



Canadian Renewable Energy Alliance

promoting a transition to renewable energy

Framework for a Model National Renewable Energy Strategy for Canada

Prepared by the Canadian Renewable Energy Alliance

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The Canadian Renewable Energy Alliance (CanREA) – Canadians promoting a global renewable energy transition

The Canadian Renewable Energy Alliance (CanREA) is an alliance of Canadian civil society organizations from the non-profit or voluntary sector that hold a common interest in promoting a global transition to energy conservation and efficiency and use of low-impact renewable energy. Members of CanREA believe that this transition is needed to address global climate change, pollution, global energy supply, human security, poverty eradication and economic sustainability. CanREA recognizes that our window of opportunity is limited and that this global transition must begin now through individual country action and international cooperation using a variety of market instruments, regulatory measures, public education and voluntary measures. CanREA was also formed to respond to the Canadian government's call for consultations on a national renewable energy strategy and to represent the voices of Canadian civil society in international dialogues related to renewable energies and energy efficiency.

This discussion paper provides a framework and recommendations for a comprehensive Canadian renewable energy strategy. This model strategy includes recommendations for provincial renewable energy and energy efficiency policies and actions backed up by national enabling measures and international participation in these areas.

The organizations actively involved in the formation of CanREA include:

- ▶ Canadian Association for Renewable Energies
- ▶ BC Sustainable Energy Association
- ▶ The David Suzuki Foundation
- ▶ Falls Brook Centre
- ▶ The Halifax Initiative
- ▶ One Sky - Canadian Institute of Sustainable Living
- ▶ The Ontario Sustainable Energy Association
- ▶ The Pembina Institute
- ▶ Pollution Probe
- ▶ The Saskatchewan Environmental Society
- ▶ The Sierra Youth Coalition
- ▶ STORM Coalition

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**The Bonn Conference –
A Landmark Event for Renewable Energy**

In 2004, a high-level international conference in Bonn, Germany set the stage for renewable energy to become a major international issue. The meeting resulted in a political declaration that leaders from 154 countries agreed upon (including Canada), policy recommendations for nations to consider in developing renewable energy and an action plan that summarized various national initiatives regarding renewable energy.

The Bonn conference was timely in that it took place as global interest in renewable energy was growing rapidly. At the same time that the International Energy Association World Energy Outlook (2004) claims that fossil fuels will remain our dominant source of energy in the foreseeable future (to 2030), oil and gas prices have begun to rise dramatically. In February 2005 the Kyoto protocol came into effect further challenging our reliance on fossil fuels. The World Council on Renewable Energy urges us to redirect our resources toward the decentralized application of renewable energy. The 2005 G-8 meeting focused on climate change and renewable energy. Finally, meetings on energy and development have highlighted the importance of renewable energy in meeting the United Nations Millennium Development Goals.

National governments and elected representatives are responsible for the formulation of policies that support effective and efficient renewable energy and energy efficiency markets. The policy recommendations for national governments from the Bonn conference included both domestic and international policies:

- 1 Develop an Overall Renewable Energy Policy:
 - a Incorporate renewable energy into a general energy framework based on renewable energy resource evaluations.
 - b Integrate renewable energy into non-energy sector policies.
- 2 Formulate Targets and Strategies for Renewable Energy and Energy Efficiency: Set clear targets with timelines, strategies and implementation plans, taking into account all sectors and energy end uses.
- 3 Market Transformation:
 - a Overcome subsidies for conventional energy sources and other biases against renewable energy to establish a level playing field.
 - b Establish performance-based, gradually declining subsidies for renewable energy sources and technologies (such as production tax credits and ecological fiscal reform).
 - c Provide temporary incentive/regulatory measures (e.g., portfolio standards and feed-in tariffs).
- 4 Increase Public Awareness and Support: Build public knowledge and support for a transition to renewable energy.

- 5 **Human Resources and Infrastructure:** Build energy efficiency and renewable energy capacity and implement industry transition policies/financial assistance.
- 6 **Establish Enabling Institutions:** Such as a Renewable Energy Secretariat.
- 7 **Secure Access for Renewable Energy:**
 - a Ensure grid access and provide transmission capacity for green power (including on-site sources);
 - b Support renewable energy heating and cooling technologies.
- 8 **R&D and Demonstration:** Increase support for renewable energy technologies, including heating and cooling technologies.
- 9 **Public Procurement:** Lead by example by purchasing green power, green heat and green fuels/transport as a base for market transformation.
- 10 **Global Cooperation:** Foster the work of international organizations to incorporate global support for RE. Strengthen global and regional cooperation on RE through fora such as the CSD, NAFTA and the G8.
- 11 **Utilize Kyoto mechanisms to Support Renewable Energy Deployment:** Use direct purchase of credits from renewable energy projects with high development value through the CDM and JI.
- 12 **International Assistance:** Focus bilateral and multilateral development assistance (ODA) on renewable energy programs that catalyze access to clean energy and reduce poverty.
- 13 **Promote Export Technologies:** Support renewable energy exports through Export Credit Agency guarantees, market surveys, etc.

Recommendations in Bonn were also made for local authorities:

- 1 **Local Codes:** Use building codes to accelerate the uptake of renewable energy technologies.
- 2 **Licensing and Siting:** Strengthen staff and stakeholder knowledge of renewable energy to remove obstacles to renewable energy deployment.
- 3 **Public Procurement:** Lead by example by purchasing green power, green heat and green fuels/transport as base for market transformation.
- 4 **Increase Public Awareness and Support**
- 5 **Financing:** Establish local public and private renewable energy financing funds.
- 6 **Integration:** Include renewable energy in non-energy sector projects including transport and waste management.

These recommendations give us a clear path forward. In many countries, led largely by the Europeans, national governments are

moving away from reliance on fossil fuels and quickly developing renewable energy sources. The Canadian government and all major federal parties have made explicit plans to move toward cleaner, more renewable and efficient energy sources. Some provinces are starting to set targets or consider renewable portfolio standards and are engaged in their implementation. It is now time to develop and implement a truly national Canadian renewable energy strategy.

The Canadian Context

In the early 1980s, Canada supported the development of a solar thermal and biomass energy industry through a combination of industry commercialization grants, consumer incentives and government procurement. The Canadian Solar Industries Association (CanSIA) was established to develop a strong, efficient, ethical and professional Canadian solar industry including solar electric, solar thermal and passive solar. The Solar Energy Society of Canada Inc. (SESOCI) was established in 1974 and still advances the awareness of solar energy in Canada.

While support for renewable energy lost momentum after oil prices fell later in the 1980s, environmental issues such as global warming and urban air pollution have renewed interest in renewable energy and energy efficiency. New organizations to promote renewable energy have been formed, including the Canadian Association for Renewable Energies, the Clean Air Renewable Energy Coalition and industry associations related to wind, biomass, solar, small hydro, geothermal/earth energy and ocean energy. These organizations have called for the establishment of national renewable energy targets and enabling policies. The Canadian government has responded with tax incentives for wind and other renewable power sources, including major commitments in the 2005 Budget. As the role of renewable energy accelerates, there will be an increasing need for a coordinated approach and a national strategy. There is a clear need for a renewable energy secretariat to coordinate and facilitate at a federal level and to represent Canada internationally in the growing field of renewable energy.

The Canadian Renewable Energy Alliance (CanREA)

Following Bonn, an international network of environmental NGOs working on renewable energy was established called Citizens United on Renewable Energy and Sustainability (CURES). REN21, a global multi-stakeholder renewable energy policy network, was also set up to monitor international progress on renewable energy.

Since Bonn, individual Canadian environmental non-governmental organizations have taken lead roles in advocating for policy changes regarding renewable energy. However, there was no unified civil society voice representing the broader issue of renewable energy in Canada.

In March 2005, therefore, several non-governmental organizations from across Canada established the Canadian Renewable Energy Alliance (CanREA) to provide recommendations on the development and implementation of a National Sustainable Energy Strategy. Alliance members recognized the need for an organized NGO body to respond to government consultation processes and to represent the voices of Canadian civil society in international dialogues. CanREA envisions a world in which energy needs are minimized through energy conservation and energy efficiency, and in which low-impact renewable energy is consistently the first choice to meet energy needs.

Objectives of a National Renewable Energy Strategy

In CanREA's view, Canada should act on the renewable energy commitments made in the 2004 Bonn Renewable Energy Conference Political Declaration and implement Bonn's Policy Recommendations for Renewable Energy described above. The objectives of a Canadian Renewable Energy Strategy should be to:

- ▶ Recognize the environmental, economic and social value of renewable energy in meeting Canadian and international goals of reducing environmental impacts (especially climate change), promoting economic development and improving world energy security
- ▶ Be a truly national strategy, coordinating federal and provincial targets and actions on renewable energy
- ▶ Include international commitments such as export development of Canadian RE technologies (through EDC) and official development assistance (through CIDA) to support the utilization of renewable energy to reduce poverty
- ▶ Be built on a strong foundation of energy efficiency
- ▶ Be comprehensive — including green power (both sides of the meter), green heat, and green transport in industry, businesses, homes, communities and First Nations.

Elements of a National Renewable Energy Strategy

CanREA held three regional workshops in 2005 and early 2006 to obtain local civil society input on energy efficiency and renewable energy policy options. CanREA also co-hosted an international conference on renewable energy policy in December 2005. On the basis of these consultations CanREA has developed a Model National Renewable Energy Strategy built on the Bonn Policy Recommendations but also recognizing Canada's unique division of responsibilities among federal, provincial, territorial, First Nations and municipal governments. We believe that this common/unified view from civil society of what a

renewable energy strategy should contain will contribute to a national debate in support of the commitments already made by governments. CanREA is also planning to establish a monitoring function to assess Canada's progress on implementing renewable energy policies to chart progress on renewable energy deployment and provide Canadian civil society with an annual report on Canada's progress.

CanREA's model strategy contains recommendations for the three main services met by energy — power, heat and transport — supplemented with national strategies for energy efficiency, a sustainable energy financing plan, and international cooperation and assistance. Policy briefs on each of these are enclosed and/or can be downloaded from the CanREA website (www.canrea.ca).

Policy Brief Topics

Green Power – Creating an Industry in Canada

By Julie Green, Pollution Probe

Green Heat

By Bill Eggertson, Canadian Association for Renewable Energies

Energy Efficiency — The Cornerstone of a Sustainable Energy Future

By Roger Peters, Pembina Institute

A National Green Transportation Strategy

By Bob Oliver, Pollution Probe and J.P. Jepp, Pembina Institute

Financing Sources and Mechanisms for Renewable Energy and Energy Efficiency

By Roger Peters, Pembina Institute

Distributed Generation in Canada: Maximizing the benefits of renewable resources

By Alex Doukas, Ontario Sustainable Energy Association (OSEA)

International Cooperation — Moving Toward a Sustainable Energy Future

By Nikki Skuce, One Sky

Community Power — The Way Forward

By Alex Doukas, Ontario Sustainable Energy Association