

Note from the Executive Director



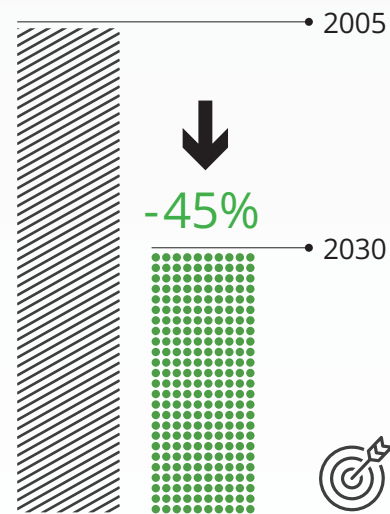
I am proud and humbled to succeed Linda Coady as the Pembina Institute's new executive director. With insight

and wisdom, Linda oversaw the completion of an ambitious strategic plan, elevated Pembina's profile, and steered us through the pandemic. It is now my honour to implement that strategic plan at a pivotal moment in Canada's history that will determine if the climate goals that Canada has committed to will be achieved.

Thank you for joining us and supporting our vision of a climate-safe future where all Canadians thrive.

CHRIS SEVERSON-BAKER

We are focused on climate action that aligns with the critically important milestone of reducing greenhouse gas emissions by 40% to 45% below 2005 levels by 2030.



Greenhouse Gas Emissions Reduction Target by 2030



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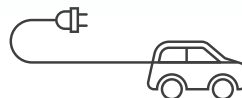
In 2023, we will:

Work with stakeholders to support a stringent cap on oil and gas emissions. Oil and gas represent 26 per cent of Canada's emissions. The cap is essential to achieving Canada's international obligation to prevent global warming from exceeding 1.5C.

Support policies that accelerate the switch to zero-emission vehicles given that Canada's transportation-related greenhouse gas emissions make up 25 per cent of total emissions.

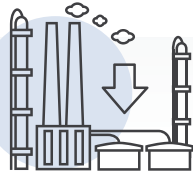
Collaborate with governments at all levels to ensure that the final Clean Electricity Regulations are sufficiently robust that Canada can achieve a net-zero grid by 2035; a clean energy grid will allow for the decarbonization of the rest of the economy by 2050.

Advocate for policies and investments to advance a prosperous and equitable net-zero economy, one that includes recognition of Indigenous rights to self-determination and energy sovereignty.



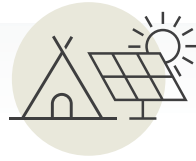
Work with provincial governments to increase investments in energy-efficient buildings and incentives to switch from fossil fuels to clean energy.





Commitment to reduce methane emissions

Through our analysis, collaborative efforts and recommendations to high level decision makers, the Pembina Institute played an influential role in Canada's announcement of a framework for strengthening regulations that will address all sources of methane such as more frequent leak inspections and tougher restrictions that prioritize conservation of natural gas.



Support for renewable energy in Canada's remote communities

The Pembina Institute hosted the Renewables in Remote Communities conference, with Indigenous leaders, policy makers, government representatives and environmental organizations from across the country attending. Participants shared insights and opportunities to increase the number of Indigenous-led clean energy projects, and to advance Indigenous self-determination and energy sovereignty in remote communities.



Transitioning to clean electricity

To ensure that the Clean Electricity Regulations successfully facilitate a transition to a net-zero grid by 2035, we submitted key policy recommendations based on our analysis showing that a mix of clean energy solutions – including renewables, storage and efficiencies, improved transmission infrastructure and demand-side measures – can supply Canadians with clean, reliable, and affordable energy.



Unprecedented growth in corporate purchases of renewable energy

The Business Renewables Centre-Canada, an initiative of the Pembina Institute, set an ambitious target of securing two gigawatts (GW) worth of corporate renewable energy deals by 2025 – enough energy to power 640,000 homes. By May 2022, that goal was surpassed. In the process, Alberta will gain 4,500 jobs and \$3.75 billion in investment by the end of 2023, bringing the province closer to a net-zero electricity grid. The next goal? 10 GW of renewable energy deals by 2030.



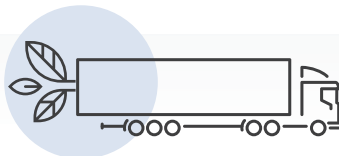
Canada's Renovation Wave

We continued to advocate for scaled up efforts and investments to retrofit Canadian homes and buildings to be both energy efficient and resilient to the impacts of climate change. Through our Reframed Initiative, six multi-unit residential buildings in British Columbia will be retrofitted to be near zero-carbon emitting, demonstrating how to undertake retrofits in ways that provide a healthy home environment and long-term cost savings.



Women in Energy Transformation

In 2022, the Pembina Institute partnered with GLOBE Series to host four national dialogues to raise the profile of women who are at the forefront of energy system innovation in Canada. Pembina also identified strategies that individuals, companies, and government can implement to ensure gender equity is integral to Canada's energy future.



On the Road

In the spring of 2022, the Pembina Institute launched a project to identify the policies, regulations, incentives, and investments needed to transition medium- and heavy-duty vehicles (MHDVs) from fossil fuels to low or zero-emitting. Our recommendations will help inform how Canada can meet its pledge that, by 2030, 35 per cent of sales of MHDVs are zero-emitting, rising to nearly 100 per cent of sales by 2040.



The Future of Oil

In our report, *The Future of Oil in the Energy Transition: Understanding global oil demand scenarios*, we highlight that, for the first time, projections from a range of institutions – including international oil majors – show that, even if no new climate policies or regulations are adopted beyond those that already exist, global demand for oil will peak before 2030. In scenarios where the pace of climate action continues on its current trajectory, the decline is projected to begin sooner and be steeper. This underscores the need for oil companies to urgently reduce emissions to meet the near-future challenge of a highly competitive marketplace for low-carbon fuels.



Jobs in a Green Economy

Canada's labour force in the energy sector possesses important skillsets that, with the right supports, can be equally marketable in a clean energy economy. *Net-Zero Skills: What will Canada need for the coming energy transition?* outlined the transferability of skills from traditional sectors to clean sectors and advocated for skills retraining that addresses systemic inequities within Canada's energy sector, particularly as they affect Indigenous rights and reconciliation and gender.