



Cassie Doyle
Deputy Minister, Natural Resources Canada
580 Booth Street
Ottawa, ON

June 15, 2007

Dear Cassie:

Re: Council of Energy Ministers' National Energy Efficiency Action Plan

We are writing to express our strong support for the development of a national action plan on energy efficiency, but also to highlight some concerns that we have about the weakening of this plan as it reaches the final stages. As you know, energy efficiency was recently singled out at the G8 meetings in Germany by all parties as being the most cost effective way of reducing GHG emissions. The development of a truly national Canadian energy efficiency plan could not come at a better time. All of the undersigned are ready to help in any way we can.

We understand that at a special Council of Energy Ministers meeting in February 2007, ministers agreed that the Action Plan would contain 2030 visionary targets for energy efficiency for the built environment (including communities), industry and transportation, as well as short-term tactical targets or milestone (2012 and 2020). The plan would also include an agreed list of actions (technologies and practices) and tools (policies and programs — regulations, incentives, capacity building, etc) that governments could use to achieve the targets. The plan will define energy efficiency as including on-site renewable energy and combined heat and power.

Three sector working groups were tasked with preparing components of the draft plan and presenting the draft plans to ADM Steering Committee on Energy Efficiency (ASCEE) on May 23, 2007. The drafts described energy efficiency trends that will affect future energy use, long-term visionary targets and tools that governments could use to meet them. In some cases, the working groups also provided short-term targets. All three working groups made it clear in their reports that to reach the targets proposed, currently available technologies and best practices would suffice. However, in order for Canadians to use current technologies and best practices effectively in meeting these targets, all levels of government would need to introduce significant new policies and programs (incentives, capacity building, regulations, etc.) to increase their use.

ASCEE is now preparing a draft action plan based on the inputs received from the working groups. However, we are somewhat concerned that the original scope of the action plan is being weakened. Our concerns include the following:

- Urgency: The plan must stress the need for new approaches and stepped up efforts on energy efficiency, recognizing that energy efficiency is the most cost effective way of meeting GHG reduction targets and provides other benefits. Current federal and provincial energy efficiency programs and policies will not be adequate, and new programs and policies to transform energy use in all sectors are needed, starting in 2008. Recent energy efficiency directives by the EU and action plans tabled by several European countries and U.S. states are excellent examples of the type of plan needed.
- Long-Range Targets: We sincerely hope that the plan retains the tough long-range targets for 2030 suggested by the working groups, including improving industrial energy efficiency by four per cent per year, reducing energy use per capita for personal transportation by at least one third, and achieving net zero energy for all new buildings and communities. With governments and energy users working together, these targets are achievable.
- Short- and Medium- Term Targets: An action plan is ineffective without short-term targets and common policies. For example, most provinces agree that all new houses should be built to EGH 80 by 2012. The plan is a chance to make this a unanimous decision among all governments. It may not be possible to get agreement on short-term targets for all sectors/sub-sectors but wherever this is possible, they should be included. .
- Comprehensive Targets: We understand that while the three working groups covered most energy uses in Canada, there are still major gaps in the scope of the plan — particularly regarding commercial transport and energy producing industries, the two largest and fastest growing sub-sectors.
- Policy Tools: An effective action plan should contain new policies and programs. Without increased action by government, neither short- nor long-term targets will be met. The plan should at least have a list of high-level policies for different

jurisdictions to use that add to the collaborative actions already underway (e.g., on standards, codes, labeling and lighting).

- Plan Implementation: The final action plan agreed to by the ministers should include commitments to implement the plan at each level of government. In signing on to the plan, each government should make individual commitments to implement the plan and budget sufficient funds, staff and another resources to do so. There should be an annual revisiting of the plan by ministers to monitor Canadians' progress towards the targets and to discuss cooperation with the U.S. and other countries on advancing energy efficiency.

We recognize that this is the first time that all provincial, territorial and federal governments have agreed to work together on energy efficiency. It is therefore an important opportunity — one not to be lost. We urge you to work with your provincial and territorial counterparts to help make the proposed plan the best in the OECD and provide the people of Canada with a plan they can be proud of and have confidence in. We would be pleased to help in any way we can in achieving this goal.

We look forward to hearing from you.

Sincerely,



Roger Peters

On behalf of
Stephen Koch, NAIMA Canada
Ken Ogilvie, Pollution Probe,
Nikki Skuce, Canadian Renewable Energy Alliance
Ken Elsey, Canadian Energy Efficiency Alliance
Julia Langer, WWF Canada

cc: Margaret McCuaig Johnston, ADM Natural Resources Canada
cc: Carol Buckley, Director General, Office of Energy Efficiency