

# Canada



**Despite Canada being one of the largest fossil fuel producers in the world, the vast majority (96%) of its business executives favour a rapid transition from fossil fuels to a renewables-based power system.**

Canada's reliance on renewables for the bulk of its electricity supply provides a solid base for the 96% of business executives who advocate for a shift from fossil fuels to a renewables-based power system. At present, four-fifths (80%) of the country's electricity mix derives from non-fossil fuel sources, more than twice the global average (39%).<sup>1</sup> Hydropower dominates the generation of renewables-based electricity (58%). However, at 7%, wind and solar in Canada are lagging relative to the global average (13%). Prior to Alberta's restrictive regulations on renewable energy, the trajectory was positive, with renewable capacity growing by 46% since 2019, especially in fossil-heavy grids.<sup>2</sup> An important factor in this recent growth is the increasing cost-competitiveness of renewables-generated electricity; for

example, solar and wind are now cheaper than fossil gas in Alberta and Ontario.<sup>3</sup>

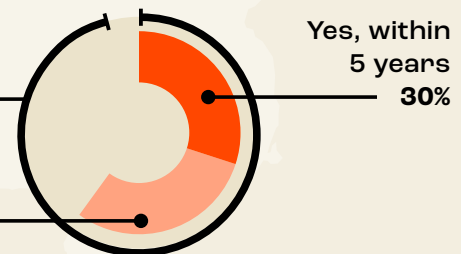
Moving away from fossil fuels to a renewables-based electricity system by 2035 gets the vote of three-fifths (60%) of company executives, raising important questions for the future role of fossil fuels in the power mix. Canada relies on coal for only 5% of its electricity production, while gas occupies a 12% slice of the country's grid.<sup>4</sup> The phase-out of coal is largely locked in. Alberta, for example, a historically high coal-producing province, has been coal-free since June 2024.<sup>5</sup> Meanwhile, Nova Scotia and New Brunswick, two other provinces with important historic coal sectors, have phase-out commitments for 2030 or before.<sup>6</sup> Such commitments are in line with the

**Do you think your government should transition away from fossil fuels to a renewables-based electricity system?**

**NET: Yes**

**96%**

Yes, within  
10 years  
**30%**



<sup>1</sup> [https://ember-energy.org/countries-and-regions/canada/#:~:text=Hydro%20dominates%20Canada's%20electricity%20mix,the%20United%20States%20\(16%25\).](https://ember-energy.org/countries-and-regions/canada/#:~:text=Hydro%20dominates%20Canada's%20electricity%20mix,the%20United%20States%20(16%25).)

<sup>2</sup> <https://renewablesassociation.ca/by-the-numbers/>

<sup>3</sup> [https://cleanenergycanada.org/wp-content/uploads/2023/01/RenewableCost\\_Report\\_CleaEnergyCanada\\_Feb2023.pdf](https://cleanenergycanada.org/wp-content/uploads/2023/01/RenewableCost_Report_CleaEnergyCanada_Feb2023.pdf)

<sup>4</sup> <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-canada.html>

<sup>5</sup> <https://www.pembina.org/op-ed/first-time-more-150-years-albertas-electricity-coal-free>

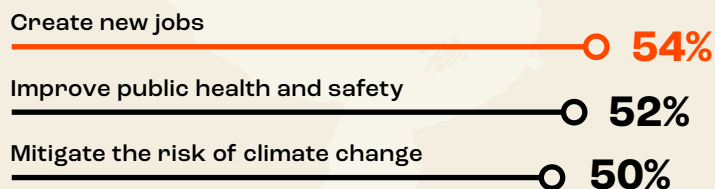
<sup>6</sup> <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-canadian-coal-fired-electricity-generation-rapidly-being-replaced-low-non-emitting-energy-sources.html>

majority view among business leaders. For those who want their government to prioritise new investment in renewables, for instance, 80% support phasing out coal from electricity generation by 2035 or before. Eliminating the production of gas, however, represents a greater political challenge. As the world's fifth largest gas producer, Canada derives annual revenues of around US\$13 billion from its gas exports.<sup>7</sup> Gas has also been used as a substitute fuel for a number of former coal-fired power stations. That said, were Canada to take this bold step and transition away from fossil fuels, around half of business leaders say the country would reap major benefits in terms of jobs (54%), public health (52%), and climate mitigation (50%).

## Electricity policy

With federal elections due on 28 April 2025, the fact that a significant majority of corporate executives support a rapid transition sends a strong message to policymakers and politicians to keep renewable electricity high on the policy agenda. The ruling Liberal Party has built political momentum for the transition to renewables. The centre-right Conservative Party, meanwhile, which represents the main opposition, has expressed its support for using gas as an interim fuel in the electricity mix<sup>8</sup>—a move opposed by the majority (56%) of business executives, who instead advocate for a direct transition to new renewables, grids and storage in a post-coal era.

### Top benefits to your country for transitioning away from fossil fuels (% who chose the following)



## Business 'asks'

Greater investment in infrastructure for storing and distributing renewable electricity is seen as a priority by many business leaders, with nearly two-fifths (38%) of respondents identifying this as a major hurdle to the transition. Given that such investments typically occur at a provincial level, it is important that these join up with the needs of a renewables-based power system nationwide. The same proportion of senior executives (38%) also believe the government has a role in making the economics of renewables-generated electricity more favourable. One way to achieve this is by providing additional financial incentives to the current 30% tax credit for investments in renewable technologies. Another quick-win measure advocated for by business leaders (38%) is the introduction of consumer subsidies for solar photovoltaics. A third 'ask' from many of those polled (42%) is for the government to prioritise the retraining of workers in adjacent professions.<sup>9</sup> Analysis by Clean Energy Canada suggests that fossil fuel-producing provinces will see the biggest gains from the transition.<sup>10</sup> Alberta is projected to see the largest number of new jobs, for instance, with employment in the renewable power sector projected to grow at 10% a year out to 2050.

<sup>7</sup> <https://www.capp.ca/en/oil-natural-gas-you/oil-natural-gas-canada/>; <https://www.capp.ca/wp-content/uploads/2024/03/Canadian-Exports-of-Crude-Oil-and-Natural-Gas.pdf>

<sup>8</sup> The Conservative Party defines gas as "clean", arguing it could help replace "dirtier sources of power" such as oil, while also reducing reliance on oil imports. <https://www.conservative.ca/cpc/more-canadian-energy-not-less/>

<sup>9</sup> <https://cleanenergycanada.org/a-net-zero-canada-will-see-700000-more-energy-jobs-than-exist-today-as-clean-energy-job-gains-outpace-fossil-fuel-declines-report/>

<sup>10</sup> <https://cleanenergycanada.org/report/a-pivotal-moment/>