

# Canadian Hydrogen Association— Government Relations Committee

Overview of 2025 Federal Budget

Nov 14, 2025



Canadian  
Hydrogen  
Association

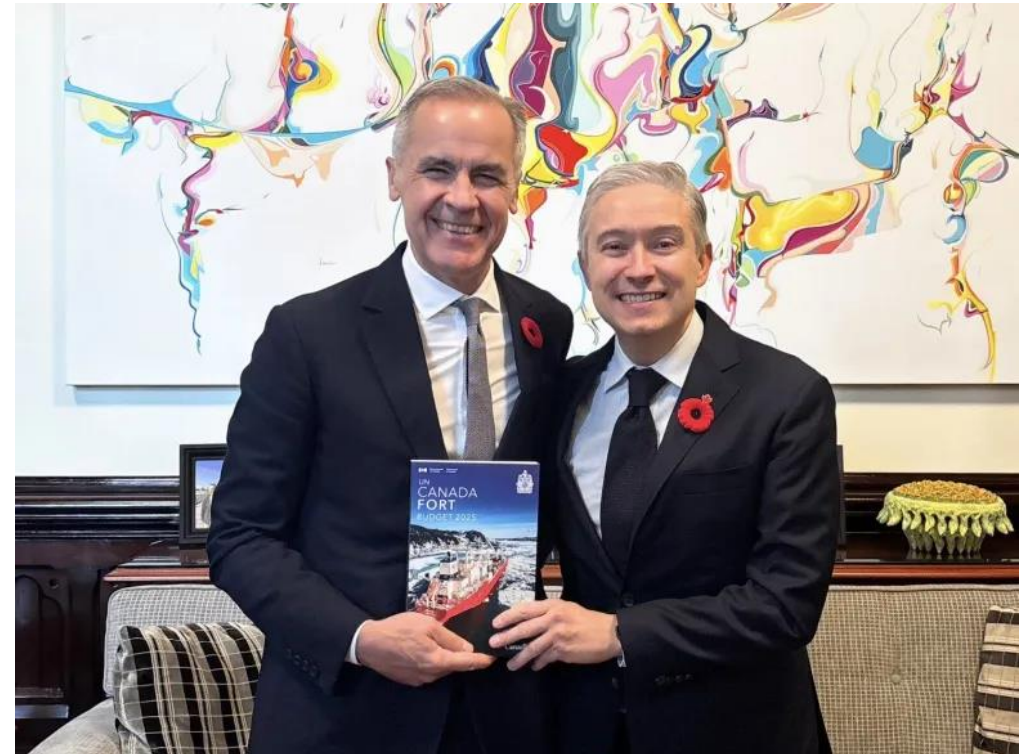
Association  
Canadienne de  
L'hydrogène

# Purpose



## Purpose of Discussion:

- To brief the Government Relations Committee on key federal policy developments from Budget 2025 and the Senate Committee report.
- To align CHA's advocacy priorities around hydrogen's role in Canada's economic and clean energy strategy.



# Language in Budget 2025: What the Words Tell Us



## Key Themes in Budget:

- “Invest” – 964 mentions
  - *Core framing: government defines leadership through investment, not austerity.*
- “Generational” – 25 mentions
  - *Framing this budget as transformational—setting a long-term vision.*
- “Supercharging” – 25 mentions
  - *Language of acceleration and urgency; tied to productivity, AI, and clean growth.*
- “Productivity super-deduction” – 15 mentions
  - *Government acknowledging Canada’s decade-long productivity challenge and offering enhanced tax incentives to drive private investment back home.*
- **Other notable terms:**
  - “Rightsizing” – 7 mentions
  - “Fiscal firepower” – 3 mentions
  - “Meet the moment” – 4 mentions
  - “21st century” – 5 mentions

## So What? – Implications for Hydrogen Advocacy:

- The budget’s language is **action-oriented and investment-driven** — it invites industry partners who can **mobilize capital quickly and demonstrate nation-building value**.
- Hydrogen should be positioned as a “**supercharged, generational investment**” opportunity that matches the government’s tone and ambition.
- CHA messaging can mirror this framing: emphasize investment, productivity, and national competitiveness — ***not just emissions reduction***.



# Core Themes of Budget 2025: “Canada Strong” ... 32 mentions..



## 1. BUILD

- **Nation-building focus:** Major investments in infrastructure, trade, and energy security.
- **Industrial strategy:** Mobilizing private capital for clean energy, including hydrogen, ports, and critical minerals.
- **Talent attraction:** Targeted immigration and research funding to strengthen Canada’s innovation base.
- **So what:** The hydrogen sector fits directly into this pillar — large-scale, job-creating, export-ready projects are exactly what Ottawa wants to “build.”

## 2. EMPOWER

- **Affordability and productivity:** Policies aimed at lowering costs, boosting investment, and improving economic capacity.
- **Fiscal approach:** “Spend less to invest more” – deficits tied to long-term capital formation.
- **Clean growth incentives:** Super-deductions and tax credits encourage business-led transformation.
- **So what:** Hydrogen aligns as a productivity enabler and investment multiplier — helping Canada meet both economic and environmental goals.

## 3. PROTECT

- **Economic sovereignty:** Strengthening domestic manufacturing and supply chains.
- **Defence industrial renewal:** New Defence Investment Agency and “Buy Canadian” policies.
- **Energy security:** Diversifying supply and investing in low-carbon resilience.
- **So what:** Hydrogen contributes directly to national resilience — clean fuels for defence, transport, and industrial independence.

### Key Takeaway

- Budget 2025 is about building, empowering, and protecting Canada’s economy.
- Hydrogen is a strategic fit across all three pillars — as an infrastructure investment, productivity driver, and sovereignty enabler.

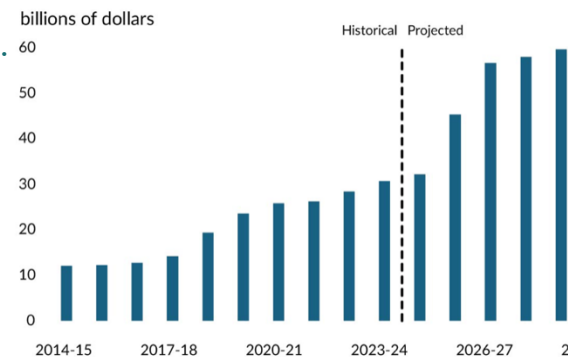


Capital investments, historical and projected

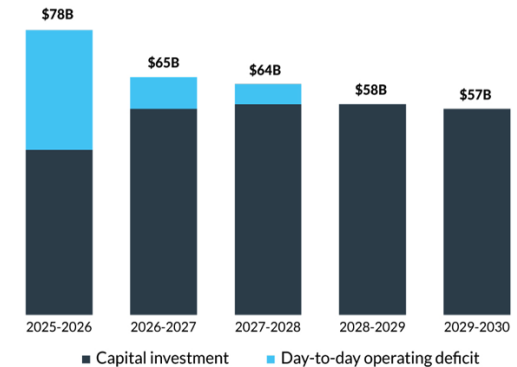
We will make capital investments a national priority to build Canada Strong.

Chart 0.9

Capital investments, historical and projected



Budget 2025 projected deficits



# Climate Competitiveness Strategy: Overview



## Current government 'stands by' Canada's climate targets, environment minister says

Carney government is committed to the 2035 target set under Trudeau: Julie Dabrusin



David Thurton · CBC News · Posted: Nov 10, 2025 3:06 PM AST | Last Updated: November 10



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Estimated 4 minutes



Minister of Environment and Climate Change Julie Dabrusin responds to a question during question period in the House of Commons on Parliament Hill in Ottawa, Friday, Nov. 7, 2025. (The Canadian Press/Sean Kilpatrick)

### Core Objectives:

- **Long-term certainty for industry:** Develop a post-2030 carbon pricing trajectory aligned with net-zero by 2050 — giving businesses the clarity to invest now and for decades ahead.
- **Fix and harmonize the system:** Strengthen the benchmark and federal backstop to ensure consistent national pricing and link provincial carbon markets.
- **Investor confidence:** Expand Carbon Contracts for Difference through the Canada Growth Fund to de-risk large-scale decarbonization investments.
- **Oil & Gas transition:** Support emissions reductions through carbon markets, methane regulations, and CCUS deployment, reducing need for a hard emissions cap.
- **Clean fuel :** Update Clean Fuel Regulations to strengthen domestic production and supply chains.
- **Critical Minerals:** Continued support for critical minerals investments.
- **Bill C-59:** Amend “greenwashing” provisions in the Competition Act to reduce uncertainty while maintaining consumer protection.

### So What? – Implications for Hydrogen & Clean Tech

#### The Good:

- Can support **predictability and long-term carbon price visibility** — essential for scaling hydrogen, CCUS, and clean fuel projects.
- **CCFDs** can directly support hydrogen production investments by guaranteeing future carbon credit values.
- Bill C-59 revisions reduce legal exposure for firms operating in the clean energy sector.
- Critical minerals and regulatory certainty will strengthen Canada’s clean energy value chains and investment competitiveness.
- Hydrogen sits at the intersection of this strategy — as a decarbonization tool, industrial growth driver, and export opportunity.

#### The Concerning:

- Continued (Interim?) uncertainty on key decarbonization policy drivers.

# Climate Competitiveness Strategy: Additional Considerations



- **Clean Economy Investment Tax Credits (CEITC):** Continuing and expanding tax credits for clean technology, hydrogen production, and related supply chains, with consideration of domestic content requirements.
- **Clean Hydrogen Investment Tax Credit (CHITC):** Expanded eligibility to include hydrogen produced from methane pyrolysis under the Clean Hydrogen investment tax credit
- **Extension of CCUS Tax Credit (to 2035):** Enhances economics of low-carbon hydrogen derived from natural gas with carbon capture.
- **Critical Minerals Sovereign Fund (\$2B):** The fund will make strategic investments in critical minerals projects and companies, including equity investments, loan guarantees, and offtake agreements.
  - **First and Last Mile Fund (\$372M):** This new fund would support the development of critical minerals projects and supply chains at the upstream and midstream segments of value chains, with a focus on getting near-term projects into production.
- **Sustainable Finance Framework:** Creation of a Canadian taxonomy and Sustainable Bond Framework, enabling new private investment vehicles for clean energy projects.

# Major Projects Office



The Major Projects Office’s mandate is to advance major projects in Canada and streamline federal regulatory project approval.

These projects will be evaluated in consideration of the extent to which they can:

1. Strengthen Canada’s **autonomy**, resilience and security;
2. Provide **economic or other benefits** to Canada;
3. Have a **high likelihood of successful execution**;
4. Advance the **interests of Indigenous Peoples**; and
5. Contribute to clean growth and to Canada’s objectives with respect to **climate change**.

## So What? – Implications for Hydrogen

- The MPO is now the gateway for large-scale clean energy investments — hydrogen hubs, export terminals, and infrastructure corridors all fit within its criteria.
- **Engagement is essential:** CHA and members should build relationships early with the MPO to position hydrogen as nation-building infrastructure, not just a clean technology.
- **The MPO provides a direct line to federal capital coordination** — connecting industry to the Canada Infrastructure Bank, the Growth Fund, and permitting reform processes.



**Dawn L. Farrell**

*CEO of the Major Projects Office*

Project	Location	Proponent	Sector
<input type="checkbox"/> LNG Canada Phase 2	Kitimat, <a href="#">BC</a>	LNG Canada	Energy
<input type="checkbox"/> Darlington New Nuclear Project	Bowmanville, <a href="#">ON</a>	Ontario Power Generation	Energy
<input type="checkbox"/> Contrecoeur Terminal Container Project	Contrecoeur, <a href="#">QC</a>	Montreal Port Authority	Industrial
<input type="checkbox"/> McIlvenna Bay Foran Copper Mine Project	East-Central, <a href="#">SK</a>	Foran Mining	Mining
<input type="checkbox"/> Red Chris Mine Expansion	Northwest, <a href="#">BC</a>	Newmont Mining and Imperial Metals	Mining
<input type="checkbox"/> Alto High-Speed Rail	Ontario-Quebec Corridor	Government of Canada	Transportation
<input type="checkbox"/> Port of Churchill Plus	Churchill, <a href="#">MB</a>	Arctic Gateway Group	Transportation

# Reduction in Federal Workforce



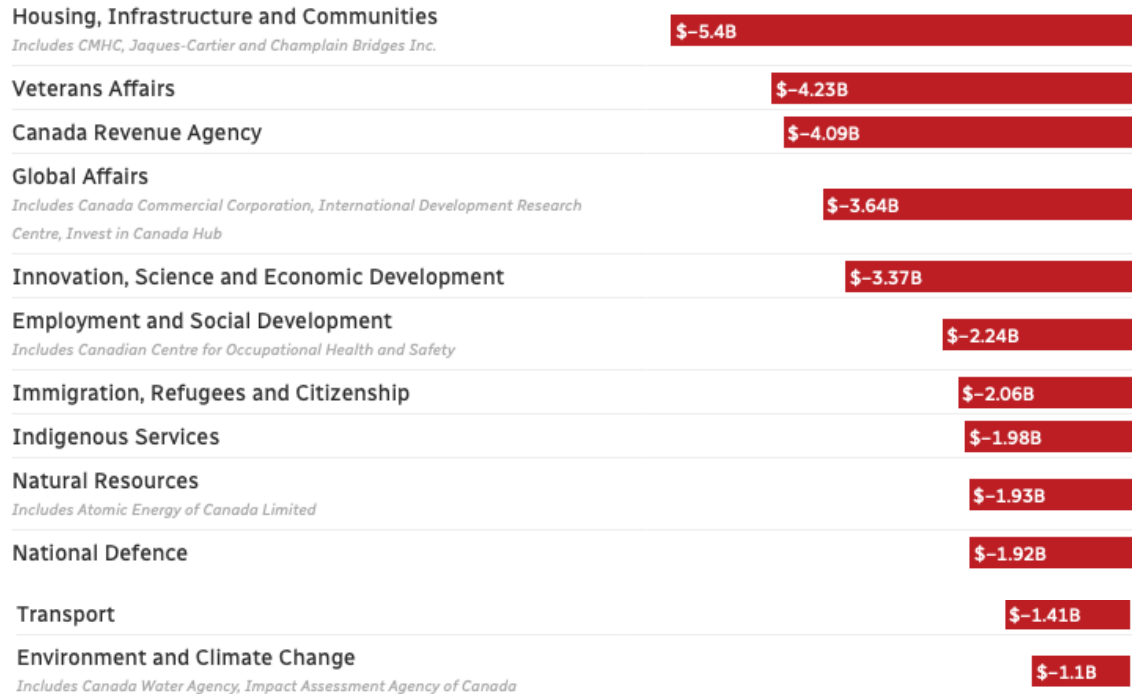
Budget 2025 introduces significant departmental realignments and workforce reductions, shifting focus toward “core priorities” and fiscal discipline.

## Key Departmental Changes

- **Environment and Climate Change Canada – \$1.1B**
  - Ending smaller leases and external training contracts
  - Cutting non-core activities and consolidating Indigenous engagement
- **Global Affairs Canada – \$3.6B**
  - Reducing global health and development funding to pre-COVID levels
  - Reforming trade and investment portfolio
  - Consolidating embassy operations to fewer buildings
- **Innovation, Science and Industry – \$3.4B**
  - Winding down underused programs (Global Innovation Clusters)
  - Reducing specialized staff and external consultants
  - Transferring small business financing to BDC
- **Natural Resources Canada – \$1.9B**
  - Phasing out the Canada Greener Homes Grant and 2B Trees program
  - Refocusing on core energy and resource policy

## So What? – Implications for Hydrogen and Clean Growth

- **Expect fewer direct grants** — tax credits and investment tools will dominate clean energy policy.
- **Reduced public service capacity means reduced attention.**
  - CHA must actively advocate to tie hydrogen to departmental priorities, ensuring it remains visible amid constrained resources.
  - This is a moment to position hydrogen as a solution that helps departments deliver on their reduced but sharper mandates.



# Advocacy and Messaging Considerations



## 1. Position Hydrogen Within the Government's Core Narrative

- Frame hydrogen as a nation-building investment — aligned with Budget 2025's pillars: Build, Empower, Protect.
- Use the government's language: "invest," "productivity," "resilience."
- Emphasize hydrogen as a Canadian technology strength, not a catch-up play.

## 2. Focus Advocacy Where Attention Remains

- Departments will be leaner — fewer staff, sharper mandates.
- Tie CHA priorities directly to departmental objectives.
- Ensure hydrogen is recognized as a solution that helps departments deliver on competitiveness, energy security, and emissions goals.
- ECCC → Engagement on OBPS will be required!

## 3. Build Relationships with New Gatekeepers

- Engage the Major Projects Office early, and position hydrogen hubs as nation-building infrastructure.
- Work with Finance Canada and the Canada Growth Fund on investment certainty (e.g., CCFDs).

## 4. Lead on the "Competitiveness" Message

- Move beyond climate framing — focus on jobs, industrial strength, and export potential.
- Show hydrogen as a tool for energy independence and global competitiveness, not just decarbonization.
- Advocate for hydrogen to be part of Canada's Climate Competitiveness Strategy implementation.

# Next Steps: CHA's 2026 Federal Advocacy Priorities



1. **Develop advocacy positioning / briefs in alignment with Budget 2025 priorities.**
2. **Develop a cross-department briefing series (quarterly) to demonstrate hydrogen's relevance to core mandates.**
  - *Include representatives from: ECCC, DND, FIN, GAC, ISED NRCAN, TC*
3. **Participate in upcoming consultations on sustainable finance, carbon pricing, and clean fuel regulations.**
4. **Continue building coalitions with adjacent sectors (critical minerals, clean fuels, defence) to amplify influence.**

**Thank you**

