



August 22, 2006

The Right Honourable Stephen Harper
Prime Minister of Canada
Office of the Prime Minister
Langevin Block
80 Wellington Street
Ottawa, ON K1A 0A2

Letter by email: pm@pm.gc.ca

Dear Prime Minister Harper:

I am writing today to provide you with the Clean Air Renewable Energy (CARE) Coalition (see membership listing below) perspective on “Green Power”. We believe it can positively assist your government to meet its objectives with respect to your Clean Air/Climate program and Environmental Agenda which are due out in the Fall.

The Coalition is comprised of Canadian corporate and (E)NGO members who have come together to promote low-impact renewable power generation in Canada. The Coalition advocates the increased use of Ecologo certifiable sources including wind, hydro, biomass and landfill gas, geothermal, solar and ocean energy. It supports renewables because of their positive impact on criteria air emissions from power generation (clean air), their employment benefits (jobs) and the potential to create a domestic industry (regional and rural economic development), their ability to further Canada’s energy autarchy and ability to export clean energy, and their zero¹ greenhouse gas emissions.

First and foremost, a power production incentive of 1 cent/kwh is vital to “build an industry” with the commensurate economic and environmental benefits that can be derived from it. As you are well aware, over many decades, and with governments of different stripes, the Federal Government has played a pivotal role in stimulating the development of energy resources in Canada, from the oil sands, to the nuclear energy industry to offshore oil.

¹ There may be some marginal emissions from biomass technology.

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Recently, the renewable power industry in Canada was stimulated with the creation of power production incentives, first for wind with the Wind Power Production Incentive (WPPI) and then with the announcement of an incentive for non-wind technologies in the guise of the Renewable Power Production Incentive (RPPI).

The CARE Coalition was created in late 2000 to work with Federal, Provincial and Territorial governments to narrow the gap between the cost of “Green Power²” and conventional power. **The WPPI program**, created late in 2001, was markedly successful. **It created a stable policy environment leading to industrial development and facilitating investment** in many wind components. It also stimulated governments in all parts of the country to implement procurement processes for wind and other low-impact renewable power. **With the announcement and consultations/development of RPPI in 2005, the non-wind side of the renewable power industry was looking forward to providing similar economic and environmental benefits for Canada.**

For these reasons, **the continuation of a power production incentive of 1 cent/kwh for all types of Ecologo certifiable green power is essential for Canada to help “build an industry”.**

In order to support a power production incentive program, as noted above, there are some complementary actions that should be implemented. These include:

- ensuring that **production incentive payments can be used in conjunction with the Canadian Renewable and Conservation Expense (CRCE) provisions on the tax system**
- **allowing low-impact renewable energy projects to participate in any emission trading systems** developed as part of the Fall Environmental Agenda (e.g., allowing such projects to **create emission “offsets”** within the system)
- **enhanced Green Power procurement commitments by the Federal Government** for its operations.

Many benefits accrue from supporting the low-impact renewable power industry in Canada. These include:

² These include the following technologies (not a comprehensive list): solar thermal and solar photovoltaic (PV) technologies, wind power, geothermal energy, run-of-river, micro and mini-hydro technologies, biomass and other low-impact renewables described under the Eco Logo definition from Environment Canada.

Innovation: Many Canadian companies have developed innovative technologies in the biomass, solar and ocean energy sector, which could be proven in the Canadian market and then exported to other countries.

Investment: Creating an attractive climate for low-impact renewable energy technologies will attract investors to Canada in order to produce parts and create new industries. As a result of WPPI, several investments have already been made in terms of wind power technologies, such as nacelle and tower production, and more investments to serve domestic and export markets can be expected if the investment climate is favourable and supported by clear policies to enhance this sector.

Exports: Other countries, like the USA, Great Britain, Germany or Spain have provided strong incentives to low-impact renewable energy technologies for many years, and have created viable industries that are now exporting equipment to Canada and other countries in the world. Both the export of Canadian technologies and clean energy exports will be sustained and expanded by national support programs, whereas not supporting the industry in this way would provide an incentive for Canadian technology providers and project developers to invest elsewhere.

Clean Air: Providing a maximum of new generation capacity from clean energy sources will support Canadian efforts to reduce pollution from the energy generation sector, reduce health impacts, and increase Canadians' quality of life.

Employment and social benefits: Low-impact renewable energy sources provide more employment opportunities than many conventional energy sources, especially in rural areas, and can also improve farmers' incomes from land leases, or benefit aboriginal communities.

Climate benefits: All low-impact renewables have zero greenhouse gas emissions and can therefore provide a significant amount of emission reductions.

At the end of the day, the CARE Coalition feels that the initiatives noted above will help “build an industry” and position Canada to be a leader in the field of low-impact renewable power/Green Power. **Of course, these must be undertaken as part of a link to a credible environmental plan.**



Thank you in advance for your consideration of the proposals herein. We look forward to working with you, your Ministers and their officials on these proposals.

Yours sincerely

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

Mark S. Rudolph
Clean Air Renewable Energy (CARE) Coalition Coordinator

cc: Mark Cameron
Rohit Gupta

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