Electro-Federation Canada: Submission to the Legislative Committee on Bill C-39, *An Act respecting certain measures to strengthen the economy* (the Building Canada Strong Act)

October 26, 2026

Mr. James Maloney, M.P.
Chair of the Legislative Committee on Bill C-39

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Submitted via: cc39@parl.gc.ca

Dear Mr. Chair,

On behalf of Electro-Federation Canada (EFC), I am pleased to provide EFC's written submission to the Legislative Committee regarding Bill C-39, the *Building Canada Strong Act*.

EFC represents more than 230 member companies that manufacture, distribute, market, sell, and maintain a range of electrical and automation products. Members create and support $15.1 billion in GDP impact across Canada and sustain more than 109,000 jobs, helping advance the country's energy transition and electrified future.

EFC welcomes efforts to create a more efficient and predictable environment for major project development. Bill C-39's focus on faster federal reviews and the establishment of national trade corridors will affect not only project proponents, but also the companies supplying the equipment and technologies required to build and operate Canada's major projects.

While faster approvals are important, Canada must also have the supply chains, manufacturing capacity, electricity infrastructure, and regulatory environment needed to turn approvals into completed projects.

EFC's brief provides recommendations to support this objective, focusing on supply-chain readiness, Canadian manufacturing investment, integrated North American supply chains, enabling energy infrastructure, and regulatory and standards harmonization.

EFC appreciates the opportunity to contribute to the Committee's study and welcomes continued engagement as Bill C-39 advances.

Sincerely,

Cherith Sinasac
Director of Government Affairs
Electro Federation Canada

Executive Summary

EFC supports the objective of creating a more efficient and predictable environment for major project development in Canada. Bill C-39 proposes significant changes to federal project review, including a one-year federal decision target following submission of a complete application, a "one project, one review, one decision" approach, designated lead regulators, concurrent permitting processes, and mechanisms to accelerate projects and Regions of National Interest.

For Canada's electrical and automation industry, the significance of these reforms extends beyond project approvals. Electricity generation and transmission, critical-minerals developments, data

centres, manufacturing facilities, transportation infrastructure and other major projects require electrical equipment and technologies to be built, connected and operated.

Faster project approvals will only translate into faster project delivery if Canada has the equipment, supply chains, manufacturing capacity and electricity infrastructure required to build those projects.

Bill C-39 therefore presents an opportunity to align project acceleration with the industrial capacity required to deliver Canada's nation-building agenda.

EFC recommends that the Government:

1. Integrate supply-chain readiness and monitoring into Bill C-39 implementation;
2. Establish National Trade Corridors to strengthen supply-chain integration and resilience;
3. Pair project acceleration with measures to strengthen Canadian manufacturing capacity;
4. Encourage Canadian manufacturing through incentives while preserving access to integrated supply chains;
5. Treat electricity infrastructure as enabling infrastructure for accelerated major projects; and
6. Complement project-review reform with greater regulatory and standards harmonization.

Bill C-39 and Canada's Nation-Building Agenda

EFC supports efforts to reduce federal regulatory complexity and establish a more predictable pathway for major infrastructure, energy, transportation, critical-minerals and industrial projects.

These objectives align with positions EFC has previously advanced. In its 2026 pre-budget submission, EFC recommended streamlined, time-bound approvals for priority transmission and grid infrastructure based on a "one project, one review" approach, while reducing unnecessary duplication between federal and provincial processes, maintaining environmental and community safeguards, and upholding the Crown's obligations regarding Indigenous consultation.

Electrical systems are foundational to many of the projects Bill C-39 seeks to accelerate. Major industrial facilities, mines, data centres, transportation infrastructure and energy projects depend on electricity infrastructure and the transformers, switchgear, conductors, automation systems, controls and other technologies supplied by EFC members.

However, regulatory acceleration addresses only one part of the challenge.

Project Acceleration Must Be Matched by Supply-Chain Capacity

Canada cannot realise the full benefit of faster approvals if projects subsequently encounter multi-year waits for essential equipment or if the electricity grid is not prepared to manage increased demand.

EFC's report *Building Canada's Future Electricity Grid: A Supply Chain & Policy Roadmap*, developed with Dunsky Energy + Climate Advisors, identifies long lead times, equipment shortages, rising costs, manufacturing constraints and dependence on imported components as significant barriers to electricity-system expansion and modernization.

EFC's report indicates lead times of approximately 80 to more than 210 weeks for power transformers, 151 weeks for high-voltage breakers, up to 80 weeks for medium-voltage switchgear, and two to three years for high-voltage cables. It also cites Canadian price increases since 2020 of 74 per cent for transformers, 40 per cent for transmission equipment and 31 per cent for switchgear.

Supply risks also extend upstream to critical inputs such as grain-oriented electrical steel, transformer components, copper, semiconductors, printed circuit boards and communications components, as well as specialised technical labour and testing capacity.

The challenge is ensuring Canada has the manufacturing capacity, supply chains, workforce, investment signals, and market conditions required to deploy those technologies at the pace and scale necessary to meet growing demand. These constraints have direct implications for Bill C-39 objectives. Higher equipment costs increase project capital requirements, while long lead times can delay construction.

Recommendation 1: Integrate supply-chain readiness and monitoring into Bill C-39 implementation

As the Government implements Bill C-39, EFC recommends establishing a process to identify critical electrical equipment, components and enabling infrastructure required by major projects.

This should assess:

- expected demand for critical electrical equipment;
- equipment lead times and manufacturing capacity;
- dependencies on critical materials and components;
- testing, validation and certification capacity;
- opportunities to expand Canadian manufacturing; and
- areas where international sourcing will continue to be necessary.

This work should be supported by an ongoing electricity supply-chain monitoring and intelligence framework developed with utilities, manufacturers and distributors. EFC has recommended that such a framework combine long-term equipment-demand forecasts with information on manufacturing capacity, utilization, lead times, production gaps and dependencies on specialized inputs.

Supply-chain planning should proceed alongside regulatory acceleration so that equipment availability does not become the next bottleneck once a project is approved.

National Trade Corridors Can Strengthen Supply-Chain Integration

EFC supports Bill C-39's establishment of National Trade Corridors and the proposed National Trade Corridors Council to improve the monitoring and coordination of goods movement across Canada.

Canada's electrical and automation sector depends on highly integrated supply chains. Electrical equipment manufacturers rely on the timely movement of raw materials, specialised components and finished equipment, while utilities, contractors and major-project proponents require reliable access to equipment from manufacturers and distributors.

National Trade Corridors can complement Bill C-39's project-acceleration objectives by strengthening the infrastructure and coordination needed to move critical equipment and inputs to major projects. This is particularly relevant for large and specialised electrical equipment, including transformers, switchgear, conductors and related components, where supply-chain disruptions can contribute to project delays.

Recommendation 2: Implement National Trade Corridors to strengthen electrical and infrastructure supply chains

The National Trade Corridors framework should explicitly consider the movement of critical electrical equipment, manufacturing inputs and technologies required for major infrastructure and electricity projects.

Where appropriate, information on transportation disruptions and critical trade routes should inform broader federal analysis of electrical-equipment supply-chain risks and infrastructure requirements. Accelerating approvals, strengthening equipment supply, and ensuring that critical products and components can move efficiently to where they are needed.

Turn Project Demand Into Canadian Manufacturing Investment

Canada has established electrical manufacturing capabilities in areas including transformers, conventional wire and cable, parts of the switchgear market, engineering and grid automation.

Accelerated projects can create stronger, more predictable demand for these technologies. Federal industrial policy should help translate that demand into competitive investment opportunities in Canada.

Recommendation 3: Pair project acceleration with measures to strengthen Canadian manufacturing

EFC recommends aligning implementation of Bill C-39 with federal industrial and tax policies supporting strategic electrical and electrification technologies.

In particular, EFC continues to recommend expanding the Clean Technology Manufacturing Investment Tax Credit to include manufacturing equipment used to produce strategic grid and electrification technologies.

Investment tax credits should be complemented by targeted financing for strategically important and capital-intensive investments. Broad and predictable incentives are also important because meaningful manufacturing expansions can fall below the thresholds of programs designed primarily for very large investments.

If Canada is accelerating demand for infrastructure, it should also create competitive conditions for companies to invest in the capacity required to supply it.

Strengthen Canadian Production While Preserving Integrated Supply Chains

Supply-chain resilience should not mean attempting to manufacture every component domestically.

Canada's electrical-equipment industry operates within highly integrated North American supply chains. EFC's research found that almost 90 per cent of Canada's grid-equipment exports went to the United States. Predictable market access and the movement of materials, components and finished equipment are therefore important to investment and manufacturing utilization.

Recommendation 4: Encourage Canadian manufacturing through incentives, not rigid sourcing requirements

Where federal support is associated with Canada's nation-building agenda, EFC recommends a domestic-content bonus or adder rather than mandatory domestic-content requirements.

Such an approach can encourage procurement of Canadian-manufactured equipment and strengthen investment signals without delaying projects where Canadian supply is unavailable or insufficient. EFC further recommends harmonizing domestic-content approaches across jurisdictions and recognising meaningful Canadian manufacturing and value-added activity while preserving access to integrated North American supply chains.

Sourcing requirements that prevent timely access to essential equipment could undermine project timelines the legislation is intended to improve.

Electricity Infrastructure Is Enabling Infrastructure

Major projects do not end at the project boundary. Industrial facilities, mines, data centres, manufacturing investments and other projects require sufficient generation, transmission and distribution capacity.

EFC has recommended federal financial and enabling support for regional transmission corridors and interprovincial interties, alongside streamlined and time-bound approvals.

Distribution is equally important. New housing, commercial facilities, industrial plants, data centres, and other new loads ultimately depend on local distribution infrastructure capable of reliably delivering electricity.

Recommendation 5: Treat electricity infrastructure as enabling infrastructure for accelerated projects

Planning for accelerated projects should consider associated:

- regional transmission requirements;
- interprovincial interties where applicable;
- local distribution requirements;
- substations and switchgear;
- protection and control systems; and
- grid-management and automation technologies.

Where associated transmission or grid infrastructure qualifies for accelerated treatment, EFC supports streamlined and coordinated review consistent with the "one project, one review" approach it has previously recommended.

Extend Regulatory Efficiency Beyond Project Approvals

Faster project assessments are important, but regulatory fragmentation can also slow deployment of the technologies required to build and operate those projects.
EFC has identified fragmented standards, regulatory frameworks, cost-recovery mechanisms and interoperability requirements among the barriers to deployment of proven grid technologies.

Recommendation 6: Complement project-review reform with standards and regulatory harmonization

EFC recommends that Canada's broader nation-building agenda support:

- faster and more harmonised provincial, territorial, and municipal adoption of national electrical, building and energy codes;
- interoperability standards for grid technologies and distributed resources;
- stronger Canadian participation in International Electrotechnical Commission standards development through Standards Council of Canada;
- greater harmonisation and mutual recognition of standards supporting interprovincial and international trade; and
- reduced unnecessary regulatory differences among provinces and territories.

Regulatory efficiency should extend from approving a project to deploying the technology required to build it.

Summary of Recommendations

EFC supports the objective of a faster and more predictable Canadian project-development environment and the establishment of national trade corridors to improve supply chain efficiencies. To help ensure regulatory bottlenecks are not replaced by equipment, manufacturing or electricity-infrastructure bottlenecks, EFC recommends that the Government:

1. **Integrate supply-chain readiness and monitoring into Bill C-39 implementation.**
   Assess critical equipment demand, lead times, manufacturing capacity, upstream dependencies and testing constraints for accelerated projects and Regions of National Interest, supported by an ongoing national electricity supply-chain monitoring framework.
2. **Support National Trade Corridors that strengthen supply-chain integration.**
   Ensure implementation of National Trade Corridors considers the movement of critical electrical equipment and manufacturing inputs, engages manufacturers, distributors and utilities in identifying vulnerabilities, and uses monitoring and intelligence to identify transportation bottlenecks affecting major projects.
3. **Pair project acceleration with Canadian manufacturing investment.**
   Expand the Clean Technology Manufacturing Investment Tax Credit to strategic grid and electrification manufacturing technologies, complemented by targeted strategic financing.
4. **Encourage Canadian content without restricting access to critical supply.**
   Use a harmonized domestic-content bonus or adder rather than mandatory requirements, recognizing Canadian manufacturing while preserving integrated North American supply chains.
5. **Treat electricity infrastructure as enabling infrastructure for accelerated projects.**
   Ensure project planning identifies associated transmission, interties, distribution capacity, substations, switchgear, protection and control, and grid-management requirements.

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6. **Extend regulatory efficiency to codes and standards.**
   Advance harmonization, interoperability and mutual recognition of electrical, building and energy codes and standards, while strengthening Canadian participation in international standards development.

Conclusion

Bill C-39 represents an important opportunity to improve how Canada advances major infrastructure and economic projects. For EFC and its members, however, success should be measured not only by how quickly a project receives a decision, but by how quickly Canada can build it once that decision is made.

The projects Bill C-39 seeks to accelerate will require electricity infrastructure, transformers, switchgear, conductors, automation technologies, controls, digital-grid systems and other electrical equipment. EFC's research demonstrates that equipment lead times, supply-chain constraints, manufacturing capacity and access to critical inputs can already impede infrastructure deployment.

Canada should therefore align project acceleration with the industrial, supply-chain, transportation and electricity-system capacity required to deliver those projects. Faster approvals, stronger domestic manufacturing, resilient and integrated trade corridors, modern electricity infrastructure and efficient movement of critical equipment can work together to help translate Canada's nation-building ambitions into projects that are approved, supplied, constructed and put into service.

About Electro-Federation Canada

EFC represents more than 230 member companies that manufacture, distribute, market, sell, and maintain a range of electrical and automation products. Members create and support $15.1 billion in GDP impact across Canada and sustain more than 109,000 jobs, helping advance the country’s energy transition and electrified future.

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