Assembling the Future

Powering a healthier, more affordable Ontario

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Toronto at the lakeshore

Protecting Ontarians by building a strong, resilient, clean energy economy

Today, Ontario, along with all other governments across Canada, faces a new economic reality. The threat of a significant and prolonged trade dispute with the United States is creating justifiable unease about Canada's future and the impact on all Canadians, including on their livelihoods and quality of life.

Regardless of the extent to which tariffs are ultimately imposed, it is clear that a period of major economic realignment has begun. In recent weeks all Canadian governments have acknowledged the need to fundamentally re-evaluate how economic stability and prosperity is created in this country. We must find a new path — one that is not overly reliant on the U.S. and that ensures a strong, resilient Canadian economy better insulated against future external shocks.

In Ontario, the current situation is compounding already acute concerns around the cost of living, healthcare and housing affordability, top ballot box issues among voters over the last few years.[1] The next provincial government must therefore ensure not only that Ontarians are protected from the immediate impact of tariffs or other near-term threats, but also that the province's economy is set up to thrive long into the future.

To do this amid all the present noise, Ontario's future leaders will need to pay close attention to the emerging longer-term trends on clean energy development, not just in North America, but across the world. As the International Energy Agency (IEA) reported late last year, there is now an abundance of economic opportunities tied to the energy transition and "cost

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drivers, as well as intense competition for leadership in clean energy sectors that are major sources of innovation, economic growth and employment"[2] are among the forces driving a continued rise in clean energy production and use, globally. In this context, the energy transition is better understood as an industrial revolution, where those who provide access to abundant clean energy to power new industries and promote the uptake of clean technologies will reap the economic and social benefits.

The takeaway for Ontario is clear: developing a clean energy economy has the potential to make Ontarians' lives more affordable and their homes and cities healthier and more comfortable, and to create new sectors and jobs. This demands consistent and forward-thinking decisions.

Ontario has already understood that rapidly expanding the amount of low-cost, low-emissions electricity on its grid is the pathway to attracting meaningful investment in the new energy economy, while also reducing costs for families. But it cannot afford missteps such as expanding the use of natural gas on its grid to a level that will hurt its future clean energy competitiveness or failing to introduce policies that ensure more Ontarians can experience the benefits of electric vehicles (EVs), which are cheaper to run and reduce air pollution in communities.

Ontario must work rapidly to address these risks to its progress. If it does, the province and its people will be well-placed to not simply survive the energy transition but thrive within it. With a predominantly non-emitting electricity grid; world-class colleges and universities; ready access to global markets and international capital via Bay Street; a skilled and large workforce; sustainable natural resources; and a growing cleantech sector supporting emerging industries like data centres and EV supply chains, Ontario has all the requisite components for success in a low-carbon world. Its leaders must now make active decisions to put all those parts together and assemble a prosperous future.

Farm in rural Ontario

Solar farm in Alberta

Global transition to low-carbon energy production and use: Continuing at pace

Quick facts

- Clean energy investment in 2024 was two-thirds of all energy investment globally.[3]
- Wind and solar combined accounted for 43% of global electricity growth from 2010 to 2023,[4] and high levels of wind and solar on electricity grids are already being achieved. South Australia is operating a grid that is 70% non-emitting, while Germany has achieved 40% wind and solar integration — all while maintaining reliability and affordability.[5]
- Over 7 million EVs were sold worldwide in the first half of 2024, an increase of nearly 25% compared to the same period in 2023.[6] In Canada, 114,114 electric vehicles were sold in the first half of 2024, a 45% increase on the first half of 2023. Early figures for the latter half of 2024 show continued growth — sales were up 36% in Q3 2024 compared with Q3 2023.[7]
- Vehicle and battery manufacturers have committed nearly $1.2 trillion worldwide to the EV transition,[8] creating a lucrative market for clean vehicle production and exports.
- The global market share of heat pumps is likely to at least double (to 24%) by 2035 and may increase more rapidly if the energy transition accelerates, according to the International Energy Agency.[9] Electric-powered heat pumps are already one of the most cost-effective options for heating and cooling buildings, even in markets where the cost of natural gas is relatively low (such as the U.S.), which is one factor behind the agency's forecast.

Progress in Ontario to date

- From 2005–2022, Ontario's population grew by around 22%,[10] while the province's emissions fell by 23% (Figure 1), primarily thanks to the successful phase-out of coal-fired power generation.[11]
- Ontario's electricity grid is now 87% emissions-free, and the province is planning to increase its clean electricity supply in line with a forecasted rise in electricity demand of 75% by 2050. In 2024, Ontario expanded its largest ever competitive procurement[12] from 5000 MW of energy generation and storage to 7500 MW, adopting a technology agnostic approach.[13]
- Readily available clean electricity was a contributing factor in the Volkswagen Group's $7-billion decision to build its first North American-based battery manufacturing plant in Ontario and Honda's $15-billion milestone investment in Canada's first comprehensive EV supply chain, creating thousands of jobs.
- Ontario has prioritized conservation and demand management programs for more than 20 years. These programs have helped reduce demand by 15% compared to what it would otherwise have been.[14] The new Home Renovation Savings Program, which will cover up to 30% of the costs of new windows, doors, insulation, heat pumps, rooftop solar panels, and battery storage, represents a continuation of this approach.
- Demand is strong among Ontarians to install clean energy technologies and energy efficiency solutions in their homes. Since 2020, federal financial support has resulted in the installation of over 90,000 heat pumps in Ontario. Additionally, between 2020 and 2024, 227,500 applications for federal Greener Home Grants were made by Ontarians — more than any other province.[15]
- EVs made up 7.7% of all new vehicle sales in Ontario in Q3 2024, a near five-fold increase over the last four years.[16]

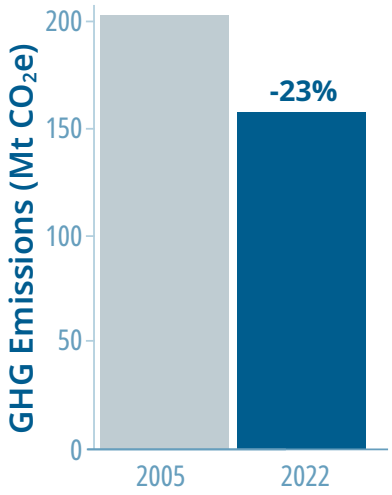


Figure 1. Change in Ontario GHG emissions from 2005 to 2022

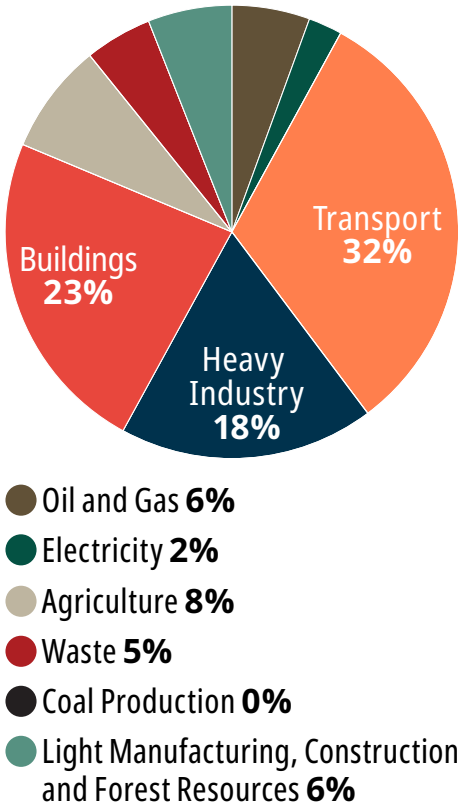


Figure 2. Ontario GHG emissions by sector in 2022

Wind turbines in Southwestern Ontario

The future is electric

Accelerating Ontario's clean electricity growth

In 2025 and beyond, the backbone of any modern, resilient economy is a clean electricity grid that can power every aspect of life — from transportation and home heating and cooling to business operations and heavy-industry activities. Recognizing this, Ontario has over the last decade rapidly phased out coal from its energy mix, leveraged its vast hydroelectric resources and nuclear infrastructure, and made strategic investments in efforts to conserve electricity that allow it to put its grid capacity to the best use. In 2024 specifically, Ontario continued to make progress by issuing a historic call for electricity generation, securing the largest ever battery storage procurement in Canada,[17] and approving a $10.9 billion investment in demand-side resources that will help consumers manage their electricity use and associated costs.[18] These measures are putting Ontario on the path to becoming the clean energy powerhouse it aspires to be.

Nevertheless, there are potential pitfalls that provincial leaders will need to avoid over the next few years. As the population grows, more everyday energy uses become electrified, and more businesses set up operations in the province to take advantage of its reliable, affordable, and relatively clean grid, the demand for energy is projected to grow by 75% by 2050.[19] This means Ontario must ensure that every move made to expand its grid makes it less, not more, emissions intensive over time.

On this, Ontario needs to alter its current trajectory. While the province's grid was 94% emissions-free in 2020, by 2024 this had fallen to 87%. This trend is expected to continue due to forecasted growth in gas generation, which is anticipated to account for nearly a quarter of the province's electricity supply by 2030. Not only does this risk undermining the province's clean-grid progress, it exposes Ontarians to the price volatility and energy security threats from an overreliance on fossil fuel imports.

Over-expanding the use of natural gas (beyond what is needed for short-term reliability during planned nuclear refurbishments) would make Ontario's grid less affordable and less reliable in the long run, as well as much less clean. This would go against what is needed to create a strong, resilient economy into the 2030s and beyond.

Fully leveraging the economic potential of providing clean electricity to other jurisdictions

Ontario's electricity grid is directly connected through 26 interties to five neighbouring jurisdictions: Minnesota, Michigan, New York, Manitoba, and Quebec.[20] Since the early 2010s, Ontario has shifted away from importing electricity from less-clean grids in the U.S. to those other jurisdictions with much cleaner grids, most notably Quebec. It has also become a major supplier of electricity to the U.S. In the first eleven months of 2024 (data for December are not yet available), Ontario exported a total of 10.9 TWh of electricity to eleven U.S. states, including Indiana, Maine, Ohio and Pennsylvania, generating $462 million.[21]

This speaks to the resilience provided by interjurisdictional transmission: a jurisdiction can sell excess energy to another if it has more electricity than it needs, and vice versa. To date, electricity exports from most provinces in Canada have mostly focused on U.S. states because of strong interties that flow north–south across the border. In contrast, provincial grids within Canada mostly operate independently from one another, leading to limited domestic electricity trading.

As Canada seeks to strengthen its economy by removing trade barriers between provinces, electricity grids present a key opportunity to build economic resilience. Ontario should take a leadership role in encouraging the urgent expansion of interprovincial transmission infrastructure to strengthen connections between provincial grids. Such connections could open new Canadian markets for Ontario's electricity, which would be unaffected by any trade uncertainties with the U.S.

To realize the full economic potential of enhanced interprovincial grid ties, Ontario must also continue to focus on demand-side measures, which boost energy efficiency and are therefore the cheapest way to free up more clean power for export. In addition, as the province grows its grid further, it must prioritize non-emitting generation to remain a competitive provider of the clean, affordable power that other jurisdictions want.

Sunset over transmission lines in near Toronto

Quick facts

- Ontario's grid is 87% non-emitting, a dip from 94% in 2020. This increase in emissions is due to more gas use during planned nuclear refurbishments.[22] With many jurisdictions now quickly joining the clean electricity race, Ontario must continue to grow its clean grid if it wishes to retain a clean power advantage as demand for electricity grows. France, for example, already the leader among the G7 nations in terms of clean electricity, continues to grow its nuclear sector and invest in energy efficiency programs to both increase capacity and get the most value from its clean grid.
- Ontario has reduced its electricity demand by 15% through conservation programs compared to projections without them.[23] The province's new 12-year energy efficiency framework will support further success in demand reduction.[24]
- In 2024, the province secured more than 1700 MW of storage capacity for its grid — the largest battery storage procurement in Canada to date.[25]
- Ontario has been supporting Canada's largest Indigenous-led transmission line project. Construction on the Wataynikaneyap (Watay) Power Transmission Project was completed in December 2024 and is set to connect two-thirds of the province's diesel-reliant remote First Nations to the provincial energy grid.[26]

Recommendations

Ensure fairness for all energy sources in the province's competitive procurements

- Solar power has huge potential for tempering peak demand and for distributed generation. However, solar projects are currently excluded from prime agricultural lands. Solar developers should have the same opportunity to demonstrate how their project can successfully co-exist with agriculture as developers of other technologies.
- In Ontario's most recent power procurement, fewer points were given to battery storage. Battery storage and the renewable energy projects that wish to use them should be fairly treated in future procurements.

Prioritize measures that will improve transmission and interties within Ontario and across provincial borders

- Ontario should take a leadership role in strengthening transmission interconnectedness within the province and between provinces to help strengthen the national grid.
- Focusing on regions with transmission constraints would help to ensure robust infrastructure is in place for clean energy development. This would in turn alleviate the risk of over-expanding natural gas generation, which would likely lead to higher energy costs for consumers and undermine Ontario's competitiveness as a low-carbon investment destination.

Ensure that the development of the integrated energy plan is robust and transparent

- Ontario's announcement that the Independent Electricity System Operator (IESO) will develop an integrated energy plan is positive, but interim steps need to be established, including plans for appropriate engagement and for the release of third-party studies on ways to achieve a near-zero-emitting grid.

Update the mandates of the Ontario Energy Board and IESO

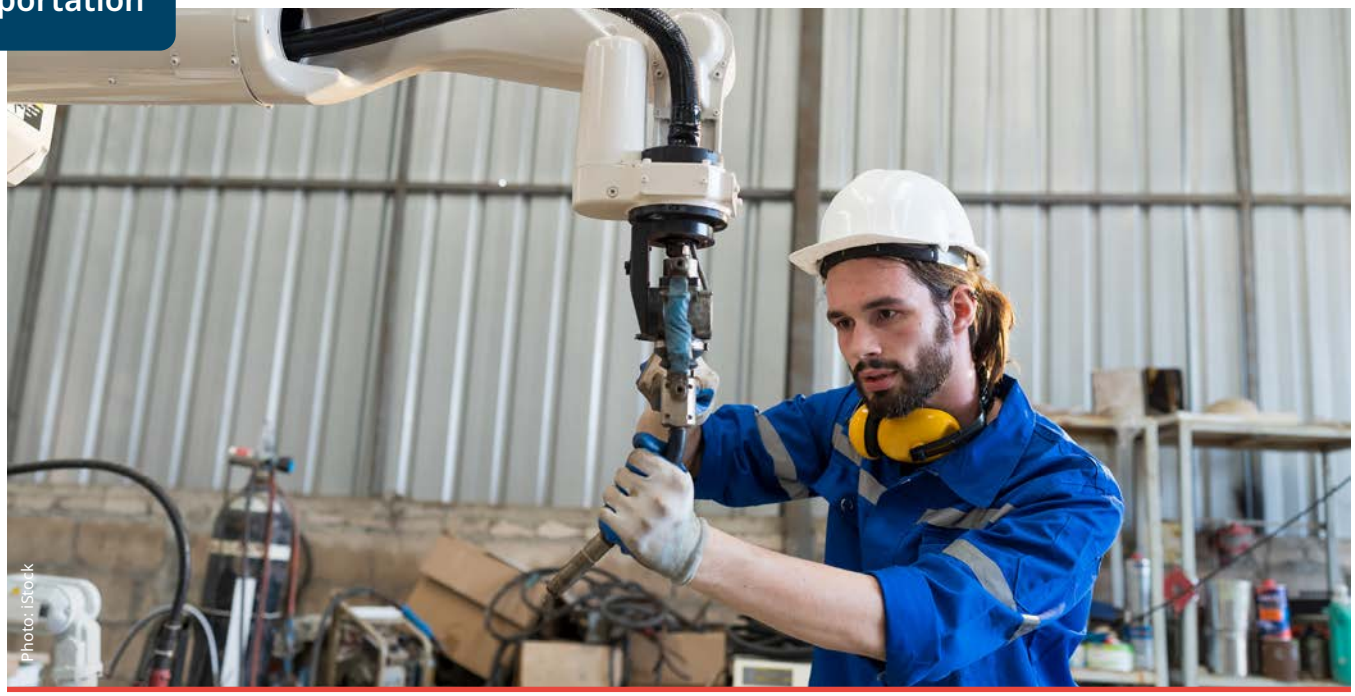
- The Ontario Energy Board and IESO need clear mandates to support the rapid and ambitious electrification of Ontario's economy that needs to take place over the next few years.

Direct the IESO to study and report on pathways to accelerate the supply of non-emitting, affordable power to support Ontario's growth

This study should include the following:

- An assessment of strategic transmission and intertie projects that could be accelerated.
- A frequently updated map that identifies locations well suited to new generation and storage projects.
- Transparency in the modelling assumptions and data used in the study.

Solar at Wawakapewin First Nation, Ontario



Worker with robot arm

Increasing consumer choice for healthier, more affordable transportation

Supporting and growing the EV manufacturing sector

The International Energy Agency anticipates that by 2030, global uptake of EVs will have increased by 135%, and that by 2050, 75–100% of all vehicles sold worldwide will be electric. The global shift to EVs is clear. This growing demand presents significant opportunities for Ontario in terms of economic resilience, growth and job creation, but only if the EV manufacturing sector can be shielded from the prospect of U.S.-Canada tariffs. If imposed, such tariffs would likely cause severe and lasting damage to Canada's industry and workers and make vehicles more expensive for consumers on both sides of the border.

To ensure a strong economy in Ontario now and into the future, a key priority of any government must therefore be to demonstrate to the U.S. the paramount importance of retaining tariff-free movement of parts and vehicles across the Canada-U.S. border.

Consumers across North America could then continue to have access to North American-made vehicles at the most competitive price possible.

If tariffs are prevented, Ontario will be able to carry on leveraging its auto industry to attract global investment in EV supply chains. Over the past four years, the province has secured over $45 billion in investments from global companies like Stellantis, LG Energy Solutions and Honda. Continuing to expand EV manufacturing and attracting further investment in this sector — by ensuring, for example, that the province is able to provide the clean, affordable electricity these companies need to power their businesses — will drive innovation and economic growth, creating good jobs for Ontarians in the decades ahead.

Ensuring all Ontarians benefit

Everyday Ontario residents and businesses must also have the chance to benefit from cleaner and more affordable transportation.

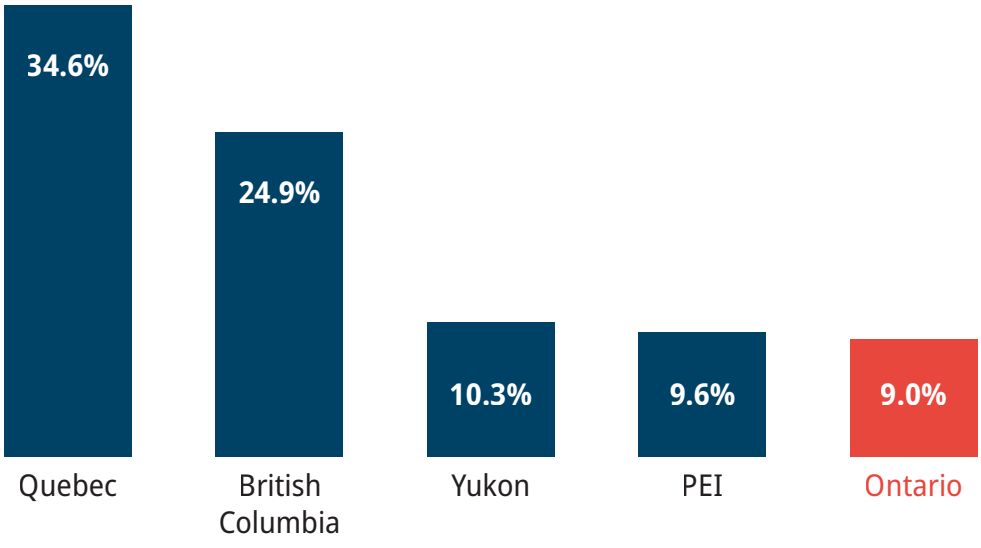
In order to secure affordable housing, Ontario families are choosing longer commutes. Research confirms those households are now often paying more for transportation than for the mortgage or rent that pushed them further afield.[27] EVs therefore are one of the best ways families can save money on their monthly bills. When considering the full cost of ownership over the course of a decade, from a car's purchase price to fuel and maintenance, a typical EV saves drivers over $30,000 — or about $3,000 a year.[28] They also free consumers from the volatility of prices at the pump, which are tied to unpredictable international oil markets. Finally, EVs lead to reduced levels of air pollution, creating healthier neighbourhoods, and in turn, lower healthcare costs.

Ontario, however, is lagging behind British Columbia, Quebec, Prince Edward Island and Yukon in EV uptake due to a lack of policies to grow the domestic market in the province (Figure 3).[29]

Repeated surveys show that the lack of charging stations is the biggest barrier to EV uptake. With only six chargers per 10,000 people, Ontario trails Quebec and British Columbia (both at 10 per 10,000) and falls below the national average of seven.[30] Without sufficient charging infrastructure, Ontarians — both individuals and businesses — are missing out on the affordability benefits of EV ownership. A 2024 study by Natural Resources Canada estimates that Ontario must more than double light-duty vehicle chargers by 2030 and increase them five-fold by 2035 to meet rising EV demand.[31] For medium- and heavy-duty vehicles, the need is even greater: a five-fold increase by 2030 and twenty-fold by 2035. Focusing especially on the installation of chargers would help to revive Ontario's medium- and heavy-duty vehicle manufacturing industry, which has declined to one-tenth of its size a decade ago. It would also create local jobs — up to 10 per charging station.[32]

Even as the average price of EVs continues to fall, the upfront cost is still a barrier to some consumers. As a result, jurisdictions that help with the upfront cost are seeing a greater uptake of EVs. This allows all businesses and individuals, regardless of socioeconomic status, the opportunity to get the health and affordability benefits from driving an EV. As said by David Adams, president and CEO of Global Automakers of Canada: "While incentives are not required forever, they do need to remain in place until at least price parity has largely been achieved, otherwise the largest barrier to EV adoption — price, will continue to hinder widespread adoption."[33]

Figure 3. Share of new vehicle registrations that are EVs



Leading the change with vehicle procurements

The province is also a significant player in vehicle procurement. Nowhere is the opportunity to save money, support the auto sector and improve health outcomes clearer than with school buses. On this issue, the province has an opportunity to leverage its significant role in vehicle procurement.

Ontario has 20,000 school buses that transport 833,000 children to school every day.[34] These buses run on diesel, which poses significant risks to the health and wellbeing of children and their neighbourhoods. In the U.S., studies have shown that replacing a diesel bus with an electric one results in US$43,800 in health benefits, including fewer cases of asthma and childhood mortality. In larger cities, this figure can reach US$207,200 per bus.[35]

Globally, the electric bus market is projected to reach US$3.1 billion in sales by 2030, growing at 18% annually, with North America's market expected to double in the next two to three years. By committing to electrifying its school bus fleets, Ontario could kickstart electric bus manufacturing and capitalize on the opportunity to provide these vehicles to jurisdictions across North America.[36]

Quick facts

- EV adoption is rapidly increasing across North America. In Q3 2024, EVs accounted for 16.5% of all new cars sales — a 24% increase from Q3 2023 (13.3%). By 2026, EVs are projected to make up 30% of new car sales. [37]
- Gasoline-powered vehicle sales in Ontario have decreased by 33% over the past seven years, reflecting a clear shift in market demand.[38]
- Ontario is not an oil producer. The province spends over $16.5 billion on fuel every year, almost all of which comes from outside the province. Transitioning to locally generated electricity for transportation would help keep those dollars within Ontario.[39,40]
- Electric school buses can be manufactured in Ontario, supporting the vehicle manufacturing sector and local supply chains. Pembina Institute modelling shows that electrifying 65% of Ontario's school bus fleet by 2030 could create over 13,000 jobs and generate nearly $2 billion in economic output.[41]

Electric school bus

Recommendations

Support EV affordability

- Introduce an income-tested purchase incentive for light-duty EVs. The incentive should be based on electric range and include used electric passenger vehicles.
- Implement a reimbursable tax credit for first-time buyers of commercial electric medium- and heavy-duty vehicles, ensuring affordability for small and medium-sized enterprises.

Encourage electric school bus adoption

- Introduce tax credits for the purchase of electric buses.
- Revise funding formula for school buses so that the savings from reduced fuel charges can defray the upfront costs of electric vehicles and associated infrastructure.
- Leverage federal funding for public transit to support electric bus purchases.

Expand charging infrastructure

- Develop a strategic plan for reliable, province-wide charging network.
- Recapitalize ChargeON with streamlined and predictable application processes.
- Lower electricity delivery rates at public charging stations to improve the financial viability of owning electric medium- and heavy-duty trucks.
- Standardize charger equipment, connector types and payment methods across all public charging stations.
- Require EV-ready infrastructure in all new residential construction including multi-unit residential buildings.

Support workforce development in the EV sector

- Invest in EV training programs at Ontario colleges and universities to equip workers for roles in assembly, maintenance, research, sales and more.

Electric truck charging in Oakville

Energy retrofit of commercial building

Levelling up Ontario's building stock

Improving Ontarians' quality of life by creating modern, resilient buildings

By 2050, around 80% of the buildings that exist today in economically developed cities — like those in Ontario — are anticipated to still be in place.[42] This means that current homes and offices need to be made ready for the transition to low-carbon energy sources, as well as the realities of a changing climate. Investing in improving Ontario's building stock would be a win-win-win for the government, the provincial economy, and Ontarians.

Retrofitting buildings to make them more energy efficient and more resilient to extreme weather events such as floods and fires, along with advancing the use of electrified technologies like heat pumps and electric stoves in place of natural gas, would provide many benefits. Among them are creating long-term jobs, improving affordability for households, and keeping people healthy and safe. Retrofitting also has the potential to seed market demand for low-carbon, made-in-Ontario products, such as concrete.

Significant support is urgently needed to make this happen. Annual retrofit targets and grants, and loans and financial tools, combined with regulations, are needed to ensure that every Ontarian has the chance to live, work and learn in a building that is comfortable, healthy, safe, and affordable to heat and cool.

Quick facts

- Space heating accounts for up to 60% of energy use in the average Canadian home.[43]
- Most space and water heating in Ontario buildings is provided by fossil fuels. This energy use accounts for 23% of Ontario's emissions.[44]
- Ontario uses 24% of the natural gas consumed in Canada.[45]
- Demand is strong among Ontarians to install clean energy technologies and energy efficiency solutions in their homes. Since 2020, federal financial support has led to the installation of over 90,000 heat pumps in Ontario, according to Natural Resources Canada.[46] Since 2020, 227,500 applications for federal Greener Home Grants have been made by Ontarians — more than any other province.
- Conservation and demand management programs have been a priority in Ontario for more than 20 years. These programs have helped reduce demand by 15% compared to what it would otherwise be today. In its integrated energy plan, Ontario pledged to build on that success by "Reducing Costs for Families Through Energy Efficiency."[47] The new Home Renovation Savings Program, for example, will address this need by covering up to 30% of the costs of new windows, doors, insulation, heat pumps, rooftop solar panels, and battery storage.
- Thanks to Ontario's clean electricity grid, switching to hybrid heating could save customers up to $280 every year on their energy bills, while cutting their emissions by a third.[48]
- With 54,000 direct and indirect jobs generated from the Ontario cement industry — the highest among all the provinces — use of lower-carbon concrete will support employment in the building decarbonization sector.[49]

Recommendations

Foster utility leadership

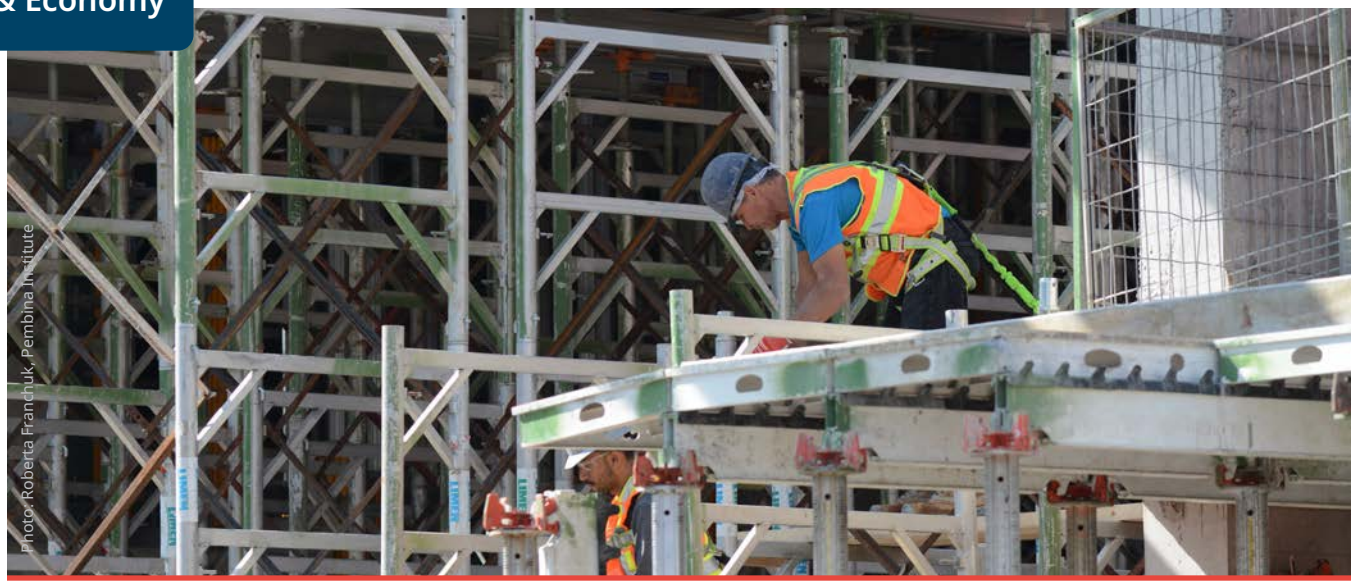
- Continue to build on the positive results on energy efficiency already achieved through demand-side management programs, such as the IESO-led Save on Energy's Peak Perks program.[50]
- Continue to invest in energy efficient home retrofits to reduce customer bills and utility expansion costs through new programs, such as the Home Renovation Savings Program.

Build right the first time

- Remove barriers to being leaders in the construction market by allowing local governments to accelerate the adoption of higher tiers of the national model building codes.
- Seed local market demand for domestically produced materials such as low-carbon cement through a procurement strategy.
- Align building performance with transportation strategies by requiring parking spaces in new residential buildings be EV-ready through the Ontario Building Code.
- Align with other jurisdictions by adopting the Federal Standard on Embodied Carbon into public procurement practices for public assets.

Avoid stranded building assets

- Incentivize and regulate building decarbonization (disconnection from natural gas infrastructure) and adaptation in cooperation with federal and local governments for long-term financial benefits.
- Set decarbonization and adaptation targets for existing buildings so that costs for severe weather impacts are avoided and the buildings remain insurable for the long term.



Construction in Toronto

Getting workers ready

Ensuring Ontarians benefit from thousands of new clean economy jobs

In the short and medium term, Ontarians must be protected from the impacts of any trade dispute with the U.S., especially given the likely profound impact on the province's manufacturing sector, which is particularly trade exposed.

Regardless of Canada's and Ontario's future trading relationship with the U.S., to build a resilient economy in the coming years and attract investments in clean power, low-carbon manufacturing, building upgrades, and clean transportation, Ontario will need a new generation of workers equipped with the right skills. The International Energy Agency's 2024 World Energy Employment report notes that 1.5 million jobs in clean energy were added to the global labour market in 2023, and these jobs are growing faster than jobs in the rest of the economy. Pembina Institute modelling (which assumes no trade dispute with the U.S.) shows that the largest share of clean economy jobs in Canada will be in Ontario.[51] Specifically, Ontarians could see 254,000 jobs in the EV sector and 137,000 jobs in low-carbon buildings by 2050.[52]

According to the IEA, approximately 51% of the world's future clean energy workers will be in vocational roles (jobs requiring medium-level technical skills), with most in the construction and manufacturing trades. In Ontario, 100,000 workers will be needed in the construction trades by 2030 to replace retiring workers and keep pace with industry demands.[53]

Notwithstanding the potential trade dispute with the U.S., Ontario is also set to create many more jobs through its EV sector. The province anticipates sustaining a strong auto sector and corresponding job growth through the shift to EVs; however, Ontario policy-makers must expand the available talent pool of workers in the skilled trades to ensure that there are workers ready for this influx of new jobs.

Since skilled-trades workers are needed to develop a clean energy economy, Ontario policy-makers, unions, and post-secondary institutions must work collectively to support their recruitment and training, including through apprenticeships. Employers can also play a

major role in aiding smooth workplace transitions by providing workers with on-the-job training and upskilling to grow and adapt to economic change. Research by the Smart Prosperity Institute shows that most workers in the auto industry will only need targeted upskilling to participate in similar roles in the EV supply chain.[54]

Identifying opportunities for equity-deserving groups to capitalize on this growth in jobs must be at the core of any new workforce development approaches to ensure that benefits extend to those underrepresented in the trades.

There have already been signs of progress on planning for workers through initiatives such as the provincial Skills Development Fund,[55] the Ontario Youth Apprenticeship Program,[56] and the Ontario Learn and Stay Grant.[57] Ontario must build on these approaches, which are aimed at ensuring workers in in-demand sectors receive the right skills training and other support to keep working in the roles and communities where they are needed most.

Quick facts

- The auto sector currently represents about 16% of Ontario's manufacturing GDP, or $13.9 billion, employing 100,000 workers.[58]
- Investing in the clean economy could result in a total of 686,000 jobs across Ontario by 2050, particularly in the EV and low-carbon buildings sectors, driving economic growth and innovation.[59]
- Other sectors in Ontario that are poised to experience substantial job growth include low-carbon steel production (7,000 jobs by 2050), low-carbon machinery (10,000), biofuels and waste (42,000), carbon capture and storage (48,000), and hydrogen (67,000).[60]

Recommendations

Continue to invest in the skilled trades

- Assess barriers to entering the skilled trades and continue to invest in apprenticeship grants and training subsidies, the training capacity of post-secondary institutions and unions, and the recruitment of skilled workers.
- Provide tax incentives to employers to provide on-the-job training and upskilling.

Develop sector-specific labour market strategies

- Develop labour market strategies for clean energy sectors like EVs to enable job growth and integrate them into sector growth plans.
- Establish investment tax credits that include labour requirements to maximize the social benefits from the growth in clean energy sectors.

Prioritize inclusive workforce development approaches

- Ensure labour market interventions are designed to improve employment and social outcomes for newcomers, Indigenous people, women, and other groups underrepresented in the trades. These communities will need to be engaged with directly to identify barriers to labour market participation and retention in the trades.

Endnotes

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Ontario is positioned to be a clean energy leader and attract the investment that will fuel ongoing prosperity and good jobs, while delivering affordable energy that people and industry can count on.

The Pembina Institute advocates for a strong, science-based approach to climate policy, environmental protection and energy development. We are a proudly independent and non-partisan charitable organization, and welcome the opportunity for dialogue with all organizations interested in advancing these issues in Ontario.

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The Pembina Institute recognizes and affirms these ancestral territories of the Mississaugas of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee, and the Wendat Peoples and the presence of many Indigenous Peoples. These lands we are on are also now home to many diverse urban First Nations, Inuit, and Métis Peoples.

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