

# BoC scenarios show financial sector exposed to potential shocks from climate transition

IAN BICKIS  
The Canadian Press

Canada's financial sector could be exposed to significant economic shocks from the transition to lower emissions according to early scenario modelling from the Bank of Canada and the banking regulator.

The pilot study isn't meant as a forecast but considers several climate policy scenarios and how they could play out across the Canadian economy. The scenario work, however, does emphasize the immense transitions underway, said Toni Gravelle, deputy governor of the Bank of Canada.

"All scenarios showed that as we globally transition to net zero, some sectors will be significantly impacted, and the economy as a whole will undergo significant structural changes."

Speaking at a media briefing, Gravelle said that the study shows that Canada's banking and insurance industries need to plan carefully for the transition underway.

"For the financial sector, mispricing these climate risks could expose financial institutions and investors to sudden and large losses."

The Bank of Canada and the Office of the Superintendent of Financial Institutions (OSFI) say the initiative is an early attempt to better understand the long-term risks posed by the transition away from greenhouse gas emissions, and to assess how well banks and other financial institutions are themselves modelling the risk.

Gravelle said it's clear that both financial institutions and financial authorities are in the early stages of building capacity to better understand the risks and transitions ahead.

Ben Gully, assistant superintendent at OSFI, said that while many institutions are just starting to ramp up efforts, there's still time as the regulator aims to establish resiliency



The Bank of Canada is shown in Ottawa.

CP FILE PHOTO

by the end of the decade.

"We have some time, but no time to waste in preparing for 2030."

The report says that Canada is at higher risk of economic impacts from the transition because of significant exposure to commodities that will see price declines as climate policies such as carbon pricing strengthen globally.

The scenarios show that faster action on climate change will lead to a smoother, less risky transition, while modelling for especially abrupt global policy changes showed potential financial-market disorder as Canada's GDP falls 10 per cent lower than where it would be by 2050 compared with the baseline scenario.

The pilot study found that fossil fuel sectors are particularly exposed to risk, though others including crop and livestock sectors would also take a hit, and the electricity sector would get a boost.

One scenario, which looked at moving immediately toward the policies needed to keep warming to two

degrees Celsius, found that refined oil producers would see by 2050 a 72 per cent drop in net income and a 450 per cent increase in the possibility of default compared with the baseline, while the crop sector could see a 32 per cent drop and a 141 per cent increase in potential default.

The scenarios, looking at a 30-year timeline, make numerous assumptions and also didn't factor in several key factors such as the physical risks of climate change and how some new technological innovations could change the trajectories.

The report, which was produced in collaboration six financial institutions, found that modelling can take more effort than expected, and is still hampered by spotty access to data.

Gully said that while an early effort, the pilot was a success as it raises awareness of the risks and works towards better understanding the implications.

"Climate scenario exercises like this one make clear the potential impacts of transition risk across a range of different climate pathways."

# Time to review how RCMP can best serve communities, union head says

JIM BRONSKILL  
The Canadian Press

OTTAWA

The head of the RCMP officers' union says it's time for a basic look at how the national police force can best serve communities across the country.

Such a review could help figure out how many Mounties are needed — and where — to address problems such as rural crime, said Brian Sauve, president of the National Police Federation, which represents 20,000 RCMP members.

"The results of that might mean more police officers, or it might mean fewer or redeployment of police officers, but I think we really need to look at it to see that we're serving Canadians effectively," Sauve said in an interview.

The RCMP provides contract policing services to every province but Ontario and Quebec, which have their own forces, as well as the three territories and some 150 municipalities.

The prime minister has asked Public Safety Minister Marco Mendicino to carry out an assessment of contract policing in consultation with provinces, territories, municipalities, Indigenous partners other parties.

An internal Public Safety Canada memo released two years ago warned the demand for contract RCMP officers was outstripping the national police force's capacity to recruit and train them, causing shortages that have led to officer health and wellness concerns.

In turn, there was "growing dissatisfaction" in contract jurisdictions about costs and officer vacancies, and the resulting effect on community safety, the memo said.

Alberta, New Brunswick and Nova Scotia are among the jurisdictions that have floated the notion of creating their own police services.

Sauve said the National Police Federation has a role in helping the RCMP explain why sticking with the national police force is the best option, citing survey results that indicate public satisfaction with the services provided to communities.

"The argument that we're not suited for contract policing doesn't hold up when you look at the data behind it," he said.

At the same time, Sauve sees a need to examine how resources are deployed and "apply a modern lens" to questions.

"For example, is the geographic area too large to be covered by one or two or three police officers? Do we always have to maintain the existing status quo of where detachments are?" he said.

"Can we look at hubbing certain detachments to cover a larger geographic area with more police officers in that particular hubbed detachment? Do we end up with satellite offices?"

Sauve points to Manitoba, where there are about 980 RCMP members.

"How did we come up with that number? Did it just evolve over time? Is there a formula?"

## PUBLIC NOTICES

### 8AM - 4PM SPECIAL SERVICES

Electric Outages .....	403.529.8260
Gas Emergency.....	403.529.8191
Water & Sewer Emergency.....	403.502.8042
After Hours Special Services.....	403.526.2828



Medicine Hat

### DEVELOPMENT PERMITS APPROVED JANUARY 6 TO JANUARY 12, 2022 PLANNING & DEVELOPMENT SERVICES

#### RESIDENTIAL

**3 STERLING GREEN SE** (Lot 14, Block 14, Plan 1412603) PLDP20220001. Single Detached House.

**328 COULEE RIDGE DRIVE SW** (Lot 9, Block 3, Plan 2011418) PLDP20220006. Single Detached House.



#### COMMERCIAL

#### HOME OCCUPATION

**515 A WOODMAN AVENUE SE** (Lot 20, Block H, Plan 59454) PLDP20211173. Office With Customers To Attend Site. Tattooist, Manicure/Pedicure/Aesthetician.

**250 SHANNON DRIVE SE** (Lot 32, Block 25, Plan 9011219) PLDP20211286. Office Use With Customers To Attend Site. Health Studio/Fitness Centre.

**302 SOMERSET ROAD SE** (Lot 11, Block 6, Plan 0715106) PLDP20211317. Office With Employee To Attend Site. Consultant (Family Day Homes).

**153 WASHINGTON WAY SE** (Plan 59, Block 0411552) PLDP20211345. Office Use With Customers To Attend. Alternative Healing/Therapy (Reiki).

A person claiming to be affected by a decision of the Development Officer or the Municipal Planning Commission may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication. Notice of Appeal forms are available from the City Clerk Department, Third Floor, City Hall or on the City's website at [www.medicinehat.ca](http://www.medicinehat.ca).

All Development Permits listed are subject to conditions. Further information on any Development Permit may be obtained from the Planning & Development Services Department, Second Floor, City Hall during normal business hours (Telephone 403.529.8374).

### PROTECT WATER LINES FROM FREEZING

The following actions should be considered to protect your water lines:

- Repair broken windows and ensure windows/vents are closed during the winter.
- Insulate water pipes in unheated areas, including crawl spaces.
- For sinks located against a non-insulated outside wall:
  - Open the vanity door to allow warm air to reach the water pipes.
  - A light bulb placed near the water pipe may generate enough heat to keep the water flowing.
  - Heat tape wrapped around the pipe may keep the pipe from freezing.
- Residents of mobile homes should check the condition of the heat tape on their water service and water meter.
- Protect unheated indoor water meter with an insulated box and water pipes should be wrapped in insulation using heat tape.
- Outside water taps and underground sprinkler systems should have the water supply shut off inside the house at the isolation valve for the tap.
- Sprinkler lines and taps should be drained/blown out.
- A thin stream of water (as thick as a pen) running continuously from at least one tap will help prevent a frozen water service.
- If you plan to be away from home over the winter period, close the main water isolation valve located next to the water meter in your home. You should leave the heat on in your home and have someone check inside your home daily while you're away.

A frozen water service, or a burst water pipe, is an inconvenience and expense that most people would like to avoid. Please take all possible precautions to prevent this happening in your home or business.

For more information, refer to [www.medicinehat.ca](http://www.medicinehat.ca) or contact City Assets Environmental Utilities at 403.529.8176.

### REAL CHRISTMAS TREE RECYCLING

Recycle your real Christmas Tree anytime between December 27, 2021 – January 28, 2022 by dropping it off at one of the following convenient drop off locations:

- 20 Northlands Way NE – Northlands Co-op Recycling Depot
- 240 Kipling Street SE – Kipling Street Recycling Depot
- 3292 Dunmore Rd SE - Southwest corner of the Medicine Hat Mall parking lot

Prior to drop off, please remove all plastic bags, stands, tinsel and decorations.

Please note that artificial trees cannot be recycled in this program nor in the blue recycling cart program. Artificial trees that can no longer be

used or donated should be discarded in the garbage. Refer to [www.medicinehat.ca/recycle](http://www.medicinehat.ca/recycle) for more information.

Alternatively, you can take your real Christmas Tree to the Compost Facility, or your artificial tree to the Landfill; both located within the Waste Management Facility.

The Waste Management Facility hours of operation are as follows:

- Monday through Saturday 8:00 a.m. to 5:00 p.m.
- Closed on Sundays and all Statutory Holidays

Download the Recycle Coach App, refer to [www.medicinehat.ca/landfill](http://www.medicinehat.ca/landfill), or contact City Assets Environmental Utilities at 403.529.8176 for more information.

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