



The Cost of Net Zero to Quebec

\$400,000 for every Quebecer over the next 24 years

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THE COST OF NET-ZERO TO QUEBEC

EXECUTIVE SUMMARY

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Few Quebecers are aware of the costs of the climate policy measures now being implemented by the federal and Quebec governments. Surprisingly, there is no authoritative and reliable inventory of climate measures now in place; of past, present and planned expenditures; or of the results achieved.

In Budget 2022, the federal government stated that over the period 2015 to 2022, it had spent over \$120 billion on climate measures; however, it did not identify the expenditures. In Budget 2023, the federal government announced its intention to spend an additional \$121 billion over the period of the fiscal plan (i.e. to fiscal year 2027-2028). It provided no breakdown of these expenditures either by year or by measure. The Canadian Climate Institute contracted with Navius Research to develop what it refers to as the Climate Policy Tracker, a list of current and projected climate measures and related expenditures. According to it, there are 112 federal government climate policy measures and 364 provincial and territorial climate policy measures where funding has been approved or planned.

The total federal and provincial expenditures on climate measures over the period 2020 to 2030 as listed by the Carbon Policy Tracker are \$476 billion (i.e. \$11,900 per resident of Canada or roughly \$28,000 per household). That is just what has been announced to the end of 2025.

Most of Quebec's climate spending up to now has been financed by the revenues that were raised through the province's joint cap-and-trade carbon market with California. All proceeds from the sales are paid to the Electrification and Climate Change Fund (ECCF). The revenues are raised through the payments by Quebec firms that are subject to the emissions caps. As of June, 2026, the cap-and-trade system had resulted in payments of \$11.5 billion to the Quebec government.

In 2025, Quebec published a [*2030 Plan for a Green Economy*](#). Separately, the Quebec government has announced that it will spend \$10.1 billion over the five years of the plan. Almost \$4 billion will be spent on emissions reduction from the transport sector, \$1.7 billion on Industry, \$1.45 billion on buildings, \$37 billion on agriculture, \$48 billion on forests, and \$340 million other measures.

The expenditures on climate measures to date and those planned to 2030 constitute only a small share of the costs that will have to be borne by Quebecers and other Canadians in pursuit of the goal of complete decarbonization of the economy. In its March 2023 Budget, the federal government projected that the cost of net zero would be between \$125 billion and \$140 billion per year from 2023 to 2050, or somewhere between \$3.4 trillion and \$3.6 trillion.

Quebec's population of just over nine million is about 22 % of the Canadian total. A cost of \$3.6 trillion equates to \$792 billion for Quebec or about \$400,000 for every Quebecer over the next 24 years. The \$3.6 trillion figure is probably an under-estimate.

This story needs to be told.

THE COST OF NET-ZERO TO QUEBEC

The governments of Quebec and Canada are committed to the virtual elimination of greenhouse gas (GHG) emissions by 2050, a goal broadly supported by the Quebec electorate. A question rarely asked (or answered) concerns the financial costs to governments, businesses and consumers of doing so. This is due partly to a failure of governance. The people responsible for climate policy have failed to provide citizens with an inventory of the measures that have been implemented, of their costs, of their intended beneficiaries and of their effectiveness. Governments pay homage publicly to the need for “transparency and accountability” but largely ignore those goals when it comes to climate policies.

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AN OVERVIEW

The current climate policy framework entails several different policy measures. These include: direct expenditure programs; tax expenditure programs (e.g. special deductions, exemptions, credits); regulations and regulatory Institutions (e.g. organizations that may impose onerous licencing procedures and requirements on projects); funding for research, development, demonstration and commercialization of new technologies; mandatory requirements for government procurement; and public “education” programs that promote climate policy objectives.

Surprisingly, **there is no authoritative and reliable inventory of climate measures now in place; of past, present and planned expenditures; or of the results achieved.** This in itself marks an extraordinary failure of governance and public accountability.

The costs to citizens of these policies and measures similarly fall into different categories. These include: financial costs to the governments (i.e. taxpayers); foregone revenues to the government as a result of the tax expenditure measures; financial costs to the individuals and businesses affected by the measures; direct economic costs of the investments foregone as a result of the measures; and the indirect economic costs of the displaced investments (i.e. the misallocation of economic resources and reduced growth opportunities).

The information available on past and proposed federal government expenditures is largely anecdotal. In Budget 2022, the federal government stated that over the period 2015 to 2022, it had spent over \$120 billion on climate measures; however, it did not identify the expenditures. In Budget 2023, the federal government announced its intention to spend an additional \$121 billion over the period of the fiscal plan (i.e. to fiscal year 2027-2028). It provided no breakdown of these expenditures either by year or by measure.

The Canadian Climate Institute contracted with Navius Research to develop what it refers to as the Climate Policy Tracker, a list of current and projected climate measures and related expenditures. The following is a link to the tracker.



CANADIAN CLIMATE POLICY INVENTORY

To track policy-making progress, the Canadian Climate Policy Partnership has compiled a database of emissions reduction policies that have been announced, turned into proposals, or implemented by Canada's federal, provincial, and territorial governments.

<https://440megatonnes.ca/policy-tracker/>

<https://440megatonnes.ca/fr/boussole-des-politiques/>

The numbers published in the tracker are striking. According to it, there are 112 federal government climate policy measures and 364 provincial and territorial climate policy measures where funding has been approved or planned. The grand total of the expenditures made and planned is \$172.8 billion by the federal government alone.

The total federal and provincial expenditures on climate measures over the period 2020 to 2030 as listed by the Carbon Policy Tracker are \$476 billion (i.e. \$11,900 per resident of Canada or roughly \$28,000 per household). That is just what has been announced to the end of 2025.

QUEBEC EXPENDITURES ON CLIMATE

Most of Quebec's climate spending up to now has been financed by the revenues that were raised through the province's joint cap-and-trade carbon market with California. Since December 3, 2013, the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) has held quarterly greenhouse gas emission units auctions. All proceeds from the sales are paid to the Electrification and Climate Change Fund (ECCF). The revenues are raised through the payments by Quebec firms that are subject to the emissions caps. Those firms, in turn, seek to recover the cost of the payments in the prices that they charge to their customers.



The Carbon Market

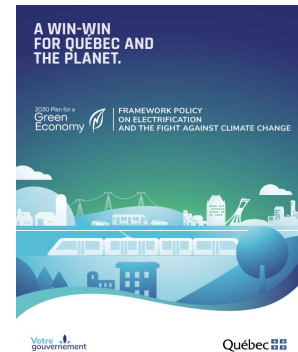
Auction Proceeds Allocated to the Electrification and Climate Change Fund

<https://www.environnement.gouv.qc.ca/changements/carbone/revenus-en.htm>

As of June, 2026, the cap-and-trade system had resulted in payments of \$11.5 billion to the Quebec government. Key historical spending milestones included the following:

- 2012-2013 Action Plan: Committed an initial \$2.7 billion to a plan focused largely on public transit and energy efficiency.
- 2020-2026 Strategy: This doubled the climate spending targets to \$6.2 billion over six years, prioritizing the electrification of transport.
- 2022 Adjustments: This expanded the strategy to \$7.6 billion utilizing additional carbon market revenues and added targeted funding for building emissions.

In 2025, Quebec published a [*2030 Plan for a Green Economy*](#). The document itself sets out a **very ambitious plan to electrify Quebec's economy, spend more on renewable energy production, and engage all parts of Quebec society in what is described as the road to sustainable development and decarbonization. However, it contains not one word about costs.** Separately, the Quebec government has [announced](#) that it will spend \$10.1 billion over the five years of the plan, \$7.9 billion for emissions reduction and \$626 million for adaptation to the effects of climate change. Almost \$4 billion will be spent on emissions reduction from the transport sector, \$1.7 billion on Industry, \$1.45 billion on buildings, \$37 billion on agriculture, \$48 billion on forests, and \$340 million other measures.



In November, 2025, the Government of Premier Francois LeGault introduced [legislation](#) allowing the redirection of an Electrification and Climate Change fund \$1.8 billion surplus to pay down debt, finance road work or reduce gas taxes, resulting in some backlash from Quebec municipalities and environmental lobby groups. (This should not have been a surprise; British Columbia has been doing the same thing for years.)

The real controversy, perhaps, should have been about the distributional effects of the fund's spending. The source of the funds is ultimately all the consumers of the province. Yet, under the current plan, \$1.63 billion will be spent on subsidizing electrified light rail and bus systems, expenditures that disproportionately benefit the residents of large cities. \$1.18 billion will be spent on subsidizing electric vehicles and recharging systems, which generally can only be afforded by higher-income households. **All this to reduce by an undetermined amount the 25 million tonnes of GHG emissions produced by Quebec road transport, some 3.6% of Canada's emissions.**



Image licensed from Adobe Stock. Montreal city in Canada autumn season colourful trees By [Firefighter Montreal](#)

THE TOTAL COST OF NET ZERO

The expenditures on climate measures to date and those planned to 2030 constitute only a small share of the costs that will have to be borne by Quebecers and other Canadians in pursuit of the goal of complete decarbonization of the economy. Only a few estimates have been published that offer some insights into what those costs might be.

In 2022, the Royal Bank Of Canada published a [study](#) entitled *The \$2 Trillion Transition* on the “costs of decarbonization”. As indicated by the title, the bank estimated that the total cost of expenditures needed to attain the net zero goal was \$2 trillion. **In its March 2023 Budget, the federal government projected that the cost of net zero would be between \$125 billion and \$140 billion per year from 2023 to 2050, or somewhere between \$3.4 trillion and \$3.6 trillion.**



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Other sources have focused on the extraordinary costs of decarbonizing the electrical energy system and then electrifying the entire economy. The [Conference Board of Canada](#) put the cost of the "clean electricity transformation" at \$1.7 trillion. These are estimates by sources that support the expenditures. The Friends of Science, an organization that takes a skeptical view of the science and economics underpinning Canadian climate policy, published a [letter](#) refuting the Royal Bank study and drawing upon the expertise of the electrical engineers who are members of the organization. **The Friends of Science estimate was that the complete decarbonization of electricity alone could entail a capital cost of \$4 trillion and ongoing operating costs of \$320 billion per year.** None of these studies attempted to estimate the costs of the economic opportunities, especially in emissions-intensive industries like aluminum and cement, foregone as a result of the regulations, or to put a price on consumers' loss of choices.

In other words, the \$3.6 trillion figure is probably an under-estimate.

The story needs to be told to the general public as well as to the politicians making the choices for us.



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 Entrants 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 (CO₂).

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