



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 low-impact renewable energy.

## **Canada's Great Clean Energy Opportunity**

### **Creating Jobs and Economic Development through Energy Efficiency and Renewable Energy December 17, 2008**

Our country's industrial sector is facing an emergency that needs practical solutions to ensure national prosperity. A key solution for stimulating the Canadian industrial sector and creating new manufacturing jobs is developing an ambitious renewable energy and efficiency strategy that harnesses our vast domestic and regional markets – starting with Budget 2009.

Canada is lagging behind the rest of the world on the use of renewable energy technologies while at the same time it has more renewable energy resources than most other countries. This is a huge lost opportunity for Canada to quickly develop strong domestic and regional markets. We are missing out on the fastest growing energy source of the 21<sup>st</sup> Century and one of the best ways to provide good jobs and economic development.

Saving energy also creates jobs. Many of the energy efficiency solutions are manufactured in Canada, and when installed by today's trades and professions will produce positive returns on investment financially and environmentally. Energy efficiency and renewable energy are also the most effective measures to tackle global warming, make improvements in air and water pollution, and improve energy security and access to energy.

### **Building a New Green Economy**

The Canadian Renewable Energy Alliance (CanREA) recommends that Canada should make energy efficiency and renewable energy the cornerstones of its long term economic and market development plan starting with the following measures:

1. **Leadership:** Set short term tactical targets and long term strategic energy efficiency and renewable energy targets, establish a national renewable energy secretariat and laboratory, join the new International Renewable Energy Agency (IRENA), and pass and a Renewable Energy Act.
2. **Financing:** Establish a Smart Energy Fund to provide seed financing, R&D support and make loans to utilities, municipalities, or public-private partnerships to provide energy efficiency, green building, and renewable energy services. Provide seed monies from the Smart Energy Fund to provincial community power funds to cover soft costs and low-interest loans to enable ownership of projects by community power proponents.
3. **Training:** Provide on-going funding through the National Green Economy Training Program to promote good jobs in energy efficiency and renewable energy by training and certifying auditors, installers, financiers, designers and operators. This would provide a commitment to a long-term education and training, on-the-job experience, and providing apprenticeship programs.
4. **Buildings and Housing:** Develop a comprehensive building and housing re-commissioning and retrofit plan to upgrade the majority of buildings in Canada by 2020, rapidly implement a low-income homeowners and renters program to retrofit all low-income housing over 10 years,

Provide tax credits for new net zero and green buildings and housing, and incorporate energy performance requirements and renewable energy considerations into the next version of Canada's National Building Code.

5. **Transport:** Set regularly increasing efficiency standards for all light vehicles and heavy trucks, establish a national rail network authority to develop comprehensive and effective national high speed passenger and freight rail systems, provide annual major targeted transfers (investments) to the Provinces and Territories to support the rapid construction of mass transit and smart growth infrastructure, Establish market-based criteria that ensure the sustainable use of biomass resources for the production of ethanol and bio-diesel from forest and agricultural materials.
6. **Renewable Power:** Support provinces that adopt feed-in tariffs and other innovative policies, scale up the current EcoEnergy for Renewable Power incentive program including appropriate rates to encourage solar PV investment, and establish a high-level national task force on renewable power grid integration, power storage and transmission,
7. **Renewable Heat:** Introduce a national tax credit for residential and small business solar water heaters and Support sustainable, renewable biomass heating fuels industry particularly in BC, Quebec and Northern Ontario.

## **Recommendations for Budget 2009:**

To kick start the new green economy and create new permanent jobs all across Canada, CanREA recommends that the Federal Budget for 2009 include the following five point economic and market stimulus plan:

1. **Smart Energy Fund (2.5 Billion):** Establish a \$2.5 Billion Smart Energy Fund that makes low interest loans (1/2% below prime) to homeowners, businesses, industrial firms, and public entities for energy efficiency technologies, staff training, green building, and building scale renewable energy technologies like solar water heating.
2. **National Green Economy Training Program (\$500 Million):** Establish and finance a national program to train and certify auditors, renovators, installers, financiers, designers and operators. It would help trades people adapt their skills and mobilize the network of trades-schools to provide intensive training programs.
3. **National Building and Housing Renovation Programs (\$2.5 Billion).** Inject \$2.5 billion over the next 5 years into direct investments supporting the retrofit and re-commissioning of Canada's homes and buildings – including support for audits, technical assistance, high efficiency products, and solar water heating. Special support for low income housing retrofit.
4. **Leveraging Investment in Grid Scale Renewable Energy (\$2.8 Billion):** Invest \$2.8 billion in a renewed ecoENERGY renewable power program, including special rates for solar PV. Establish a national task force on renewable power integration and power storage. Target: 12,000 megawatts (MW) of renewable energy generating capacity by 2012 including 100 MW of wind capacity installed in the Canadian North.
5. **Sustainable Transport Sector Investment:** Provide equity financing to Canada's auto sector, conditional on the rapid development of high efficiency vehicles and mass transit vehicles capability. Make targeted transfers (investments) of \$30 billion over five years to the Provinces and Territories to support the rapid construction of mass transit and smart growth infrastructure.

By focusing on these priority areas, the payback for the economy and the environment is significant. All of these efforts work right across Canada, in every province and territory, and in every community – large and small.