A failure to renew federal support for renewable energy will send jobs and investment to the U.S.

Despite a global economic recession, renewable energy development in Canada continued to charge ahead in 2009. A record 950 MW of wind energy was installed - representing more than $2 billion in investment and thousands of jobs - and Canada's installed wind energy capacity has now increased ten-fold in the last six years. Other renewable energy technologies also had strong years. Most of this development is occurring in rural areas of the country and the resulting economic benefits have been invaluable to communities that have been hard hit by declines in traditional resource development.

Unfortunately, the growth of this burgeoning industry is at risk of stalling, sending investment and jobs south of the border. Why? Because 2009 also marks the premature end of federal government support for the deployment of wind energy and other clean renewable electricity sources.

The federal government has historically played a critical role in supporting renewable energy development in Canada. Its ecoENERGY for Renewable Power (ERP) program has supported these projects by providing some economic value for their environmental benefits in the absence of any form of price on greenhouse gases that would allow the market to play this role. A study released by GE Financial Services earlier this month has clearly demonstrated that the ERP program represents an "investment" by the federal government as program costs are more than offset by new tax revenues generated through the economic activity stimulated by the program. As we enter 2010, the ERP program has now fully allocated all of its funds and already met its target to support the deployment of 4,000 MW of new renewable electricity in Canada - but more than 10,000 MW of projects had sought support under the program and many more are in development.

The lack of any commitment thus far from the federal government to renew the ERP program, or provide an alternative support mechanism, puts this country at odds with what is occurring around the world - and most especially, in the U.S. As our major federal support program fades away, the U.S. economic stimulus package is providing billions of dollars to support the deployment of new renewable energy production and technology manufacturing facilities. While Canada does not need to match the U.S. efforts, it cannot move in the opposite direction and simply end the ERP program if it hopes to continue to successfully compete for renewable energy investments with the U.S.

This competition is intense. While Europe has led the world in the deployment of emerging renewable energy technologies, North America is seen to be the next great renewable energy market. Jurisdictions across the continent are working hard to attract the investment and jobs (manufacturing, construction, operations and maintenance) associated with technologies that have seen their deployment around the world increase by an average of 30% a year for the last 15 years.

Renewable energy represents a major manufacturing and industrial development opportunity as well as a major rural economic development opportunity. Canada is well positioned to benefit - if we are willing to put in place the policies that will allow us to successfully compete for this investment.

We already have a program that is a proven success. On March 4th, the federal government will have an opportunity to renew this program in its 2010 budget. At that time we will see if the federal government is willing to make an investment today that will not only provide continued economic stimulus in the short-term, but will also lay the foundation to position Canada to successfully compete for the renewable energy jobs and investments of tomorrow.

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