



December 20, 2007

The Honourable James Flaherty
Minister of Finance
Minister's Office, L'Esplanade Laurier
140 O'Connor Street
Ottawa, ON
K1A 0G5

Letter by E-Mail: flaherty.james@fin.gc.ca

Dear Minister Flaherty:

On behalf of the Clean Air Renewable Energy Coalition (see membership list below), I wish to make this formal Budget submission to you regarding the advancement of "Green Power" (low-impact renewable energy) in Canada.

The Coalition's Vision is "To have low-impact renewable energy account for a minimum of 7% of Canada's electricity production by 2010 and 15% by 2020".

To that end, the Clean Air Renewable Energy Coalition recommends expanding the ecoENERGY for Renewable Power program to a target of 12,000 MW by extending the application date to 2015.

The attached two-page document entitled "Policy Recommendations for Canada's Low-Impact Renewable Power Sector" provides greater detail to this proposal. Below, we highlight a few significant features of the proposal.

- The program would be an extension of the current ecoENERGY for Renewable Power (eERP) program requiring funding for an additional 7,000 MW of power (the original WPPI incentive supported 1,000 MW while the current ecoENERGY program supports an additional 4,000 MW)
- We have always been of the view that the ecoENERGY program would be wildly successful (as were its predecessor programs). While eERP is designed to support 4,000 MW of power, at the moment over 9,000 MW of power are registered under the Program; while eERP was not to have been fully allocated until 2011, NRCan officials think it will be used up in 2009. To maintain the success of the program and build further momentum for the "Green Power" industry in general, extending the program makes both economic and environmental sense.
- The cost of extending the program would be approximately \$2.2 billion spread over a period of time to 2022, or slightly under \$150 million per year
- The additional cost to the government in the first two years is \$0.00
- Our proposal will create a whole new industry in Canada – with some 20,000 new jobs by the year 2015. Furthermore, our proposals will provide investment in environmental technologies, diversify Canada's energy supply, provide for regional economic development and competitiveness, as well as help provide for clean air and a reduction in greenhouse gas emissions.

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Ontario Power Generation Inc. • Pembina Institute • Pollution Probe • Sage Climate Project • Shell Canada Limited
Suncor Energy Inc. • The Delphi Group • Toronto Atmospheric Fund • Toronto Environmental Alliance (TEA) • Toronto Hydro
Western GeoPower Corp • World Wildlife Fund Canada (WWF)



There are many important matters in which governments can invest when it comes to energy and environmental matters. Investments such as those made in renewable power technologies today will, however, create a more significant actual impact in both the short and long term compared to items that are still in an R&D phase. Renewable power technologies are commercialized technologies that can be installed and operationalized *now*.

Some have suggested that investing in “Green Power” is merely investing in “niche” technologies. Since the creation of the Coalition, we have argued that with the creation of programs such as ecoENERGY, we would move “Out of the Niche and into the Norm”. eERP and its predecessor program have started the industry on that road. Just as with any emerging technology (such as nuclear 50 years ago), there are often market and non-market impediments in the early stages that necessitate the provision of more certainty and greater long-term stability for investors and other stakeholders in order to establish a critical mass of development. It is for that reason that the Coalition requests the extension of eERP to provide the certainty and momentum to ensure that renewable power takes its proper place in the Canadian power scene and the Canadian economy.

We thank you in advance for your consideration of this information. Under separate cover we will request a meeting with you. We look forward to future meetings with your Finance officials as well as with members of your personal political staff.

Sincerely yours

A handwritten signature in black ink, appearing to read "Mark S. Rudolph", followed by a long horizontal line extending to the right.

Mark S. Rudolph
Coordinator – Clean Air Renewable Energy Coalition

cc: The Right Honourable Stephen Joseph Harper, Prime Minister
The Honourable Gary Lunn, Minister of Natural Resources
The Honourable John Baird, Minister of the Environment, Member
The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities
The Honourable Tony Clement, Minister of Health
The Honourable Stockwell Day, Minister of Public Safety
The Honourable David Emerson, Minister of International Trade
The Honourable Jason Kenney, Secretary of State, Multiculturalism and Canadian Identity
The Honourable Monte Solberg, Minister of Human Resources and Social Development

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