

CANADA'S INCONVENIENT TRUTHS

Ipsos Public Affairs

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Our failure to recognize and address what's needed for an inevitable energy transition and some "inconvenient truths" leaves Canada ill-equipped to handle the challenge ahead

In a 2006 film entitled *An Inconvenient Truth*, former U.S. Vice President Al Gore embarked on a campaign to educate the world about the importance of confronting the urgent challenge of global warming. This film followed the signing of the Kyoto protocol in 1997, and the Earth summit agreement in Rio de Janeiro in 1992, spawning the United Nations Framework Convention on Climate Change, an annual meeting that continues to this day. While the problem was hardly new, Gore brought it into mainstream culture and popular discussion with his film.

Almost twenty years later, the world finally seems ready to embark on the energy transition called for by Gore. It is far from clear that Canadians understand what these conflicting priorities mean, their magnitude, and whether they are willing to make the changes in lifestyle, behaviour and cost of living required to achieve them.

Canada, like other countries, has set a specific objective to achieve "net zero" carbon emissions by 2050. The goal is that, by 2050, the greenhouse gases we put into the environment will be offset or reduced, so that there are no net increases to the amount of greenhouse gases emitted. It requires a combination of using more energy sources like wind and solar power, alongside reductions in the greenhouse

gas emissions currently emitted from fossil fuels including coal, oil and natural gas through technologies such as carbon capture and storage, and changes in personal habits.

Some countries intend to eventually eliminate greenhouse-gas causing fossil fuels from their energy mix altogether and rely only on renewable energy sources.

The scale of the energy transition, in economic, environmental, and social terms, is far beyond anything ever achieved, particularly in a short timeframe of less than 30 years. It is critical to the fight against climate change because energy production and use is directly linked to greenhouse gas emissions, and you cannot have a solution to climate change without a plan for energy.

To understand the state of public opinion and awareness of the challenge we face, in late 2022, **Ipsos Public Affairs surveyed more than 24,000 people in 28 countries for our [Context Energy study](#)**, one of the largest global studies focused specifically on energy issues.



24,000
PEOPLE



28
COUNTRIES

In so doing, the research uncovered a series of what might be termed "inconvenient truths" that have implications for policy makers seeking to create the conditions for the energy transition to take place. Understanding public sentiment, awareness, and knowledge around the future of energy is crucial for our governments, businesses, and societies as they begin to re-engineer energy systems around the world.

Based on the global results, the first inconvenient truth to emerge is that,

while a solution to climate change must include a fundamental energy transition, the issue of **energy security** has become more pressing

Russia's invasion of Ukraine has driven the energy security issue to the top of the agenda for many European governments. The urgent need for dependable energy supplies created by the disruption of energy supply chain flows because of the war has had knock-on effects across Europe, reaching to North America.

Directly affected countries such as Germany are re-starting coal production and extending the lives of nuclear powerplants to ensure their citizens can heat their homes and survive the winter, even as they remain committed to the longer-term goals of net zero and the energy transition. The recent visit to Canada by

German Chancellor Olaf Scholz seeking liquefied natural gas exports from Canada reflected how energy security has become the immediate priority in Europe.



A second inconvenient truth is that

energy affordability has become a major issue around the world, pushing energy transition further back as a priority

Partly, but not entirely, driven by the war in Ukraine and rising inflation, people are facing increased costs for everything, including the energy they use. As the World Bank notes, the war in Ukraine has disrupted energy markets, with the price of natural gas rising exponentially in Europe. The result will be stagnant global economic growth.

Higher energy prices, whether for gasoline or natural gas, are also a Canadian reality. And due to the immutable law of supply and demand, for the foreseeable future the price is likely to keep escalating. As China re-opens following its COVID 19 lockdown, demand for energy will rise while supply is constrained by sanctions on Russia. This is happening at the same time as the federal government has put a price on carbon through the carbon tax. While the carbon tax may help

with the challenge of energy decarbonization, it contributes to the problem of energy affordability when global demand for fossil fuels is still very high and there are not yet sufficient renewable alternatives to replace them.

The global study shows that energy security, affordability and emissions reduction are all top-of-mind energy concerns for Canadians. Solving the climate crisis requires addressing all three.

- 31%** Of Canadians said making Canada energy self-sufficient so we don't need to rely on others for our energy needs is a top energy priority
- 27%** Of Canadians said reducing the cost of energy for consumers is a top energy priority
- 22%** Of Canadians said developing cleaner sources of energy like wind, solar and hydrogen is a top energy priority



So, where does that leave Canada? Based on our global public opinion research, it leads to the third inconvenient truth:

Canadians appear **unprepared** to deal with energy transition

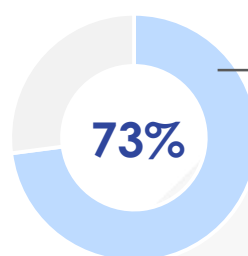
The federal government has taken steps to nudge Canadians toward climate action, through national carbon pricing and investments in green energy sources and technology. In doing so, the federal government has prioritized reducing energy emissions while largely ignoring energy security and affordability. Meanwhile, the official opposition has put a much higher priority on those two factors and on protecting existing jobs in the oil and gas sector, while opposing measures such as carbon pricing or policies to advance an ultimate transition from high emitting to low-emitting forms of energy.

This may be a unique problem to Canada, although certainly the United States has faced similar politicization of the environment. In other developed countries such as the UK or Germany, the main political parties are generally aligned on whether the challenges of climate change are real, and whether they must be addressed. Consecutive governments of various stripes in the UK have all heeded Gore's warning. They stopped arguing about the existence of the problem a long time ago, and are now arguing, instead, about the best policy solution.

In Canada, while voters themselves largely agree on the existence of the problem, the parties remain committed to accusing one another of taking extreme positions.

There remains a group of core voters in Canada for whom any talk of climate change is akin to betrayal of their party's values, and a disqualifying position for leadership. Equally, there remain a core group of voters for whom the only factor in the energy debate that matters is the non-emitting one, dismissing energy affordability and energy security, or assuming these problems will simply solve themselves once the energy transition is complete.

We can hardly blame voters for being confused, but nor can we let them off the hook. The vast majority of citizens across the world – including in Canada – believe that climate change is happening and that something must be done to address it. But while many other countries seem to at least acknowledge what is happening and what must be done, Canadians can best be described as disengaged, and at worst, willfully ignorant, both about the problem, and their own situation and role in addressing it.



Almost three quarters of Canadians believe we are **heading towards an environmental disaster** unless we change our habits quickly

Source: Ipsos Global Trends 2022 Report

While almost three quarters (73%) of Canadians believe we are heading towards an environmental disaster unless we change our habits quickly, according to the Ipsos Global Trends 2022 report, our survey results show a Canadian public that lacks the knowledge and engagement required to have the discussion we need to have.

There are many ways we could illustrate the low levels of energy literacy in Canada, but we can begin by looking at what Canadians say they do know about. These are the sources of energy Canadians say they know very well or have a fair amount of knowledge about, compared to the global average.

Source	KNOW VERY WELL OR A FAIR AMOUNT		
	Global	Canada	Diff.
Solar Power	62%	42%	-20%
Oil	62%	49%	-13%
Natural Gas	57%	39%	-17%
Coal	55%	32%	-23%
Wind Power	55%	36%	-19%
Hydroelectricity/ Water Power	51%	45%	-6%
Nuclear	45%	29%	-17%
Hydrogen	33%	16%	-17%
Geothermal	29%	19%	-10%

Question: The next section is about sources of energy. Please indicate how well you feel you know each of the following energy sources. Options: know very well, know a fair amount, know just a little, heard of but know nothing about, or never heard of. N=24,014 globally / n=2,001 Canada

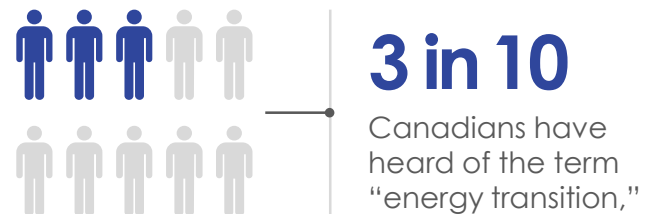
Canadians lag on knowledge of every single energy source, even on oil and natural gas, two commodities Canada produces in abundance. And these are self-assessed levels of knowledge, which we know people tend to overestimate.

We are already well into a debate about which combination of these will form the basis of our

energy supply for generations to come. Will oil and natural gas combined with carbon capture and storage be the best solution?

Will small scale nuclear or hydrogen be the answer? Most Canadians are not even aware of what hydrogen is, let alone able to determine whether to vote for a government whose foreign energy policy is based on providing hydrogen to countries that actually need our natural gas. Recently, leaders from both Germany and Japan visited Canada and asked for our government's help with its natural gas supplies, something Canada has and which its producers want to sell on the world market. Our government offered hydrogen, and told them we are "de-carbonizing." Canadians shrugged.

Without a basic level of literacy about the current and future sources of our energy we can't even have the discussion. In Canada, only three in 10 have even heard of the term "energy transition," compared to four in 10 globally.



Once the term energy transition is explained, six in 10 support the idea of energy transition but when asked about the details of an "energy transition" plan,

45% said that the plan can include fossil fuels if overall emissions are reduced,

21% said that energy transition is only achievable if we stop using fossil fuels altogether.

34% said that they didn't know enough about the subject to say either way, almost ten points higher than the global average (25%).



Ardent climate change activists will be shocked at the 45% of Canadians who say that the transition can include fossil fuels. Proponents of fossil fuels will be equally shocked that 21% think we can instantly stop using oil and gas altogether. But the most concerning number might just be the 34% who remain unable to voice an opinion despite the 17 years since Al Gore's initial alarm bells, and over thirty years since the United Nations Framework Convention on Climate Change in 1992.

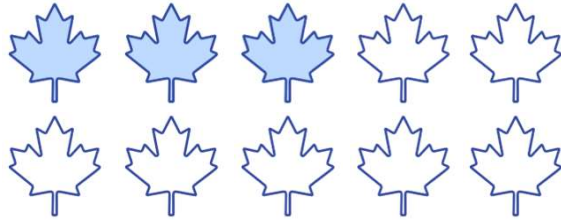
When asked about their own willingness to pay to fight climate change in a separate poll for the Montreal Economic Institute in November 2022, we found that

Six in 10 Canadians (60%) can't or don't want to pay any more taxes help fight climate change.

The average cost Canadians were willing to pay per year to fight climate change was just \$290 dollars, down from \$359 in 2021. By the government's own estimates, that is considerably lower than the average amount of rebates received by Canadians in provinces where they pay the carbon tax. In fact, the government makes a virtue of the fact that most households are expected to get back more than they pay. If you're taking home more money with a carbon tax than you would without one, even despite higher energy costs, there is no real incentive to change one's actions. They care about the issue, they don't want – or know how - to deal with it.

On energy specifically, only four in ten Canadians say that they are personally willing spend more on energy that is proven to come from renewable resources, and just 23% say that to fight climate change, we need to increase personal taxes on individuals' use of energy. However, when asked if we should increase taxes on companies that produce energy, that number jumps to 50%. Canadians themselves don't want to pay, but they want someone to.

30% of Canadians believe the government has a clear plan in place



It is no surprise that according to a separate Ipsos poll done in April 2022, only 30% of Canadians believe the government has a clear plan in place for how government, businesses and people themselves are going to work together to tackle climate change, nine points lower than the global average. The extent to which climate has become an election issue in Canada has been more about having the "right values" than having the right policies.

There is little evidence that we will see a ground swell of behaviour change in Canada. Through their lack of engagement, Canadians are giving our political leaders permission to continue to debate whether there is a problem, rather than how that problem ought to be addressed. They are giving our political leaders permission to pursue their own agendas instead, and to claim that agenda reflects all Canadians' priorities – whether that is jobs for Canada's oil patch, or broad climate action by way of a carbon tax or other measures. Canadians are not just giving permission to politicians to do this, but are encouraging them to do it by passing the buck onto the government and business. Canadians don't truly understand the disconnect between believing in climate change, and what it takes to do something about it.

Canadians are not climate deniers, but neither are they climate champions. They are capricious or fickle, agreeing with the problem in principle but seeing it as someone else's problem to understand and solve.

Despite their surface level concern, Canadians' lack of awareness and interest in the dynamics of the energy industry that has powered our economy for generations - while also contributing greatly to the global climate challenge – means they are essentially saying “this is not my problem,” and hoping someone else fixes it. That includes affordability for energy they use, the energy security of our allies such as Germany and Japan, and the carbon profile of the energy we produce.

The energy discussion no one seems to want to have now is: as a cold, northern energy producing country with vast resources but a climate footprint that outsizes our population, what can Canada do to manage the triple challenges of energy transformation - lowering energy emissions, ensuring energy security and providing energy affordability? All three matter right now.

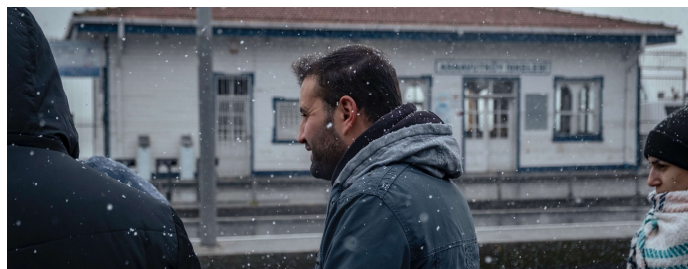
Other countries are making the hard choices required. Those choices can include both supplying the world with a safe, secure supply of natural gas and oil, while still developing our future capacity to produce clean energy. Allies like Germany and Japan need our natural gas right now to get through the current crisis, to provide their countries with secure and affordable energy. And those same allies also want to see the world act in a way that leads to a decarbonized future, and they want Canada to do something other than talk about it, or on the other hand, continue to produce fossil fuels without acknowledging a change is coming.

There is not a majority agreement on the timeline for a transition in Canada or on the best source of energy for the future. Most do not know what the safest or riskiest options in front of us are. We only really agree on three things. One, climate change is a real problem. Two, “something” needs to be done. Three, Canadians believe that governments and businesses are the ones responsible for doing “something” and paying for that “something.”

WHO SHOULD LEAD ON ENERGY TRANSITION?

Governments	38%
Businesses	35%
Don't Know	32%

Even if governments and businesses can afford to fund the rapid transition to a net zero carbon economy without passing these costs onto Canadians, everyone needs some basic education about the various options so that they can make decisions for themselves. Is the future solar? Hydrogen? Or even nuclear, still seen as profoundly dangerous, but making a comeback due to its low emissions profile? Moreover, is the timeline for the transition going to happen in the next 10 years, the next 20 years? Or the next 50 years? We can't say because we don't want to talk about such things, or the choices and sacrifices that come with each option.



Canada's final inconvenient truth is that

we are all going to have to pay for this transition

We are all going to have to pay for this transition, sooner or later, and the energy infrastructure we have built over the last century is very likely to take several decades if not more to change. This needs to occur at the same time as the world immediately requires more of what Canada has in a lot of – oil and natural gas – just to get us to a point where we can make the transition. Whether the cost is higher taxes, higher product prices, fewer public services or a lower standard of living, energy transition is not likely to be free or painless. The sooner we have this conversation and the sooner we realize what this means for the short and long term, the sooner we can begin to act. But first, our leaders need to start talking about these issues, in a serious way, and Canadians need to start paying attention.

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