Recommended First Steps in a New Canadian Energy Efficiency Strategy September 2006

Maximizing energy efficiency is the most effective way of cleaning Canada's air and delivering economic value to Canadians by reducing the amount of energy they use. Not only do energy efficiency measures reduce air emissions, they have water and land use benefits, improve energy security and local control, and provide employment and economic opportunities in all parts of the country.

A federal environment plan must therefore have energy efficiency as its cornerstone. In 2006/2007, the Government of Canada should develop a national energy efficiency strategy, beginning with actions in each of the following key areas:

1. Leadership and foundation building.

Energy efficiency comes under many jurisdictions. The federal government should provide leadership by making energy efficiency and renewable energy into national priorities - working in collaboration with the provinces and other stakeholders to develop national world class targets and action plans.

We recommend that in 2006/7 the federal government set ambitious short and long range targets for energy efficiency, working with multi-stakeholder forums including the Council of Energy Ministers, the Energy Sustainability Sector Table and The National Advisory Council on Energy Efficiency (NACEE). We also recommend that the federal government use these same stakeholder groups to develop a national 10 year plan for supporting energy efficiency.

2. Regulatory actions and higher performance standards.

Minimum performance standards for equipment and best in class labelling together increase the average level of efficiency and ensure continual improvement.

We recommend that the federal government use the Energy Efficiency Act to raise existing minimum performance standards for equipment to the best levels found in North America, and extend standards to all other energy using equipment, including cars and light trucks. The federal government should also support provincial regulations by regularly updating National Model Codes for Houses and Buildings and best in class (e.g. Energy Star) labelling protocols for equipment, buildings, and vehicles. The International Energy Agency "1 Watt" initiative – an international program to harmonize efficiency of standby power of equipment – should be adopted by the federal government.

A permanent body should be used to review and update standards, model codes and labelling codes regularly, with adequate funding provided for enforcement and standards development. All standards, code and labelling work should be coordinated with provincial actions through Council of Energy Ministers collaboratives.

3. Building capacity to deliver technology and services, and empowering citizens and business to acquire them.

Experience has shown that consumers and businesses will choose energy efficient products like Energy Star only if there is a strong and reliable industry to deliver these products and industry incentives are in place to reflect their environmental value. Before increasing energy efficiency standards to these levels, governments must ensure that high efficiency products have a foothold in the market. Federal "market transformation" programs that maintain national quality assurance, provide financial incentives to industry, and support industry development can help build industrial capacity to meet new standards, provide a skilled workforce, and permanently change consumer and business decisions.

The federal government should provide support for training and certification, technical assistance and industry capacity building programs for the construction of new residential and commercial buildings that have high energy efficiency and net zero energy requirements. Training should include builders, designers, manufacturers, installers, trainers, and community managers.

We recommend that the federal government provide these capacity building and national quality control services for:

- Housing and buildings retrofit
- New "green" buildings and Energy Star homes
- Industrial process energy efficiency
- Small and medium scale enterprises
- Municipal community energy planning and innovative financing

Sufficient resources should be allocated to these programs so that with help from government, industry and NGO partners, these markets are transformed to the most efficient in North America.

4. Federal procurement policy for efficient technology.

Direct procurement of energy efficient products and services by federal departments based on lowest life cycle cost can play a key role in building new energy efficient markets.

We recommend that the government should immediately implement an efficient technology procurement strategy for all owned and leased buildings, focussing in year 1 on the purchase of best-in-class high efficiency lighting, air conditioning, and vehicles.

5. Direct Investment and Financing.

In many cases, direct federal investment or transfers to provinces and municipalities for new energy efficiency infrastructure can leverage private and community investment.

We recommend that the federal government make direct transfers to provinces and municipalities for:

- Efficient low-income housing
- Community energy plans and innovative financing
- Public transit and intercity passenger transport
- Energy conservation for personal vehicle and freight, including support for anti-idling policies.
- Minimizing freight movement, and shifting freight and personal modes of transportation to improve efficiency
- Urban design to reduce demand for transportation.

The federal government should also provide financial incentives and tax measures that shift freight to the most energy efficient mode and minimize freight movement.

6. International cooperation.

Canada will benefit significantly from global cooperation on energy efficiency and committed to work on a wide range of energy efficiency actions at the 2006 G8 summit in Russia. We recommend that Canada participate in energy efficiency activities of the International Energy Agency (IEA), and commit significant funds to the Renewable Energy and Energy Efficiency Partnership (REEEP) to assist developing countries adopt energy efficient practices.

The Canadian Renewable Energy Alliance is an alliance of Canadian civil society organizations from the non-profit or voluntary sector that share an interest in maximizing energy efficiency and conservation and promoting a global transition to low-impact renewable energy. CanREA has developed a model national strategy for renewable energy and energy efficiency based on input from across Canada and reviews of best practices used in other countries. www.canrea.ca

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The Canadian Energy Efficiency Alliance promotes and advances energy efficiency and its related benefits to the economy and the environment. The Alliance works in partnership with manufacturers, utilities, governments, builders, labour, consumer groups, and environmental organizations to facilitate the adoption of energy efficiency measures in Canada. www.energyefficiency.org

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