the no-policy base case, a six percent relative loss in GDP per worker, a reduction in employment (due to declining labour demand and some workers leaving the labour force) of about a quarter million positions, and a cost per employed person exceeding \$8,000 annually.**
- Canada's annual GHG emissions now account for about 1.5% of global emissions in a world in which emissions are growing almost every year due to economic and population trends in Asia.
- The complete elimination of Canada's emissions would have effects on global carbon dioxide concentrations and weather that are too small to measure.

**The Carney government removed the federal fuel charge (generally known as the consumer carbon tax) effective June 1, 2025.** John Robson offered a trenchant explanation as to why this was done.

*“Here are the deep thoughts of this tri-national central banking wizard: ‘The Consumer Carbon Tax isn’t working – it’s become too divisive.’ A slightly more principled approach would be to suggest that if it ‘isn’t working’, and is instead offending people, it must have something to do with not accomplishing its general purpose of fixing the weather while making us all wealthier, nor with its specific purpose of re-electing your party...So, do you have any thoughts on what turned the thing we were long patronizingly told was far and away the most sensible, market-friendly, efficient, wise-person-advocated measure into a dud? Uh, no.”*

**The government did not change the “other” consumer carbon tax, known as the Clean Fuel Regulations (CFR).** These reduce greenhouse gas emissions by requiring liquid fossil fuel producers and importers to gradually lower the lifecycle carbon intensity of gasoline and diesel. The rules aim for a 15% reduction in carbon intensity below 2016 levels by 2030. Environment and Climate Change Canada (ECCC) estimates that the CFR will increase the price of gasoline and diesel in 2030—the year in which the CFR reach full stringency—by up to 17 cents per litre and 16 cents per litre, respectively. The Parliamentary Budget Office estimates that at the national level, in 2030, **the cost of the Clean Fuel Regulations to households ranges from \$231 for lower income households to \$1,008 for higher income households.**

So, consumers have not been completely exempted from carbon taxes.

The Carney government also left in place the industrial carbon tax. The federal announcement stated that:

*“According to independent estimates, industrial carbon pricing is the climate policy with the single largest contribution to achieving our climate targets, all while helping us transform and*

*grow our economy. The government intends to refocus federal carbon pollution pricing requirements on ensuring carbon pricing systems are in place across Canada on a broad range of greenhouse gas emissions from industry. The government intends to strengthen Canada's approach to carbon pricing for industry to ensure its continued effectiveness.*

*The federal government intends to engage with provinces, territories, Indigenous Peoples, and stakeholders on changes to the minimum national stringency standards for carbon pollution pricing, known as the federal 'benchmark' criteria."*

The rate of the industrial carbon tax was subsequently raised to \$95 per tonne of carbon dioxide equivalent (CO<sub>2</sub>eq) in 2026 and will increase by annually set amounts until it reaches \$130 per tonne in 2035 and \$140 in 2040.

**This marks a reduction in the rate of the tax, which had previously been scheduled to rise to at least \$170 per tonne in 2030. It does not change the rationale for the tax, which is to force industrial producers to reduce their hydrocarbons consumption, nor does it change the ultimate goal of the tax. It means, in effect, that the federal government intends to substitute other measures to achieve the targeted emissions reduction.**

The industrial carbon tax falls most heavily on plants that are emissions intensive, notably those on the resource extraction and manufacturing sectors. **None of the businesses in these sectors located in other countries with which Canada trades are subject to such a tax. It therefore continues to place Canadian businesses at a competitive disadvantage relative to similar firms in other countries. It just kills them more slowly.**

#### CAP ON OIL AND GAS EMISSIONS

**The federal government previously proposed to implement by regulation an oil and gas greenhouse gas (GHG) emissions cap on the upstream oil and gas industry.** The goal of the regulation was to cap emissions at 35% below 2019 levels for 2030–2032. Alberta and other provinces challenged the constitutionality of the proposed regulation, as an effective cap on production. **In a December 2025 Memorandum of Understanding, the federal and Alberta**

**governments later agreed to eliminate this specific cap conditional upon several other provisions of the MOU being met.**

Whether or not this represents a moderation of federal climate policies thus depends largely on whether the other provisions of the MOU will be met. Among other things, **the MOU marks a significant concession by Alberta in the statement that “Canada and Alberta remain committed to achieving net zero greenhouse gas emissions by 2050”.** Page | 8

For reasons that have been well elaborated [elsewhere](#), this amounts to a political commitment to an undesirable and unattainable goal. **The climate policy context established by the Trudeau government and continued by the Carney government includes as essential features the eventual complete elimination of emissions-intensive industrial activity of the types that are integral both to Alberta’s resource economy and its standard of living.** The policy stresses primary reliance on pricing/taxation measures that sharply raise the costs of producing and consuming fossil fuels. As noted previously, it leaves in place over 140 other regulatory, subsidy and tax-related measures in overlapping ways that reinforce the effects of the carbon pricing measures.

**Thus, the removal of the cap on GHG emissions from the oil and gas industry simply means that the federal government will place increased reliance on other instruments to achieve the same objectives.** Alberta has agreed to increase the industry carbon tax to at least \$130 per tonne by 2026, but the agreement says nothing about the federal government’s intention to raise industry carbon taxes after 2040, and possibly to \$300 per tonne or higher by 2050. The MOU commits Alberta to support the continued reduction in methane emissions by 2025, with no acknowledgement that such emissions reductions are extremely costly and that the ultimate federal goal (consistent with net zero) is to completely eliminate all methane emissions from oil and gas production (assuming that is even possible). The commitment to increase electricity transmission lines linking Alberta, British Columbia and Saskatchewan and to promote increased nuclear energy generation will add to consumers’ electricity bills costs that otherwise would not have been necessary absent the Net-Zero goal.

The federal government previously imposed a series of mandates on light duty vehicle manufacturers requiring them to meet increasingly stringent goals in terms of the percentage of zero-emission vehicles they sold; by 2035 100% of new car sales would have to be zero-emission. It became obvious from consumer buying behaviour that these goals simply could not be met, and vehicle manufacturers were losing billions of dollars per year.

**Contrary to public perception, however, one regulatory standard has simply been replaced by another one, a stricter set of outcome-based GHG emissions tailpipe standards designed to make 75% of new cars electric by 2035.**

In addition, and in keeping with the federal government's longstanding practice of "pancaking", or duplicating, emissions-reduction measures, the government reintroduced taxpayer-paid subsidies of up to \$5,000 for battery-electric vehicles and \$2,500 for hybrids. These are just the tip of the subsidy iceberg where vehicles are concerned. **There are 17 other federal government regulation or subsidy programs aimed at either increasing the cost of owning or operating vehicles powered by internal combustion engines or decreasing the costs of owning and operating zero-emission vehicles.** Notably, these include \$630 million for ZEV charging and refueling infrastructure, \$500 million for Canada Infrastructure Bank subsidies to ZEV charging infrastructure, \$548 million in incentives for medium and heavy-duty zero-emission vehicles, and \$500 million for large scale urban ZEV refueling infrastructure.

## THE WEST COAST OIL PIPELINE AND TANKER MORATORIUM

As I elaborated in a recent [article](#), there is a long list of barriers to the successful regulatory approval, financing and building of a new oil pipeline from Alberta to the northwest coast of British Columbia. The **Carney government has not committed to removing these barriers.**

If the proposed pipeline were to a port on the northern British Columbia coast, its acceptance would run counter to the federal *Oil Tanker Moratorium Act*, which received Royal Assent on June 21, 2019. This Act prohibits oil tankers carrying more than 12,500 metric tons of crude or persistent oil from stopping, loading, or unloading at ports along British Columbia's northern

coast. This law covers tanker movements in areas from northern Vancouver Island to the Alaska border, including Haida Gwaii.

**Mark Carney has left the door open to potentially repealing the Oil Tanker Moratorium Act to facilitate a new Alberta-to-BC pipeline, stating that his government is focused on "results" rather than rigid objectives.** While engaging with Coastal First Nations who oppose the move, Carney has commented on the potential for "alternative routes" to Asian markets, which implies a willingness in principle to endorse a west coast pipeline. **When asked about repealing the tanker ban or emissions caps, Carney said "it depends", and he was focusing on "lower carbon" results rather than prohibiting projects. This statement leaves unclear which actions to lower carbon dioxide emissions could possibly satisfy the federal government enough to revise the legislation. Absolutely nothing is certain.**

Both the British Columbia government and most indigenous groups in British Columbia have expressed their strong opposition to a new west coast oil pipeline. No federal government has previously sought to override the opposition of a province to construction of a transit pipeline or transit electricity transmission line. It simply is not credible that the Carney government would do so now.

## CLIMATE PROSPERITY

It has long been part of climate activists' public relations campaigns to claim that emissions reduction measures will promote economic development rather than stifle it. The essence of this claim is that the world will somehow be better off eliminating the uses of the generally secure and affordable hydrocarbons that now constitute over 80% of global energy consumption and replacing them over a single generation by renewable energy sources and a vastly electrified world economy. A counterpart thesis is that countries like Canada can attain an international competitive advantage in the production and processing of the so-called "green technologies". There is not even a tiny shred of evidence to support these claims, yet they continue to have wide appeal, especially to those with little knowledge of energy markets, current infrastructure and the mineral resource requirements of a completely "decarbonized" energy system.

Consider, for example, the flawed assumptions that underlie the thesis that Canada or the world can quickly and affordably decarbonize the electrical energy system.

Electrical energy must by its nature be supplied exactly when and where it is demanded all the time and in all kinds of weather. Yet, wind and solar facilities provide only intermittent power, which must be fully backed up by something – fossil fuel generators, nuclear plants, batteries, or some other form of energy storage – so that customer demand can be matched at times of low wind and sun, thus keeping the grid from failing. The governments pursuing the “Net Zero” objective have mostly or entirely ruled out fossil fuels and nuclear as the backup, leaving some form of storage as the main or only remaining option. They have then simply assumed that storage in some form will become available.

Their consideration of how much storage will be needed, how it will work, and how much it will cost has been entirely inadequate. The Global Warming Policy Foundation recently published an [article](#) on this subject by Francis Menton, an American analyst who writes as the “Manhattan Contrarian”. In the article, Menton notes that building enough energy storage to back up a predominantly wind/solar generation system is an enormous problem, and very likely an unsolvable one.

*“At this time, there is no proven and costed energy storage solution that can take a wind/solar electricity generation system all the way to Net Zero emissions, or anything close to it. Governments are simply setting forth blindly, without any real idea of how or whether the system they mandate might ultimately work or how much it will cost. The truth is that, barring some sort of miracle, there is no possibility that any suitable storage technology will be feasible, let alone at affordable cost, in any timeframe relevant to the announced plans of the politicians, if ever. This report seeks to shine a light on the critical aspects of the energy storage problem that governments have been willfully ignoring. Section 1 shows that full backup is indispensable in an electricity grid powered mainly by intermittent generation. Without it, there would be frequent blackouts, if not grid collapse.”*

Menton assesses the cost and feasibility of acquiring battery storage on the scale required to deliver Net Zero. Even on the most optimistic assumptions, the cost could be as high as a country's annual GDP, thus rendering the entire Net Zero project an impossibility. On less optimistic assumptions, the capital cost alone could be 15 times annual GDP. Further, it is not just costs that render the goal infeasible, but also practical limitations. Current battery technologies provide about four hours of discharge at maximum capacity, but weather patterns mean that grids need batteries that can store as much as a month's demand, and then discharge that energy over the course of six months or more. Such 'long duration' batteries have not yet been invented.

To cite another example of a technological barrier, consider the prospects for hydrogen. It is highly debateable whether hydrogen power will play a major role in the future energy economy. Despite the investment of many billions of dollars in hydrogen power research, especially in the USA, the fundamental problems with hydrogen as an energy carrier remain. Consider, for example, the problems of transportation and distribution. Before hydrogen can be transported anywhere, it needs to be either liquified or compressed. To liquify it, it must be cooled to a temperature of  $-253^{\circ}\text{C}$ . At this temperature, refrigerators are extremely inefficient; as a result, about 40% of the energy in the hydrogen must be spent to liquify it. In addition, because it is a cryogenic liquid, still more energy would be lost as the hydrogen boils away during transport and storage.

As an alternative to liquifying it, one could use high pressure pumps to compress it. This would only waste about 20% of the energy in the hydrogen. However, safety-approved steel tanks capable of storing hydrogen at 5000 psi weigh approximately 65 times as much as the hydrogen they can contain. Consequently, to transport 200 kilograms of compressed hydrogen, roughly equal in energy content to 200 gallons of gasoline, would require a truck capable of hauling a 13-ton load. In principle, a system of pipelines could, at enormous cost, be built for transporting gaseous hydrogen. But because hydrogen is so diffuse, with less than one third the energy content per unit volume of natural gas, these pipes would have to be very big, and large amounts of energy would be required to move the gas along the line.

Another problem is that hydrogen can penetrate readily through the most minutely flawed seal and can actually diffuse right through solid steel itself. This would create ample opportunities for much of the hydrogen to leak away during transport. As hydrogen diffuses into metals, it also embrittles them, causing deterioration of pipelines, valves, fittings, and storage tanks

throughout the entire distribution system. Unless very carefully monitored, the pipeline system could become a continuous source of catastrophes. Given these technical difficulties, the implementation of an economically viable method of hydrogen distribution from largescale central production factories is essentially impossible.

#### ATTAINING A COMPETITIVE ADVANTAGE IN THE PRODUCTION OF GREEN TECHNOLOGIES

The central reality of the global market for production and sale of green technologies is that China has an overwhelming competitive advantage due to its massive state-backed industrial strategies, unparalleled industrial scale, and dominance over critical mineral supply chains. To quote AI on this subject:

*“By controlling a dominant share of global production for solar panels, lithium-ion batteries, and electric vehicles (EVs), China dictates global clean energy deployment costs...”*

*China dominates the mining, refining, and processing of critical raw minerals—such as lithium, cobalt, nickel, and graphite—which are the foundational inputs for batteries and renewable tech.*

*Massive state investments and guaranteed demand from domestic infrastructure projects allow Chinese firms to operate at a scale that radically drives down unit costs.*

*The Chinese government has long prioritized green technology as a central economic pillar. Coordinated subsidies, cheap land, and favorable financing empower local companies to prioritize long-term market capture over immediate profits.*

*China has historically excelled at taking foreign research, establishing specialized manufacturing clusters, and rapidly commercializing the technology for mass production.*

*China currently manufactures over 80% of the world's solar panels, roughly 75% of lithium-ion batteries, and accounts for over 60% of global EV production. This dominance allows the country to export affordable green solutions to developing nations, cementing its geopolitical influence in regions like Africa, Southeast Asia, and Latin America.”*

The Mercator Institute for China Studies has produced an exhaustive [description](#) of China’s economic dominance in this field.

In conclusion, the claims that climate prosperity can be attained through rapid electrification of the economy, decarbonization of electricity generation, and seeking to build competitive “green tech” in Canada are not based on credible analysis of the technologies or markets involved. **The pursuit of Carney’s climate goals, in short, will inevitably lead not to prosperity but to the undermining of Canada’s economic future.**



## ABOUT THE AUTHOR

Robert Lyman is an economist with 27 years of experience as an analyst, policy advisor and manager in the Canadian federal government, primarily in the areas of energy, transportation, and environmental policy. He was also a diplomat for 10 years. Subsequently he has worked as a private consultant conducting policy research and analysis on energy and transportation issues as a principal for Entrans Policy Research Group. He is a frequent contributor of articles and reports for Friends of Science, a Calgary-based independent organization concerned about climate change-related issues. He resides in Ottawa, Canada. [Full bio.](#)

## ABOUT FRIENDS OF SCIENCE SOCIETY

Friends of Science Society is an independent group of earth, atmospheric and solar scientists, engineers, and citizens that is celebrating its 23rd year of offering climate science insights. After a thorough review of a broad spectrum of literature on climate change, Friends of Science Society has concluded that the sun is the main driver of climate change, not carbon dioxide (CO<sub>2</sub>).

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