



Commentary on Canadian Energy Policy for the International Energy Agency. April 20, 2009

Who We Are?

The Canadian Renewable Energy Alliance (CanREA) is made up of 16 Canadian civil society organizations from 8 Provinces that promote energy efficiency and a global transition to renewable energy.

- We published a Model National Canadian Renewable Energy Strategy in 2006
- We released a critique of Canadian renewable energy policy in March 2008
- We proposed a federal stimulus package for a green economy in January 2009
- CanREA is a founding member of the North American Alliance for Renewable Energy that promotes the adoption of feed-in tariffs for procurement of renewable energy
- CanREA represents Canadian non-government organizations on the federal-provincial Council of Energy Ministers energy efficiency working group

For more information visit www.canrea.ca

Our current priorities are:

1. Advancing awareness of the primary roles that energy efficiency and renewable energy can play in meeting global economic, climate change and security goals.
2. Advocating the adoption of feed-in tariffs as the primary policy to accelerate investment in renewable energy.
3. Supporting international cooperation on renewable energy through the International Renewable Energy Association.

What we think are Key Energy Issues?

- ⇒ Energy efficiency must be the underlying foundation of any energy policy. Yet traditional voluntary / price signal approaches to energy efficiency have only led to a fraction of its economic potential being achieved. New innovative policies are needed to achieve all cost effective efficiency and conservation and completely transform the way we use energy.
- ⇒ Renewable energy is the most plentiful energy resource and potentially could meet all energy needs sooner and cheaper than alternatives such as clean coal or advanced nuclear. Yet renewable energy is still seen only as a secondary energy source in the fight against global warming and in supporting economic development. Research, policy, investment and information flows should all be increased to redress this imbalance.
- ⇒ Renewable energy coupled with energy efficiency is the most universal solution to global warming. International cooperation on renewable energy has received a real boost with the founding of the International Renewable Energy Agency (IRENA). All major nations should build on this momentum and work together globally and bilaterally within their regions.

CanREA's View of Canadian Energy Policy

Highlights:

The new Green Energy Act will make Ontario the first jurisdiction in North America to give renewable power priority access and use the highly successful feed-in tariff procurement policies used in Europe to accelerate investment in renewable power generation and manufacturing. Two other provinces have renewable energy portfolio standards and others use the RFP process for periodic acquisition of renewable power.

Manitoba, British Columbia, Quebec and New Brunswick are leaders in energy efficiency. Collectively, all provinces have agreed to a 20% improvement in energy efficiency by 2020. Ontario's Green Energy Act also enables government to take a stronger role on efficiency.

The Council of Energy Ministers collaborative process on energy efficiency is showing real signs of overcoming jurisdictional barriers. Most provinces are now considering energy efficiency in the building code and a permanent process has been established to transform appliance and lighting markets. Much more is possible, however. Also, no similar federal – provincial collaborative process exists on renewable energy.

Critiques:

In general, the Government of Canada places much more emphasis on technologies such as carbon capture and storage and nuclear power than on renewable energy and energy efficiency. This is true with respect to climate change and economic development.

Canada does not participate internationally or bilaterally on energy efficiency or renewable energy in any significant way.

- ⇒ Canada has not set any national targets for the deployment of energy efficiency and renewable energy
- ⇒ Canada did not send even an observer to the founding conference of IRENA
- ⇒ While being a member of the Renewable Energy and Energy Efficiency Partnership (REEEP), Canada has not participated in any REEEP activities
- ⇒ Besides working on a Sustainable Buildings dialogue, Canada has not gone beyond basic commitments under any of the G8 processes concerning efficiency and renewable energy
- ⇒ Canada missed a golden opportunity to work bilaterally with the United States on energy efficiency and renewable energy under the recently signed Clean Energy Dialogue

The federal government has introduced no new domestic support programs for energy efficiency or renewable energy since 2006. Existing programs have been re-branded and some new funds committed to them. The new Budget 2009 economic stimulus package wasted an opportunity to target energy efficiency under the new renovation tax credit and did not replenish the popular EcoEnergy renewable power incentive program.

Canada's vast hydro-electric capacity and new power storage technologies could be used to integrate large proportions of renewable power from wind and solar into the grid. This could be achieved quickly and at less cost than clean coal and nuclear power. However, Canadian federal energy research and commercialization support continues to ignore these significant renewable energy opportunities. VRB, a Canadian manufacturer of large scale battery storage, went out of business in 2007, while the Canadian solar PV manufacturer Arise moved to Germany the same year. Industry Canada is working with the wind industry on a technology road map, but this will need to be supported by comprehensive policies to be effective.

What Policies are needed in Canada?

International Cooperation:

- ⇒ Canada should join IRENA and play a major role in helping developing countries adopt renewable energy
- ⇒ Work closely with the United States on making energy efficiency and renewable energy the cornerstone of a new green economy and regional climate change policy under the Clean Energy Dialogue

Domestic Leadership by the federal government:

- ⇒ Recognize renewable energy development as a national priority – promoting public awareness on how renewable sources can meet Canada's heat, transport, and power needs (including base load and peak power)
- ⇒ Set national renewable energy and energy efficiency targets for all sectors and fuels, and entrench many of the programs and regulations listed below into a national Green Energy Act
- ⇒ Set up a Smart Energy Fund to provide energy efficiency, green building, and renewable energy services and financing to homeowners, businesses, industrial firms, and public entities.
- ⇒ Establish a National Green Economy Training Program to promote good jobs in energy efficiency and renewable energy

Renewable Power

- ⇒ Build on Ontario's leadership by supporting adoption of feed-in tariffs in all Provinces and harmonize a replenished EcoEnergy for renewable power with feed-in tariffs programs.
- ⇒ Establish a National Renewable Energy Centre and a high-level national task force on renewable power grid integration and strategic transmission links
- ⇒ Implement a national program to develop, commercialize, and deploy technologies and measures such as power storage that deliver base load power from variable renewable power sources.

Energy Efficiency and Renewable Heat

- ⇒ Set up a well resourced national secretariat to support the Council of Energy Ministers (CEM) collaborative process,
- ⇒ Quickly respond to recommendations on new programs and regulations including housing and building retrofit, low income housing, and truck efficiency
- ⇒ Support new innovative financing and regulatory approaches to energy efficiency that ensure all economic efficiency potential is realized
- ⇒ Expand the scope of the CEM collaboration to include renewable heating technologies like solar heating.

Support sustainable transportation:

- ⇒ 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
- ⇒ Establish market-based criteria for the sustainable use of biomass resources for the production of ethanol and biodiesel from forest and agricultural materials.