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August 19, 2026

Open Letter to the Office of the Superintendent of Financial Institutions: REcarbonize Canada!

CC: Paul S. Atkin, Chairman, US Securities and Exchange Commission (US SEC)

CC: Stan Magidson, Chair, Alberta Securities Commission and Chair of Canadian Securities Administrator
stan.magidson@asc.ca

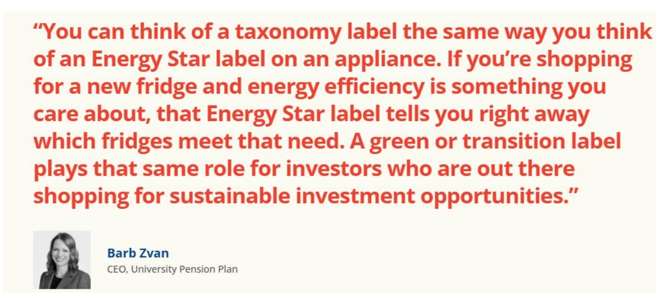
AIMCo
The Honorable Danielle Smith, Premier of Alberta
The Honorable Scott Moe, Premier of Saskatchewan
Toronto Stock Exchange
CSSB
Business Council of Canada

ATTN: OSFI Superintendent Peter Routledge

Dear Superintendent Routledge,

RE: REcarbonize Canada! Sustainable Finance Taxonomy and OSFI must consider that Guideline B-15 is no longer justified by the evidence: US SEC proposes rescission of climate-related disclosure rules

As you are aware, the Sustainable Finance Taxonomy group has issued their draft report,[1] and it was open for public comment. As we mentioned in our last open letter to you,[2] the Sustainable Finance Taxonomy group is relying on out-of-date climate science (the 2018 report known as IPCC SR 1.5). In our response to them, titled, "Sustainable Finance Taxonomy: Out-of-date Science and Unsustainable Greenwashing,"[3] we noted that the categories they have laid out and the blind belief that Canada can reach net zero may be an inducement to fraud for investors.



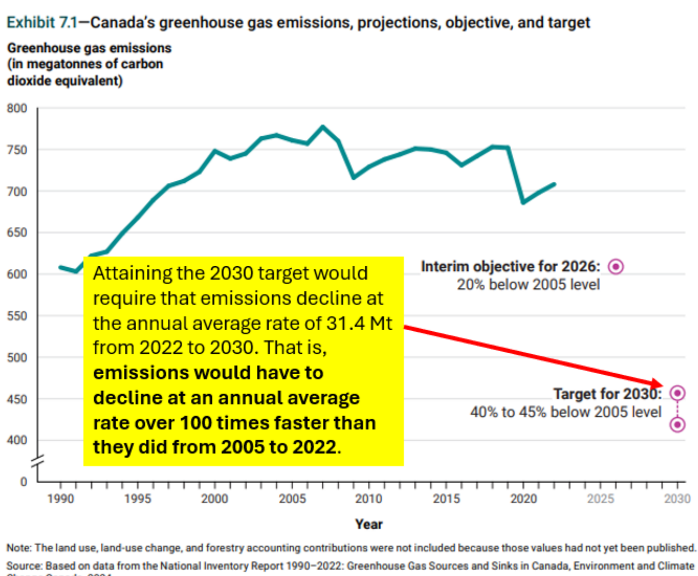
Let us explain.

[1] https://www.businessfuturepathways.ca/public-comment-period-begins-on-canadas-sustainable-finance-taxonomy/
[2] https://blog.friendsofscience.org/2026/07/14/open-letter-no-scientific-or-economic-rationale-remains-for-net-zero-and-carbon-markets/
[3] https://blog.friendsofscience.org/2026/08/12/sustainable-finance-taxonomy-out-of-date-science-and-unsustainable-greenwashing/

1) The push for Net Zero relied upon the climate catastrophe scenario known as RCP8.5 (aka SSP5-8.5). The official climate modelling community that works with the Intergovernmental Panel on Climate Change (IPCC) has now deemed this scenario to be implausible and has abandoned its use. Most of the science referred to in IPCC SR1.5 was based on RCP 8.5, as is most of OSFI's B-15 Climate Risk directive to all financial institutions in Canada.
2) The economic climate catastrophe paper known as Kotz et al. (2024) was formally retracted by NATURE on Dec. 3, 2025. The Network for Greening the Financial System (NGFS) central banks drew their economic damage function for evaluating climate risk from this paper. Both OSFI and Bank of Canada are part of NGFS. Presumably, Kotz et al. has been reflected in economic climate damage functions in directives to Canadian banks (though we do not find specific mention of it in B-15, it may have been communicated or implemented in climate risk evaluations in other ways).
3) The 2004 paper by Pacala and Socolow (2004), commonly known as "Stabilization Wedges" or "Wedges" that "argued that humanity already possessed all the technology needed to solve the climate problem well into the 21st century"[4] has been shown to be false and compromised. As climate policy analyst, Roger Pielke, Jr. wrote this about whether we possess climate solutions technology: "We didn't then and we still don't today." Pielke, Jr. is a highly accomplished individual, especially on the climate policy analysis front.[5]

Thus, the alleged urgency and the case for net zero targets does not exist.

Furthermore, it will not be possible to reach net zero targets, despite Canada's legislated mandate, as shown in the graph below.



[4] https://www.aei.org/commentary/another-pillar-of-climate-advocacy-collapses/
[5] https://rogerpielkejr.substack.com/p/about-roger-pielke

THE ECONOMIC CASE FOR NET ZERO DOES NOT EXIST

The political case for pursuing net-zero policies rests upon the thesis that the countries of the world are committed to sharply reducing and eventually eliminating greenhouse gas emissions, largely by reducing consumption of hydrocarbon fuels and replacing them by zero-emission fuels.

The Energy Institute Statistical Review of World Energy is the most authoritative source of data on global energy supply, demand and emissions. In its 2026 edition, the review noted that fossil fuels (oil, natural gas and coal) provide 86% of the world's energy needs. That percentage has been growing in recent years, not declining.

The review reported that consumption of oil was 100.6 million barrels of oil per day in 2025, the highest level in history. The rate of growth in global oil consumption has been over one million barrels per day per year, ever since 2012, with the exception of the pandemic years. This is the fastest rate of growth in history. Global natural gas consumption is at an all-time high (4,186 billion cubic metres in 2025). Global coal consumption is increasing and is now higher than in 2015.

With respect to GHG emissions, the review reported that in 2025 the world emitted 35,806 million tonnes of carbon dioxide equivalent. In an allegedly decarbonizing world, this means that once again (as in almost every year since 1990) global GHG emissions have increased, this past year by 1.1%. Significantly, the non-OECD countries now produce 69% of the world's GHG emissions. Almost all the growth in emissions is occurring in the non-OECD countries and especially in Asia. In short, most of the world's countries continue increasing their use of oil, natural gas and coal because these are the energy sources that offer the best combination of economic benefits and security of supply for their growing populations.

SUSTAINABLE FINANCE TAXONOMY MAY GREENWASH AND INDUCE A POTENTIAL FRAUDULENT SITUATION

We also explained in our report that there is no material supply chain to meet Net Zero targets and the ‘green’ taxonomy category proposed (e.g., wind turbines, solar farms, EVs) are **much more materials-intense** in terms of rare minerals, which require much more mining and processing, meaning their emissions intensity and environmental damage is very high; cloaked by their appearance of being ‘low emissions’ in operation.

Furthermore, solar panels, wind turbines and EV batteries are virtually impossible to recycle. Energy commentator and Senior Policy Advisor at CFACT, Paul Driessen, estimates that “existing US wind turbines alone will leave behind some ***145,000,000 tons*** *of concrete and rebar ... and* ***5,500,000 tons*** *of blades that, laid end-to-end, would stretch* ***9,100 miles.”…*** “***Using a combined residential/industrial average of 4x6 feet in size, 2 inches deep, and 55 pounds per panel, the 650 million United States photovoltaic solar panels add up to – 2,600,000,000 cubic feet of American solar trash, weighing 18,000,000 tons! Enough to fill the huge Los Angeles Coliseum 45 times, with bleachers, stairways and concessions removed!”***

Thus, **investors are being green-washed** and potentially led into a fraudulent situation by the proposed taxonomies because:

1) The scientific case for Net Zero, the alleged climate crisis, has been sidelined due to the three pillars (listed above) being removed from the climate catastrophe equation.
2) The taxonomy report is based on the out-of-date science of the 2018 IPCC SR 1.5 report.
3) The investment will not contribute to reaching the stated, legislated, but unattainable objective of Net Zero.
4) The devices listed as 'green' are not. Many of the items listed as 'green' could violate the Competition Bureau Act on greenwashing.[6]
5) There is no material supply chain to support the Net Zero target. In this foot-noted commentary, Craig Tindale outlines the deficit of copper, for instance.[7] Simon Michaux's report for the Finnish Geological Survey exposed the lack of due diligence by the advocates of Net Zero vis a vis the material supply chain.

Metal	Element	Total metal required produce one generation of technology units to phase out fossil fuels (tonnes)	Global Metal Production 2019 (tonnes)	Years to produce metal at 2019 rates of production (years)
Copper	Cu	4 575 523 674	24 200 000	189,1
Nickel	Ni	940 578 114	2 350 142	400,2
Lithium	Li	944 150 293	95 170 *	9920,7
Cobalt	Co	218 396 990	126 019	1733,0
Graphite (natural flake)	C	8 973 640 257	1 156 300 ♦	3287,9
Graphite (synthetic)	C		1 573 000 ♦	-
Silicon (Metallurgical)	Si	49 571 460	8 410 000	5,9
Vanadium	V	681 865 986	96 021 *	7101,2
Rare Earth Metals	-			
Neodymium	Nd	965 183	23 900	40,4
Germanium	Ge	4 163 162	143	29113,0
Lanthanum	La	5 970 738	35 800	166,8
Praseodymium	Pr	235 387	7 500	31,4
Dysprosium	Dy	196 207	1 000	196,2
Terbium	Tb	16 771	280	59,9

Screenshot from: https://youtu.be/MBVmnKuBocc

Robert Lyman is a retired energy economist as well as a former federal public servant and diplomat. He summarized key points from Michaux's 1,000-page report, focussing on what the findings mean for just the Electric Vehicle (EV) sector,[8] as a means of making the implications more tangible for consumers.

CLIMATE AND ENERGY POLICIES SKEWED BY UNDUE INFLUENCE

As Roger Pielke, Jr. wrote in the article about exposing the problems with "Wedges," due to the enormous influence of the USD$1 billion invested in climate activism by the ClimateWorks Foundation, public policy discussions on climate and energy have become skewed; **society is wedded to out-of-date, bad ideas.**

[6] https://competition-bureau.canada.ca/en/how-we-foster-competition/education-and-outreach/deceptive-marketing-practices-digest-volume-7
[7] https://x.com/ctindale/status/2087737786954912112?s=20
[8] https://blog.friendsofscience.org/2022/11/28/the-pursuit-of-the-impossiblematerials-constraints-and-realities-for-the-net-zero-utopia/

> What explains the adherence to bad ideas in the form of bad policy? I'm not entirely sure but it just so happens that groups such as the Center for American Progress [have been funded under the *Design to Win* strategy] to spread its message. Apparently that includes a healthy dose of efforts to delegitimize alternative points of view and to poison what otherwise might be characterized as a healthy public debate over policy options. To the extent that these efforts succeed, climate policy and the broader environmental movement suffer.

Many of the funders of ClimateWorks also funded the Tar Sands Campaign against the Alberta oil sands and Canada's energy sector.[9] Canada's Trottier Family Foundation collaborates with ClimateWorks Foundation and others, as reported here by their former CEO.[10]

US SECURITIES AND EXCHANGE COMMISSION PLANS TO RESCIND CLIMATE-RELATED DISCLOSURE RULES

In addition, the US Securities and Exchange Commission is presently planning to rescind climate-related disclosure rules, for reasons as outlined in their May 29, 2026, press release:[11]

- They are unnecessary and inconsistent with a registrant-specific, materiality-based approach to disclosure that best serves the interests of registrants and investors.
- They stray well beyond the policy concerns of the federal securities laws.
- They impose substantial costs on public companies and their shareholders that are not justified by the informational benefits they may provide to some investors.
- They are at odds with the Commission's policy objectives of facilitating capital formation and promoting public company status.

In their submission to the US SEC, the National Association of Manufacturers (NAM) discusses the burden of cost to manufacturers.[12] NAM is the largest manufacturing association in the US. "Manufacturers collectively contribute $2.94 trillion to the US economy."

> As the Commission notes in the Rescission Release, repealing the 2024 Rule would result in an annual savings of $4.9 billion across all public companies over the next 10 years. That estimate is based on inflation adjustments to the 2024 Adopting Release's estimates that each issuer would spend between $197,000 and $739,000 on annual compliance, a range of estimates that most likely understate the actual costs for companies. Because the 2024 Rule requires issuers to measure their greenhouse gas emissions to determine if they are material and thereby require reporting, issuers would have to spend a significant amount of money just to ascertain if they are required to disclose their emissions.

At a time when Canada's policy is to "Build Canada Strong" and bring back manufacturing, climate-related disclosure policies, misaligned with our US trading partners and Foreign Direct Investors, will be

[9] https://blog.friendsofscience.org/2019/12/20/fear-and-loathing-history-context-and-observations/
[10] https://pfc.ca/blog/good-cop-bad-cop-the-role-of-philanthropy-at-cop28/
[11] https://www.sec.gov/newsroom/press-releases/2026-49-sec-proposes-rescission-climate-related-disclosure-rules
[12] https://www.sec.gov/comments/S7-2026-19/s7202619-993019-3105766.pdf

destructive and counter-productive. Just last month, KPMG reported that 4 in 10 manufacturers in Canada are considering moving to the USA.[13] While the reason cited was US tariffs, which no doubt are a significant factor for many, so is the Canadian-imposed red tape and regulatory regime, which the Business Council of Canada, last fall, reported was stifling business, noting that some 321,000 regulations (Stats Can 2021) encumber Canadian businesses.[14]

Requiring companies to count and report carbon molecules over Scope 1, 2 and 3 emissions of a company's operations, and have mandated Net Zero action plans, will not lead to any productive outcome for industry, consumers or Canada's economy. Furthermore, GHG emissions are *estimated*, potentially leaving a company open to ENGO or activist shareholder lawfare if the 'count' is deemed to be incorrect, or if the Net Zero plan is not met.

FOREIGN DIRECT INVESTMENT

The stated intention of the development of the Sustainable Finance Taxonomy is to draw Foreign Direct Investment (FDI) to Canada but given that over half of the FDI into Canada is from the US with the 2nd place being 12% (UK) and 3rd place 11% (the Netherlands), such policies would seem to be detrimental to Canada's economy.

Likewise, since the UK is an important investor in Canada, based on the above description of how the Sustainable Finance Taxonomy may induce an investor into a fraudulent situation, one must consider the UK Fraud Act 2006,[15] and the Canadian Bank Act:

According to the Bank Act:[16]

False or misleading information

627.03 No institution shall communicate or otherwise provide false or misleading information to a customer, the public or the Commissioner.

- 2018, c. 27, s. 329

Marginal note: Prohibited conduct

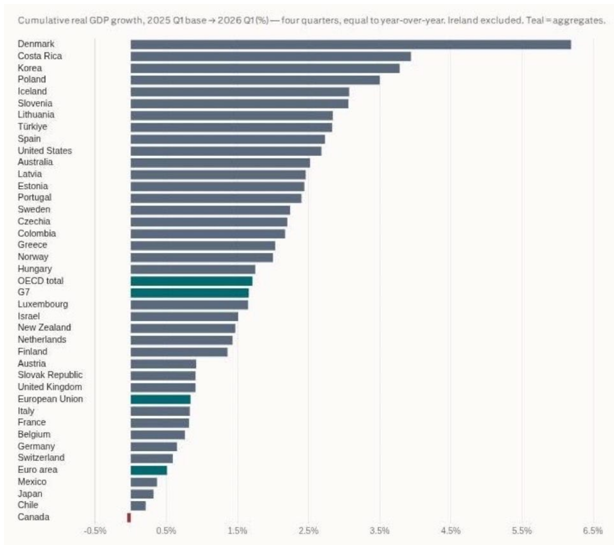
627.04 An institution shall not, in its dealings in Canada with its customers and the public,

- **(a)** impose undue pressure on a person, or coerce a person, for any purpose, including to obtain a product or service from a particular person — including the institution and any of its affiliates — as a condition for obtaining another product or service from the institution;
- **(b)** take advantage of a person; or
- **(c)** engage in any prescribed conduct.
- 2018, c. 27, s. 329

[13] https://kpmg.com/ca/en/media/2026/07/canadian-manufacturers-eye-us-production-move.html
[14] https://www.thebusinesscouncil.ca/report/stifled-by-red-tape/
[15] https://www.legislation.gov.uk/ukpga/2006/35/contents
[16] https://laws-lois.justice.gc.ca/eng/acts/b-1.01/page-65.html#docCont

Thus, based on the recent changes in the climate science community concerning that abandonment of the climate catastrophe scenario RCP 8.5/SSP5-8.5, the retraction of the climate economic catastrophe paper Kotz et al. (2024), and the revelation that "Wedges" (2004) was flawed, compromised and that it is **not** true that, "humanity already possessed all the technology needed to solve the climate problem well into the 21st century," it seems that **OSFI's Guideline B-15 is forcing financial institutions into compromising the operations of its customers to meet a non-existent climate crisis with an unattainable Net Zero goal.**

Also unfortunately, the "green" taxonomy generally makes projects eligible for subsidies and Investment Tax Credits; projects that must rely on government subsidies are generally not economic. Canada is deeply in debt. Our economy has stagnated. The last thing we need to do is to underwrite capable corporations.



Several of the submissions to the Sustainable Finance Taxonomy portal reference the Catherine McKenna report(s) "Integrity Matters" which advocate for mandatory climate reporting by corporations and cities and **absolute reductions** in GHGs, taking the 'net' out of 'net zero.' We argued at the time that her UN High Level Panel had not done due diligence on the material supply chain issues (as noted above) and that the costs of mandatory reporting would be exorbitant, likely crushing to agriculture in particular.[17]

THE WORLD HAS RADICALLY CHANGED IN THE PAST MONTHS

Furthermore, the Sustainable Finance Taxonomy report does not reflect the dramatic geopolitical events and growing global energy deficits due to the conflict, blockade, and oil refinery/LNG processing damage in the Strait of Hormuz, the persistent attacks by Ukraine on Russian oil refineries and related geopolitical complications for global shipping in general and oil/LNG shipping more specifically.

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[17] https://blog.friendsofscience.org/2022/11/28/integrity-matters-mandatory-climate-reporting-a-risk-to-society/

Canada indeed has what the world wants – oil and gas – and we see that Guideline B-15, along with the proposed Sustainable Finance Taxonomy will further encumber Canada's most valuable resource and this critical time of global demand – a critical time that will remain and perhaps intensify, depending on the events of the wars – for many years.

Guideline B-15 is not based on credible science or economics.

We recommend that you rethink this directive and encourage the banking system to **REcarbonize Canada.**

Please see our press release here:

REcarbonize Canada says Friends of Science Society in Response to Sustainable Finance Taxonomy Report

https://www.prnewswire.com/news-releases/recarbonize-canada-says-friends-of-science-society-in-response-to-sustainable-finance-taxonomy-report-302851052.html

And here is a link to our report, which we also submitted via the Sustainable Finance Taxonomy portal.

Sustainable Finance Taxonomy: Out-of-date Science and Unsustainable Greenwashing

https://blog.friendsofscience.org/2026/08/12/sustainable-finance-taxonomy-out-of-date-science-and-unsustainable-greenwashing/

Thank you.

Sincerely,

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