



Expansion/Extension of the ecoENERGY for Renewable Power Program

Summary:

- **The Clean Air Renewable Energy Coalition is calling for the expansion and extension of the extremely successful ecoENERGY for Renewable Power (eERP) program so that it will stimulate the Canadian economy and support the deployment of a total of 12,000 MW (an addition of 8,000 MW) of renewable power by March 31, 2014**
- **The program represents an additional commitment of \$2.6 billion (\$190 million per year over 14 years) which will result in well over \$6 billion in domestic investment and 8,000 new jobs in Canada over the next five years. As the program extension ramps up, it is expected that only \$15 million will be claimed in the first year (2009), and \$40 million in 2010**

Background:

- **4,000 MW of new renewable power generation will be supported by the eERP program by the end of March, 2011. However, as this program will have allocated all of its funding by March 31, 2009, no incentives exist to support further development in the coming decade**
- **As the years between 2010 and 2016 are expected to see most new development happening throughout Canada, an enabling incentive that continues current support is proposed to enhance/intensify the deployment of low-impact renewables beyond 2009**
- **The purpose of extending these incentive programs is to accelerate new, sustainable electricity infrastructure development in Canada by creating certainty in the marketplace:**
 - **investors in low-impact renewable power will enhance their investment decisions** knowing there is incentive certainty
 - **bankers will support these investments** because of incentive certainty
 - **provinces and territories will see this policy certainty as federal government support for their own renewable energy policies**
 - **international manufacturers of wind and other renewable technology equipment will use this incentive certainty to guide their decisions to establish manufacturing facilities in Canada which competes with the U.S.** to satisfy the needs of the North American marketplace, where current tax credits are very likely to be expanded under the new administration. **If Canada maintains incentive certainty, a greater probability exists that manufacturers will establish facilities in Canada**
- **Carbon offsets cannot replace the value of the eERP incentive.** A carbon market still does not exist in Canada, the value of future carbon offsets is insecure, will vary by province, and could be heavily discounted by investors. Moreover, renewable energy projects are needed to provide domestic offsets for the developing carbon market.
- This incentive extension will **maintain Canada's attractiveness for renewable energy investment, and help build a domestic renewable power industry**
- This incentive extension **will help Canada create jobs – up to 27,000 new jobs** could be leveraged by 2020 as Canada builds up its low-impact renewable power infrastructure in locations all across the country. The renewable energy industry is one of only a few that offer benefits to rural areas in particular.
- An incentive extension **should be applied to all low-impact renewables, including biomass, small hydro, geothermal power, ocean and wind energy.**

Conclusion:

- **Expanding and extending the ecoENERGY for Renewable Power program with a dollar announcement in the 2009 Budget would accelerate infrastructure development, enable the development of the Canadian renewable energy industry, create a stable environment for investment and job creation, be very popular with voters, create carbon offsets, and support the Throne Speech commitment that 90% of Canada's electricity would be produced from non-emitting sources by 2020.**