

April 20, 2026

Right Honourable Mark Carney  
Office of the Prime Minister  
80 Wellington Street  
Ottawa, ON K1A 0A2

**Subject: Canadian climate policy and the Alberta memorandum of understanding**

Dear Prime Minister Carney,

Congratulations on your success in the recent byelections.

A parliamentary majority provides you with the ability to act swiftly and decisively in the interests of Canadians. As you remarked following the byelection results, “It’s time to get serious.” We agree, and we urge you to get serious about delivering meaningful Canadian climate policy.

We realize you must balance numerous pressures including national unity, geopolitical realities, and Canadians’ economic needs. Climate action is critical on all these fronts, as the physical realities and economic opportunities associated with addressing emissions have not changed.

Failing to significantly cut Canada’s carbon emissions would mean robbing future Canadians of the quality of life we enjoy today, not only by increasing the severity and frequency of fires, floods, storms, droughts, and heatwaves; but also by depriving people of prosperous careers in rapidly expanding low-carbon industries.

The November 2025 memorandum of understanding (MOU) with the Alberta government is a critical opportunity. We are increasingly concerned that your voluntary deadline of April 1 came and went without an agreement, and that officials in both governments report an impasse has been reached on several critical issues.

- **Industrial carbon pricing:** This is the most important element of the MOU. Reaching a minimum effective TIER credit price of \$130 — a commitment that we emphasize both governments already signed onto in the original MOU text — is crucial. This must be achieved in short order; we suggest by 2030. Doing so will unlock a high-growth, low-carbon economy across Western Canada. According to our analysis of publicly available information on potential projects, [tens of billions of dollars](#) in industrial investment is currently held up by the lack of resolution on this question.

Further, a viable business case for the Pathways carbon capture project [depends on reaching or exceeding \\$130](#) in short order. Given the MOU explicitly ties progress on a new pipeline to progress on Pathways, both projects depend on the swift implementation of a strong, effective, durable industrial carbon pricing system that investors can trust for the long term.

A new pipeline must also be an entirely privately financed project, able to stand on its own merits without asking Canadian taxpayers to subsidize it or otherwise take on risks that investors balk at. You and Premier Danielle Smith made this commitment in writing and we trust you will keep it.

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- **Clean electricity:** Alberta, along with the rest of Canada, is facing steep increases in electricity demand in the coming years. Grid planners and provincial governments must make serious, credible plans to grow their electricity supply in a way that is cost-effective and ensures long-term reliability and energy security while lowering emissions. There is no realistic pathway to this outcome in Alberta that does not include the widespread deployment of wind and solar, much more than is possible under current market reforms and provincial red tape. This is true even if Alberta continues to explore other, much more expensive and slower-to-deploy options, such as nuclear or gas-with-CCS. The Clean Electricity Regulations were designed to ensure new investments are not locking in higher-emitting technology. Alberta needs to commit to a policy suite that achieves an equivalent pathway to 2050 by removing current barriers to renewable energy investment *in addition* to setting an effective industrial carbon price.
- **Methane:** We saw positive signals in your March 25 agreement-in-principle with Alberta, particularly the use of third-party modeling and emissions verification.

However, the actual methane regulations subsequently published by Alberta on March 27 clearly do not deliver emissions reductions equivalent to current federal regulations, and so cannot be the basis for the “outcomes-based equivalency agreement” described in the agreement-in-principle and the MOU.

On September 10, in Edmonton, you told your national caucus that Canada’s response to climate change is “not just a moral duty, but an economic imperative.” This is true, and your handling of the negotiations with Alberta is your most consequential opportunity to turn those words into real action.

In 2026, economic and environmental policies are one and the same. You have identified this in your use of the term “climate competitiveness.” We also know through your numerous public statements and published works that you understand the importance of regulations that catalyze private and public investment in clean energy and low-carbon industries, sectors that will underpin the health of economies and populations long into the future. This is what effective industrial carbon pricing, good faith efforts to grow clean electricity, and ambitious methane regulations can do — but neither the climate nor investment will wait indefinitely for Canada and Alberta to come to the table.

We urge you to make use of the opportunity provided by a majority government to deliver these important results for all Canadians.

Yours sincerely,



Chris Severson-Baker  
Executive Director  
Pembina Institute

cc:

Marc-Andre Blanchard, Chief of Staff  
Michael Sabia, Clerk of the Privy Council Office  
Tim Krupa, Director of Policy