SCHOOL OF PUBLIC POLICY
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How will Canada's upcoming election impact federal climate policy?

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Canada has committed to achieving economy-wide net-zero greenhouse gas (GHG) emissions by 2050 and reaching intermediate emissions targets of 40-45% below 2005 levels by 2030 and 45-50% below 2005 levels by 2035. Several federal climate policies were enacted by the Trudeau government to support Canada's efforts toward achieving these emissions targets. On January 6, 2025, Prime Minister Justin Trudeau announced his intention to step down as prime minister following the selection of a successor. Mark Carney was subsequently chosen as the new leader of the Liberal Party of Canada and sworn in as prime minister on March 14, 2025. As his first official act as prime minister, Carney officially ended the increasingly unpopular fuel charge (known to most people as the consumer carbon tax), which was the centerpiece of the Trudeau government's climate policy portfolio. On March 23, 2025, Prime Minister Carney called a snap election, setting the stage for Canadians to head to the polls on April 28, 2025, to elect the 45th Parliament. The Liberal Party of Canada, led by Prime Minister Carney, and the Conservative Party of Canada, under the leadership of Pierre Poilievre, are the only two parties with any real chance of leading the next government. While climate change has not been a dominant issue thus far during the short campaign, largely due to Canada-U.S. relations and cost-of-living concerns dominating the national discourse, climate policy should be a significant issue for the next Canadian government.

Our analysis shows that decisions by the next government have the potential to significantly impact the course of federal climate policy. We modeled two scenarios of alternative climate policy pathways using an open-source global integrated assessment model (GCAM-6-CGS): *Stay The Course* and *Changing Priorities*. The *Stay The Course* scenario assumes that the next government will prioritize the continuation of the existing federal climate policy portfolio with greater emphasis on successfully implementing those policies. The *Changing Priorities* scenario assumes a future in which the next government does not prioritize climate policy, resulting in additional federal climate policy rollbacks and lagging implementation of existing policies that remain in place. This analysis considers insights into current federal and provincial political environments to approximate the policy portfolio in the *Changing Priorities* scenario. The analysis does not explicitly model the proposed cap on emissions in the oil and gas sector or provincial climate policies.

All modeled policies in the ***Stay The Course*** scenario, **red** policies rolled back in the ***Changing Priorities*** scenario	
Economy-wide	**Heavy Industry, Oil and Gas, and Agriculture**
Fuel charge (as proxy for incentive-based policies)	**Output-based pricing system**
Clean fuel regulations	Net-zero Accelerator/Strategic Innovation Fund
CCUS investment tax credit	**Oil and gas methane reduction target**
HFC phase-down	Hydrogen production investment tax credit
Natural climate solutions	Clean technology investment tax credit
Electricity	Agricultural clean technology program
Clean electricity regulations	**Transportation**
Clean electricity investment tax credit	Light-duty vehicle emissions regulations
Coal phase-out	Freight truck emissions regulations
Buildings	**Zero-emission vehicle sales mandate**
Green buildings strategy	**Zero-emission freight truck sales target**
Greener homes loan and grant programs	**Zero-emission bus sales target**
Green and inclusive community buildings	**Incentives for zero-emission vehicles**
Waste	Zero-emission vehicle infrastructure program
Landfill methane reduction target	Active transportation strategy

Table 1. All modeled federal policies are represented in the *Stay The Course* scenario, and policies that are assumed to be rolled back in the *Changing Priorities* scenario are bolded in red.

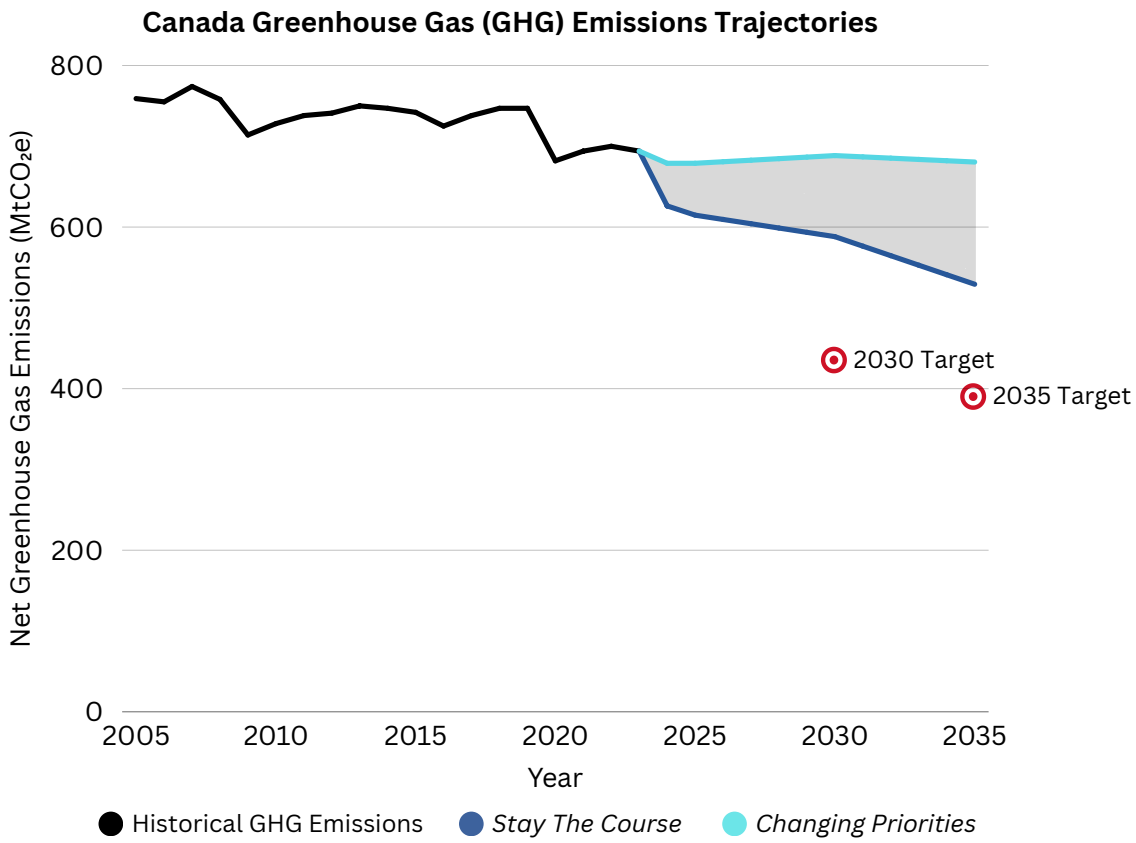

Figure 1. A range for Canadian GHG emissions trajectories from modeling these scenarios through 2035 using GCAM-6-CGS with the lower bound on emissions represented by the *Stay The Course* scenario and the upper bound on emissions representing the *Changing Priorities* scenario.

Compared to 2005 levels, Canada's GHG emissions in these scenarios are 9-23% lower in 2030 and 10-30% lower in 2035. Accordingly, if the next government follows the *Stay The Course* policy scenario, Canada's GHG emissions are projected to be 30% below 2005 levels by 2035, while a *Changing Priorities* policy approach stagnates Canadian emissions at current levels, reaching a level in 2035 just 10% below 2005 levels. These findings underscore the prospect that even with the set of policies modeled in the *Stay The Course* scenario, current federal climate policies appear likely to fall short of putting Canada on track to achieve its 2030 and 2035 emissions targets. Additionally, the gap in potential emissions reductions between the two scenarios in 2035 is more than 150 megatonnes of CO_2-equivalent, highlighting a significant loss of potential emissions reductions in the *Changing Priorities* scenario due to rollbacks of key policies and lagging implementation of other policies. Consequently, the *Changing Priorities* scenario poses an even greater risk to Canada's ability to achieve its emissions targets. Thus, policymakers across the political spectrum must work to build stronger support for climate and energy policy that is aligned with achieving pledged emissions reduction targets and putting the Canadian economy on track to reach net-zero GHG emissions by 2050. The next government will have to manage competing policy priorities on several fronts, and our analysis shows that the degree to which it prioritizes climate policy could have a significant impact on Canada's emissions trajectory.

NOTE: Upcoming CGS research will examine additional uncertainties impacting Canada's ability to meet its emissions reduction targets in a detailed technical report that will be published later this year.