The manner in which Canadians use energy is the principal determinant of our country's emissions of greenhouse gases. Although Canadians improved their efficiency of energy use significantly in the 1970s and 1980s, other industrialized countries did as well or better in responding to the oil shocks of this period and we remain one of the most inefficient energy users in the developed world.

Canada's energy policies traditionally have focused on increasing the domestic supply of energy; much less attention has been paid to the question of modifying our patterns of energy use and promoting the efficient use of energy. Now that we recognize that the consumption of carbon-based fuels is profoundly changing the composition and characteristics of the Earth's atmosphere, leading ultimately to a changed global climate, we must turn our policy-making attention fully to the issue of using our energy resources in a sustainable manner.

Methods of conserving energy and of increasing the efficiency of its use offer the best return in the near term for reducing greenhouse gas emissions: conservation and energy efficiency are therefore essential components of Canadian energy policy. The Committee recognizes, however, that fossil fuels will continue to be utilized in Canada — and elsewhere — for decades to come and that the demand for energy will continue to grow, especially in developing countries. Thus energy policy—making cannot be limited to the issue of using energy with less waste. In combination with energy saving, we must also look to the progressive substitution of low–carbon and non–carbon fuels for high–carbon fuels and we must make commercially available new technologies — and improve on existing technologies — for using carbon–based fuels in less environmentally damaging ways. Energy efficiency and conservation, fuel substitution and renewable energy development all have a crucial role to play in reducing emissions of greenhouse gases.

Today, Canadians depend on fossil fuels and wood for approximately 85% of their supply of primary energy and almost two-thirds of Canada's primary energy production comes from Alberta, virtually all in the form of hydrocarbons. Therefore, the federal government must develop its environmental policies with care and in close consultation with the provinces, the private sector and the public, given the profound regional impacts that such policies could have.