

# Energy and economy in transition: the challenges and opportunities on the way to a low-carbon future

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*The energy transition from fossil fuels and other carbon-emitting power sources to a greener economy is inevitable. Environmentally friendly projects, policies, and legislation has increasingly steered Canada's energy, infrastructure, and fiscal resources towards initiatives that can mitigate the effects of man-made climate change. However, despite the feverish urgency driving this transition, it cannot happen overnight. During this interregnum between near-exclusive reliance upon fossil fuels and the future dominance of renewable sources, there are many pitfalls to be navigated and an equal number of opportunities for those willing to exploit them. Lexpert asked Osler's natural resources law expert Sander Duncanson to analyze Canada's pivot towards a green economy and what it means for businesses and lawyers alike during this critical time.*

**Much has been made of the inevitability of Canada's energy transition away from fossil fuels and towards alternative energy sources; how do you assess the country's progress on this transition thus far? Where have we found the greatest success and what are our most glaring vulnerabilities?**

Canada's energy transition towards a lower-carbon (or even "net-zero" carbon) economy has accelerated in the last decade, as in the case with many other countries worldwide, due to both industry- and government-led initiatives. We have seen significant growth over the last decade in electricity generation from renewable sources such as hydro, tidal, wind, solar, biomass and geothermal. Canada has also taken a lead in the development of large-scale carbon capture, utilization and storage (CCUS) technology which has garnered interest recently for its application in producing hydrogen from natural gas with low-carbon intensity. CCUS may allow Canada to achieve its net-zero carbon goals without eliminating fossil fuel production, which remains a significant part of Canada's economy.

Canada's strengths in the ongoing energy transition include its abundant natural resources (in all forms), its extensive experience with natural resource development and its existing regulatory and structural infrastructure that can support new forms of energy (such as oil pipelines that can be converted to CO2 pipelines). Current challenges lie in updating Canada's regulatory and tax regimes to accommodate alternative sources of energy and incentivise companies to pursue energy transition opportunities.

[Read more of Sander's discussion on Canada's energy transition on the \*Lexpert\* website.](#)