



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.

164 Wellington Street
Gatineau, QC, J8X 2J4

December 17, 2008

The Honourable James M. Flaherty
Finance Canada
140 O'Connor Street
Ottawa, Ontario K1A 0G5

The Honourable Lisa Raitt
Natural Resources Canada
580 Booth Street
Ottawa, Ontario K1A 0E4

Dear Ministers Flaherty and Raitt,

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 has more renewable energy resources than most other countries. Renewable energy is also the fastest growing energy source of the 21st Century, and one of the best ways to provide good jobs and economic development. It provides a huge opportunity for Canada to quickly develop strong domestic and regional markets, and improve energy security and access to energy.

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.

CanREA recommends that Canada should make energy efficiency and renewable energy the cornerstones of its long term economic and market development plan starting with Budget 2009 and continuing over the coming years.

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.
4. **Leveraging Investment in Grid Scale Renewable Energy (\$2.8 Billion):** Invest \$2.8 billion in a renewed ecoENERGY renewable power program. 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.

Building a New Green Economy

To build a new green economy over the longer term, CanREA recommends that Canada implement a comprehensive plan consisting of 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; and pass a Renewable Energy Act.
2. Financing: Expand the 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 long-term education and training, on-the-job experience, and 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; 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 a sustainable, renewable biomass heating fuels industry particularly in BC, Quebec and Northern Ontario.

For more detailed descriptions, see the attached backgrounder, "Canada's Great Clean Energy Opportunity."

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

We look forward to hearing from you and would be pleased to meet with you or your staff at any time to discuss our proposals. Please contact Roger Peters, Board Secretary rogerp@cyberus.ca (613) 521-4004.

Yours sincerely,



Kristopher Stevens
Vice President of CanREA Board of Directors

On behalf of the members of CanREA:

- *British Columbia Sustainable Energy Association*
- *David Suzuki Foundation*
- *Ecology Action Centre, Nova Scotia*
- *Environmental Coalition of Prince Edward Island*
- *Falls Brook Centre, New Brunswick*
- *Green Communities Canada*
- *Greenpeace Canada*
- *Nova Scotia Cooperative Council*
- *One Sky: Centre for Sustainable Living, BC*
- *Ontario Sustainable Energy Association*
- *Pembina Institute*
- *Pollution Probe*
- *Saskatchewan Environmental Society*
- *Sierra Club of Canada: National, Atlantic and Prairie Chapters*
- *Toronto Renewable Energy Cooperative*
- *Windfall Ecology Centre, Ontario*

cc: Hon. Jim Prentice, Minister of the Environment, 10 Wellington Street, Gatineau K1A 0H3
Hon. Tony Clement, Minister of Industry, 235 Queen Street, Ottawa K1A 0H5
Hon. Diane Finley, Minister of Human Resources and Skills Development, 140 Promenade du Portage, Gatineau K1A 0J9

Enclosure (1)