

**Written Submission for the Pre-Budget Consultations
in Advance of the Upcoming Federal Budget**

Shareholder Association for Research and Education (SHARE)

List of Recommendations:

1. That the Government of Canada establish a **Federal—Provincial—Territorial Clean Electricity Coordinating Table** with a clear mandate to provide long-term policy certainty, coordinate infrastructure planning and align investment signals across jurisdictions.
2. That the Government of Canada make Canada’s **clean electricity supply and distribution a national economic priority**, with explicit incremental clean electricity growth targets leading to a doubling of grid capacity by 2050.
3. That the Government of Canada prioritize the clean electricity infrastructure build-out, including development of a cross-Canada clean electricity grid.
 - a. That the Government of Canada prioritize “clean electricity projects of Canadian Interest” for fast-tracking by the Major Projects Office and ensure enabling infrastructure (transport corridors, port expansions) are also designated projects of national interest.
 - b. That the Government of Canada allocate \$15 million over three years to support interprovincial grid coordination initiatives, including joint transmission projects, clean generation capacity and battery storage infrastructure.

Investing in Canada's Clean Energy Advantage

Canada's historic clean energy advantage is dwindling. Other jurisdictions in North America, Europe and Asia are moving quickly to decarbonize electricity grids and, in the process, are out-competing Canada to attract fast-growing sectors like data centres, green industry and advanced manufacturing.

Canada Strong: Budget 2025 stated that “our electricity grid, one of the cleanest in the world, guarantees access to the clean power [that] businesses around the world are looking for, in sectors ranging from aluminum to steel to AI.” While it's true that Canada can offer a compelling value proposition when it comes to clean energy availability, this is not a universal “guarantee.”

Canada is not alone in offering low-carbon electricity and seeking investment in emerging industries. Norway, Denmark, Scotland, Spain, Chile and parts of the US are already out-competing Canada in clean grid expansion. In Canada, clean energy demand is already outpacing supply, and at our current rate of production, Canada is losing its historical advantage.

Grid constraints are already slowing or cancelling investments. Ontario's IESO forecasts 75% demand growth by 2050, with data centre and EV supply chain requests totaling 9 GW—triple the confirmed 3 GW in planning forecasts. Hydro-Québec received 250 industrial connection requests totaling 43 GW (more than total installed capacity), with approximately 33 GW rejected or withdrawn. Manitoba's industrial queue grew from 12 to 50+ projects requiring 2.7 GW—double existing surplus—forcing the province to stop accepting large projects. British Columbia faces connection requests of 6.8 GW—six times Site C dam capacity. Alberta's proposed data centres alone demand 20 GW (double peak capacity), triggering a grid operator-imposed 3-year 1.2 GW cap and contributing to 11 GW in cancelled renewable projects due to regulatory uncertainty.

Interest in Canadian clean energy can only be protected if there is a concerted commitment to building our power grid, ensuring resource abundance, and protecting preferential market access for clean economy sectors.

In our work with some of the largest institutional investors in Canada, we observe that both industry and investors alike seek clean, reliable, abundant and competitively priced power that is designed to protect from market volatility and geopolitical uncertainty. Clean power is a strategic differentiator, but only if it is cheap, firm and available. In order to build an energy system that serves the needs of potential investors, as well as growing corporate operational requirements, we have outlined three budget recommendations that will help maintain Canada's position in the global race for fast and reliable clean energy.

Recommendation #1: Establish a standing Federal—Provincial—Territorial Clean Electricity Coordinating Table with a clear mandate to coordinate, track and accelerate clean electricity and transmission build-out across Canada.

We commend the ongoing efforts from participating provinces and territories to establish improved interconnection across PTs through the recently announced National Energy Corridor. As clean electricity demand continues to grow, the Corridor is just the beginning of what should be a more robust federally coordinated project.

With this in mind, we recommend the federal government allocate \$15 million over three years to support the National Energy Corridor, specifically in relation to joint transmission projects and establishing accessible clean energy interties.

Canada requires massive grid expansion to meet demand. The North American Electric Reliability Corporation warns that most provinces face supply deficits during peak demand, with potential shortfalls of 10.3 GW in Québec and 3.1 GW in Ontario. Current procurement pipelines represent \$31 billion across 17 GW of new capacity, but transmission infrastructure lags. Federal investment must prioritize interprovincial transmission to unlock regional clean energy resources and enable load-balancing across the country.

Not all PTs are equally positioned to support clean energy growth and expansion. Provinces with abundant hydropower, like British Columbia, Manitoba and Québec, have already proven attractive to emerging industries. With firm, low-cost and low-carbon electricity—plus cold climates that are ideal for cooling—data centers are already establishing new business in these regions. In contrast, Ontario's rising electricity prices and complex peak-demand rules are beginning to divert interest toward Québec, whose grid has already been unable to support demand, and in some cases, has diverted expansion to the US. In addition, Alberta aims to attract \$100 billion of AI data center investments over the next five years, however, this strategy risks being undermined by a lack of low-cost, reliable power. Provinces are interested in expansion and garnering international attention, but without reliable interties that support energy growth, business will not flourish.

Aligning federal and PT mandates (e.g., regulators, Crown utilities, independent system operators) around clean capacity expansion and large-load readiness (including sector-specific load-growth planning) is a complex task that hinges on top-down federal coordination. A permanent FPT Clean Electricity Coordination Table would align investment signals, harmonize standards, and coordinate interprovincial transmission, all critical for unlocking Canada's full clean electricity potential.

Recommendation #2: That the Government of Canada make Canada's clean electricity supply and distribution a national economic priority, with explicit incremental clean electricity growth targets leading to a doubling of grid capacity by 2050.

Clean electrification is not just a net-zero or energy project, it's an economic project that will impact productivity, jobs, affordability, and Canadian competitiveness. It needs to be prioritized as such.

We recommend that Canada re-commit to the recommendations from the Canada Electricity Advisory Council report, *Powering Canada's Future*, and set electrification as a cross-Canada priority and nation-building effort. This would include re-orienting the existing system to support demand-side solutions, including energy efficiency, demand flexibility and grid modernization initiatives, and improving clean energy policy clarity.

Industrial load growth is outpacing traditional utility planning cycles. Flexible procurement tools—including corporate PPAs, demand response programs, and innovative pricing mechanisms—can match supply with demand more efficiently. U.S. markets show corporations will pay 30% premiums (\$30-40/MWh) for clean, firm, long-term supply. Canada must enable similar mechanisms to monetize our clean electricity advantage and ensure that demand-side solutions are adequately funded to manage unprecedented load growth.

Our [analysis](#) of large-scale projects facing clean electricity constraints suggest that a major build-out of clean electricity will lead to up to **\$220 billion in potential capital investment, alongside up to 80,000 direct jobs**. Sectors affected include EVs and batteries, green steel, data centers, critical minerals, as well as the clean electricity and battery storage needed to supply these operations. If we don't act with careful coordination, our existing competitive edge will be completely at risk.

Establishing clean electrification as a national economic priority will also require increased clarity of electricity rules and policy. Investors and clean energy developers are struggling with a suite of overlapping policy and regulatory barriers that increase risk and reduce returns in Canada, largely due to a lack of transparency on interconnection queues and transmission rights. Ontario's LT1 procurement was oversubscribed 40 times (44,000 MW of applications for 1,600 MW target), yet narrow capacity awards strand gigawatts of financeable projects. In order to keep energy supply at the rate of demand, grid coordination is necessary. However, grid coordination is impossible without coordination across policy and a unified national voice when it comes to electricity and regulations. The federal government needs to stand front and center to ensure PTs are aligned in their regulations and requirements.

National interconnection standards would improve speed, transparency, and consistency in permitting processes, with mandated maximum timelines for project approvals—reducing uncertainty and accelerating project timelines to enable Canada to compete with faster-moving jurisdictions.

[Recommendation #3: The federal government should prioritize the clean electricity infrastructure build-out, including development of a cross-Canada clean electricity grid](#)

We recommend the federal government prioritize efforts for clean electricity infrastructure buildouts, including a **fast-track designation for “clean electricity projects of Canadian Interest”** within the Major Projects Office. This designation would also include necessary infrastructure that would enable electrification (transportation corridors, port expansions).

Investors and issuers alike seek reductions to their Scope 2 emissions to mitigate risk and source more affordable and cleaner energy supply. As noted in our research, more than 12,000 companies—representing 40% of global market capitalization—have now set science-based emissions reduction targets aligned with the Science-Based Targets Initiative (SBTI). Among those, **9,000 companies have specifically set Scope 2 targets, making clean electricity access a necessity in their strategic plans.**

In SHARE's recent research report, [*Power at Risk: The Investment Case for a Clean, Competitive Canada*](#), we conducted interviews with senior executives across finance, technology, clean energy, mining, and heavy industry. A developer with a large North American pipeline summarized the current Canadian situation this way: **“Transmission and interconnection are the core constraints to scaling clean power in Canada. Canada risks losing its clean-power edge without coordinated grid expansion.”** Industrial electrification projects are being delayed or scaled back because of capacity shortages and transmission timelines, and the risk is no longer hypothetical as we see cancelled, delayed and scaled-back projects.

Québec is the clearest example: since 2023, the province has reportedly rejected or deferred more than 3 GW of industrial and data center load due to electricity constraints, representing an estimated \$25 billion in forgone or delayed investment.

Canada has already attracted \$65 billion in clean economy investment and created 26,000 direct jobs since 2021 based on our 85% non-emitting grid. However, grid constraints and policy barriers now threaten \$110-\$220 billion in potential capital and 40,000-80,000 jobs across electric vehicles, batteries, data centres, critical minerals, and green steel sectors. In the face of strained US-Canada economic relations, it's essential that if Canada is serious about staying competitive, we must be capable of providing the clean energy many of these companies need and expect.

Budget 2027 needs clear and specific provisions in support of clean electricity infrastructure, otherwise we will continue to lose our clean energy edge and fall behind as other nations better support demand. The MPO is already well-positioned to lead this work, and the prioritization of clean energy projects of national interest will help this develop at the scale and speed required to maintain our economic growth and advantage.

To further expedite this process, we recommend the government expand federal financing supports—like carbon contracts for difference, loan guarantees and tax incentives—for clean generation and grid infrastructure to ensure diversified investor support for MPO energy projects. Investors in technology, mining, and heavy industry report that clean electricity is no longer a marginal competitive factor—it is central to capital allocation decisions. Investors want to support projects that will provide stability to the economy, and a clear commitment to specific financing mechanisms will be more likely to guarantee diverse investment.

Conclusion

A commitment to clean energy expansion will bolster Canada's economy at a critical time.

Demand growth is outpacing supply. Canada should expand clean power and grids at a pace consistent with industrial and electrification needs if it wants to stay competitive. In Budget 2025, Canada committed to 'Build, Power and Protect.' When it comes to building and powering, clean energy is at the core of what Canada needs to do to establish economic security. Canada's trading partners—representing our 10 largest export markets—have implemented net-zero commitments, carbon pricing, and increasingly, carbon border adjustments. The EU's Carbon Border Adjustment Mechanism begins in 2026, directly impacting Canadian steel, aluminum, cement, and fertilizer exports. As a nation, if we wish to protect our place among global peers, then we need to maintain and build upon our clean energy advantage.

Prioritizing clean energy infrastructure and the subsequent supportive policy is a fiscally responsible decision for Canada. A cross-Canada clean electricity grid, with improved interties, interprovincial coordination, and commitment to clean energy regulations, will help catalyze investment, support regional development, create jobs, and maintain Canada's clean energy advantage.

Clean electricity is a key driver of many investment decisions, with significant potential opportunities for Canada. A great many investors and their investees view clean power as a way to meet corporate climate commitments and supply chain requirements; to reduce exposure to fossil fuel volatility; to manage carbon and regulatory risk; to secure predictable, long-term operating costs; and to guarantee social licence to operate and maintain access to strategic markets. If Canada wants to stay an attractive investment destination, clean energy infrastructure needs to be on the table.

We thank you for the opportunity to submit our recommendations for Budget 2026. We believe our investor network can help provide additional valuable insights on this question, and we would be happy to follow-up on this submission with additional conversation or more details if desired.

About SHARE

Using shareholder engagement, advisory services, research and education, SHARE—the Shareholder Association for Research and Education—helps investors steward their assets in ways that contribute to positive social and environmental outcomes. Through our investor services and diverse investor initiatives, SHARE has built a network of institutional investors with more than \$148 billion in assets under management.

SHARE is also the convenor of the Capital Markets Group (CMG), a network of some of Canada's largest institutional investors advocating for policy change towards a more sustainable, inclusive and productive economy.

share.ca