



Right Honourable Stephen Harper
Prime Minister of Canada

May 29, 2006

Dear Prime Minister:

The Canadian Renewable Energy Alliance (CanREA) is an alliance of Canadian civil society organizations from the non-profit and voluntary sector that hold a common interest in promoting a global transition to energy conservation and efficiency, and the use of low-impact renewable energy. Members of CanREA believe that this transition is needed to address global climate change, pollution, global energy supply, human security, poverty eradication and economic sustainability.

At CanREA we would like to express our dismay at your government's decision to cut the EnerGuide for Houses and EnerGuide for Low-Income Houses programs, as well as renewable energy programs such as RPPI and REDI. We feel that these cuts will set Canada back significantly in its efforts to reduce energy costs for homeowners and to curb the environmental impacts of high energy use. CanREA is urging your government to develop national strategies for renewable energy and energy efficiency and move quickly with new policies to support them.

Using energy more efficiently not only reduces emissions and cuts energy bills, it delays expensive investments in new power and gas capacity, makes our energy system (and country) more secure, and provides new local jobs across the country—not just in energy-producing areas.

EnerGuide for Houses provided homeowners with a plan for energy efficient home renovation as well as a financial incentive, removing many “market barriers” in the process. In the absence of EnerGuide, the renovation boom will continue across Canada, but without these energy efficiency improvements. A significant opportunity will be lost. This could have a destructive impact on the emerging energy efficient renovations sector. Most provinces also had home retrofit programs built upon EnerGuide for Houses that have been left high and dry by the program cuts.

We recommend that your government retain the essential EnerGuide quality assurance and coordination role within Natural Resources Canada beyond March 2007 so that provincial and other programs and building code improvements that

depend on EnerGuide can continue. We also recommend that you quickly introduce new support measures for home retrofit.

High energy bills are a major issue for low-income families. The term “energy poverty” was coined in the United Kingdom to describe a situation where a family spends more than 20 per cent of its disposable income on home energy. For ten years the U.K. government has run energy efficiency improvement programs just like the proposed EnerGuide for Low-Income Households that have not only lifted many people out of energy poverty, but also resulted in measurable improvements in family health, child education performance and workplace absenteeism through improved housing quality. Low-income families need help to reduce energy costs, not a hand out to pay for them.

We recommend urgent action with the provinces to address energy efficiency and the quality of housing in low-income and First Nations communities.

The rest of the world is moving quickly to increase investment in low-impact renewable sources of energy through a variety of policies such as tax credits, legally binding targets and special tariffs for new power sources. Canada stands ninth in the Ernst & Young Renewable Energy Investment Attractiveness Index—up from 18th place two years ago, but still behind the U.S., Spain, Germany, Italy, France and even India and China. The proposed cuts to renewable energy programs will likely wipe out many of the gains that have been achieved.

Other countries are investing in low-impact renewable energy because they see beyond the fossil fuel era and want to ensure that they have a mature and competitive renewable energy industry in place when the inevitable transition to renewable energy comes later this century. Renewable energy provides the only true “sustainable” source of energy—offering air, land and water quality benefits and stable prices, as well as increased local control, employment and security. No other energy source can provide these advantages.

We recommend that your government give high priority to low-impact renewable energy, encouraging significant private and community investment in these “sources of the future” through the reduction of subsidies for conventional energy sources and the use of strategic regulations and incentives.

CanREA has been holding regional workshops across Canada over the past nine months to gain local input on energy efficiency and renewable energy policy options. CanREA also co-hosted an international conference on renewable energy policy in December 2005. On the basis of these consultations CanREA has developed a Model National Renewable Energy Strategy that recognizes Canada’s unique division of responsibilities among federal, provincial, territorial, First Nations and municipal governments. We believe that this common/unified view from civil society of what a renewable energy strategy should contain will contribute to a national debate in support of the commitments already made by governments.

CanREA's model strategy contains recommendations for the three main services met by energy—power, heat and transport—supplemented with national strategies for energy efficiency, a sustainable energy financing plan, and international cooperation and assistance. We hope that we will have the opportunity to share these policy options with your officials as they develop new energy, environmental and economic policies.

We recommend that your government recognize the value of energy efficiency and renewable energy's contribution to clean air, reduced greenhouse gas emissions and increased competitiveness, and work with provincial governments and the energy efficiency and renewable energy industries to produce and implement national energy efficiency and renewable energy strategies.

We further recommend that the Council of Energy Ministers use ADM-level steering committees and working groups to identify collaborative actions and strategies for all renewable energy sectors (power, heat and transport) as well as energy efficiency.

Other countries are well ahead of us. Member states of the European Union are negotiating binding directives that would reduce energy use by 20 per cent across Europe. The U.S. Environmental Protection Agency has recently established a "Leadership Group" to prepare a national energy efficiency plan. China is implementing its comprehensive new Renewable Energy Law.

Your government inherits a situation where provincial and municipal governments, industry, consumers and non-governmental organizations are eager to move forward on efficiency, renewable energy and existing cooperative structures in place, including the Council of Energy Ministers and the National Advisory Council on Energy Efficiency. Stakeholder groups such as the Canadian Energy Efficiency Alliance, the Canada Wind Energy Association, the North American Insulation Manufacturers Association, the Canada Green Building Council and the Green Communities Association are all ready to help.

CanREA joins these groups in asking you to make energy efficiency and renewable energy the cornerstone of your government's energy policy.

Sincerely,

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On behalf of all CanREA members:

- Canadian Association for Renewable Energies
- BC Sustainable Energy Association
- The David Suzuki Foundation
- Falls Brook Centre
- The Halifax Initiative
- One Sky—The Canadian Institute for Sustainable Living
- The Ontario Sustainable Energy Association
- The Pembina Institute
- Pollution Probe
- The Saskatchewan Environmental Society
- The Sierra Youth Coalition
- STORM Coalition

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Ministers of NRCan, Environment, Industry, Finance