

# **Power Play: Clean Power Politics and Policy in Ottawa**



# Overview

- The clean energy storyline: tracking the revolution
- Clean power politics in Ottawa
- Federal policy recommendations



# Context

Broad public support for clean energy

But Canadian “elites” / influencers usually see oil and gas as the key to our economic success...

...while renewables are seen as nice, but niche (“kid’s table”)



# Our Job

Making the clean energy transition credible and attractive to Canadian influencers

Tools:

- Clean Energy Review
- Low Carbon Leadership speakers series
- Clean Energy Quarterly webinars
- The Grid
- Engagement with governments
- Publications





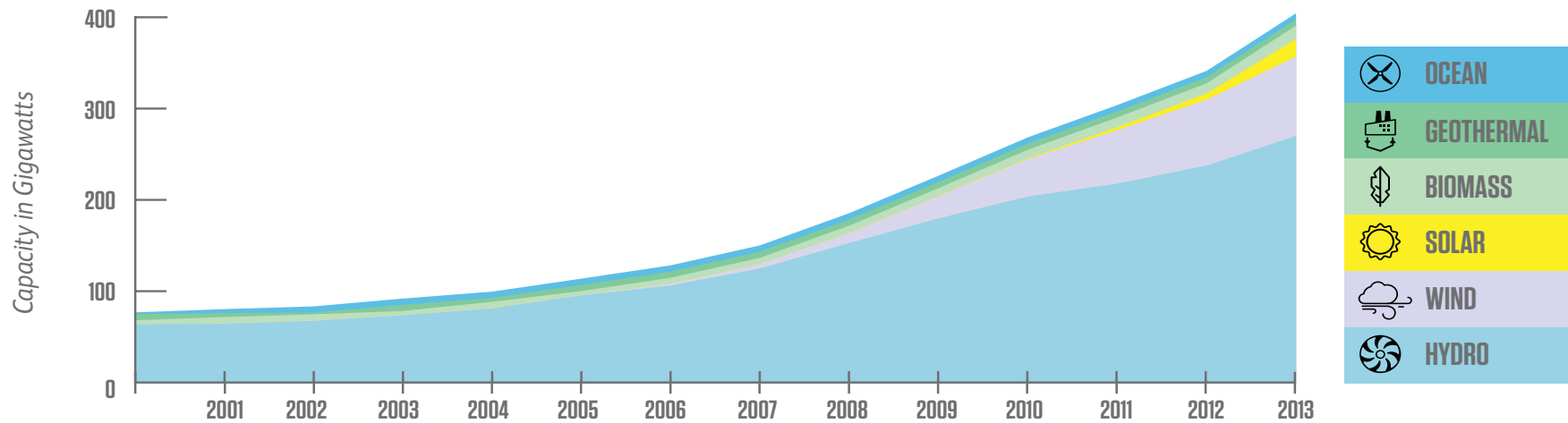
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# TRACKING THE ENERGY REVOLUTION

HOW CANADA CAN LEAD IN THE GLOBAL ENERGY TRANSITION



# CHINA'S "WAR ON POLLUTION"



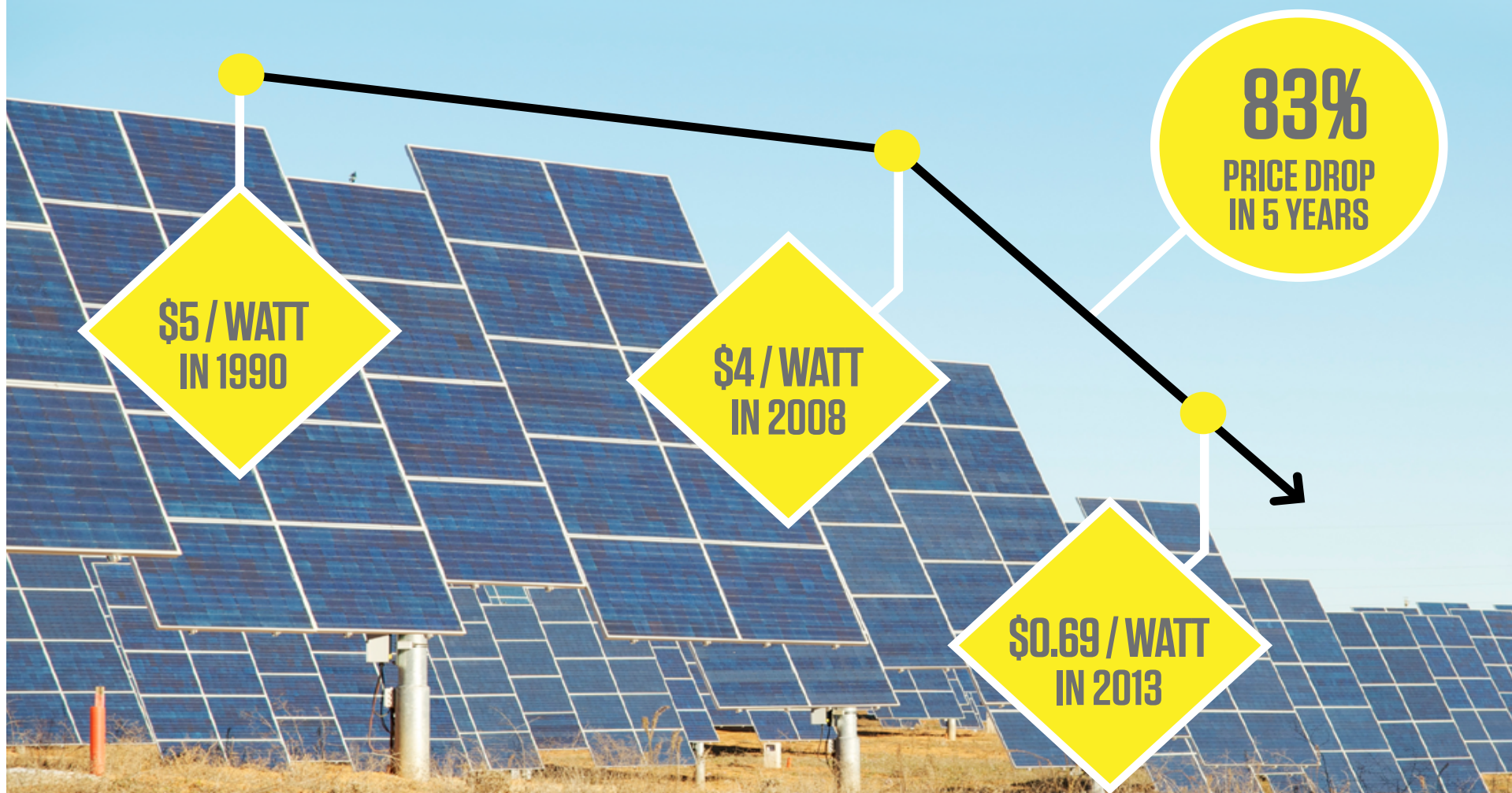
**“We will declare war against pollution and fight it with the same determination we battled poverty. We will change the way energy is produced and consumed.”**

— Li Keqiang, Premier of the State Council of China, Twelfth National People’s Congress, March 2014



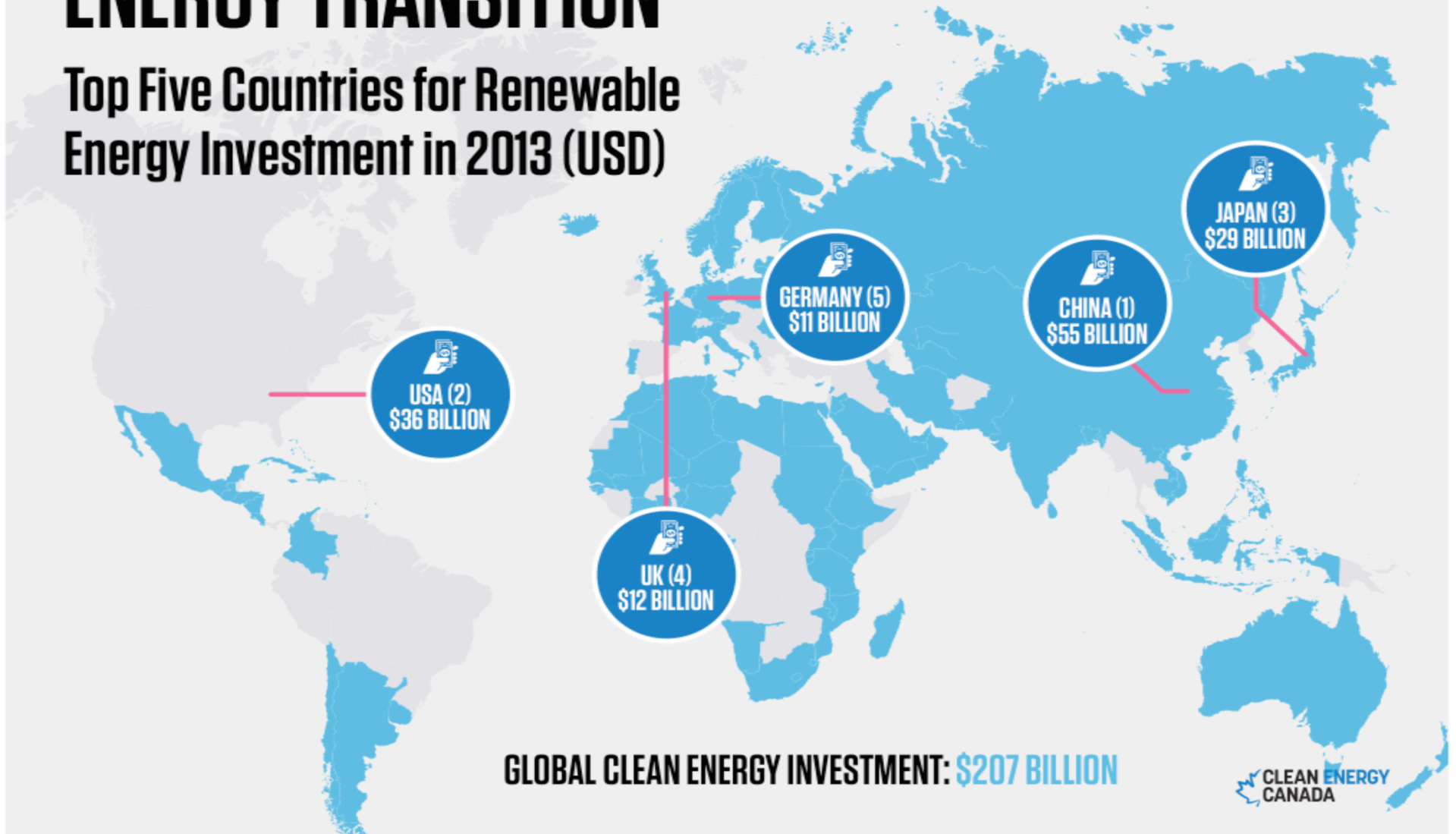


# SOLAR'S PRICE PLUNGE



# MAPPING THE GLOBAL CLEAN ENERGY TRANSITION

## Top Five Countries for Renewable Energy Investment in 2013 (USD)



GLOBAL CLEAN ENERGY INVESTMENT: \$207 BILLION





**JOBS**

**6.5 million people  
employed in renewable  
energy worldwide**

 CLEAN ENERGY  
CANADA



# More Canadians work in clean energy than in the oil sands.

Source: Analytica Advisors, Pembina Institute, Petroleum Human Resources Council of Canada

Direct jobs in

Clean Energy 23,700

Oil Sands 22,340

#EnergyRevolution

 CLEAN ENERGY  
CANADA



# WHERE CANADA FITS



**\$6.53 BILLION**



**84 GW**



**66%**



**7TH GLOBAL RANK**



# **Clean Power Politics**

## **Part 1: Where Federal Parties Stand**





**"No matter what they say, no country is going to take actions that are going to deliberately destroy jobs and growth in their country. We are just a little more frank about that."**



# McKinsey's assessment (2012)

For Natural Resources Canada:

- Clear advantage in unconventional oil and gas—but also in large hydro
- And could take the lead in bioenergy, energy efficient buildings, unconventional hydro / marine, solar PV (e.g. off-grid), etc.
- Could increase competitiveness in next generation autos



# The Government

Energy focus is on accelerated development of oil, gas and on market access (especially via pipelines)

Clean energy is very much in second place — but there have been some notable clean / cleaner energy investments:

- For carbon capture and storage
- Muskrat Falls loan guarantee
- EcoENERGY suite of programs



Ranking	Policy	Estimated Reductions (Mt CO <sub>2</sub> e in 2020)
1	EcoENERGY Efficiency	6.5
2	EcoENERGY for Renewable Power	6.2
3	Greenhouse Gas Regulations on Coal-Fired Electricity	3
4	Clean Energy Fund	2.8
5	Sustainable Development Technology Canada	2.1 (as of 2012)
6	Renewable Fuel Regulations	2
7	Pulp and Paper Green Transformation Program	1.4



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# Carbon Pricing: Be *Very* Afraid

“Mr. Speaker, today on Halloween Canadians from coast to coast to coast are frightened by the spooky NDP and the very scary carbon tax. The \$21 billion very scary carbon tax would raise the price of Halloween treats everywhere.... While vampires suck blood from their victims, the NDP’s very scary carbon tax would suck money from Canadians’ pockets.”

(Corneliu Chisu, Conservative MP, Oct. 31, 2012)



# The Official Opposition


The NDP is quite supportive of clean energy, particularly when paired with a job creation approach

Strong interest in energy efficiency

Frequent critic of the government's approach to climate change







**“There’s going to be a price on carbon, and that money is going to be paid over immediately for purposes that have to do with the environment. In other words, Canada will become a major player in green renewables.”**



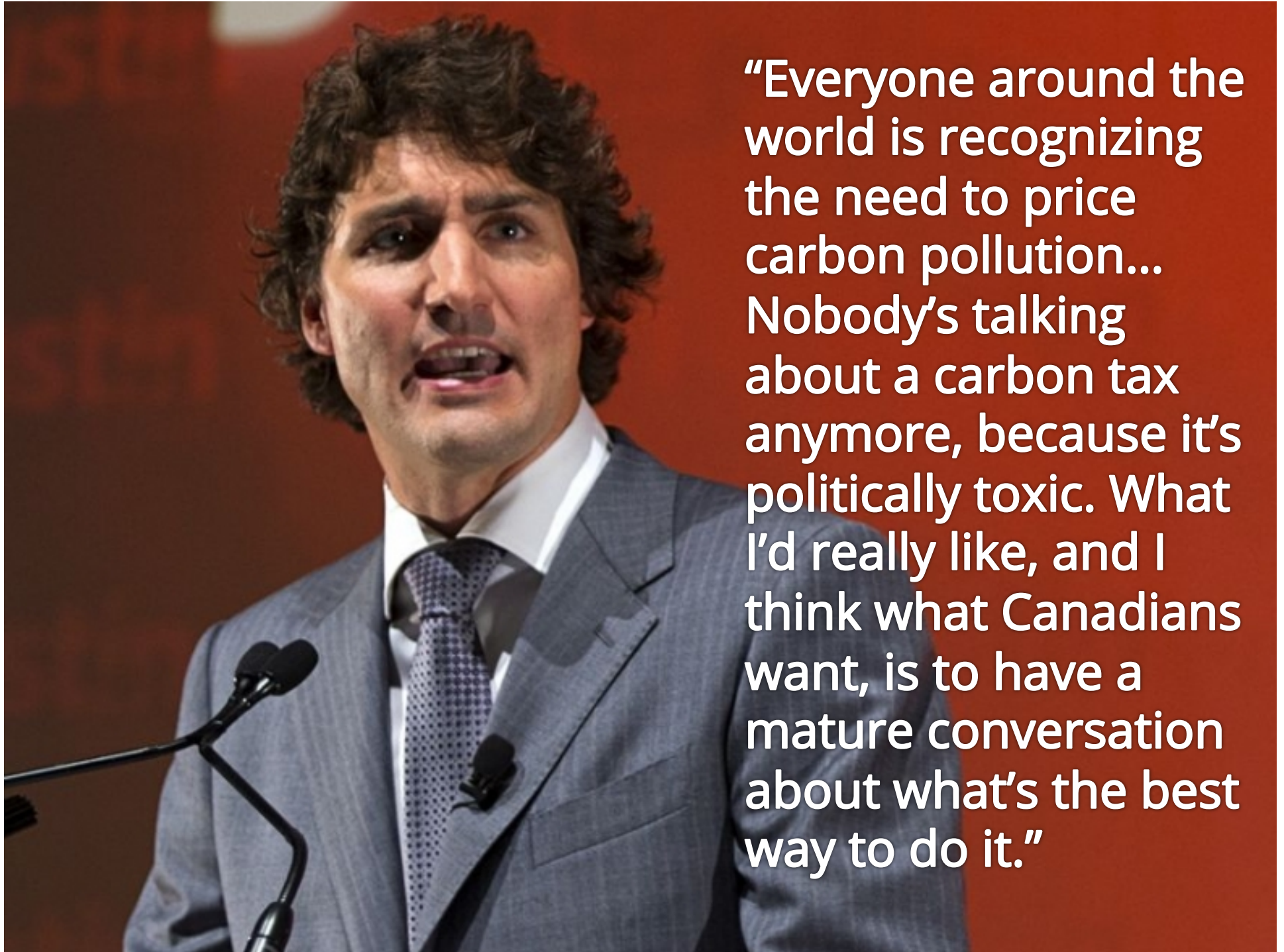
# The Third Party

The Liberal party offers support to climate and clean energy, but usually in vague terms

Some relevant commitments from 2014 policy convention:

- Support for significant spending on green infrastructure
- Commitment to “fair and reasonable” carbon pricing and climate action





“Everyone around the world is recognizing the need to price carbon pollution... Nobody’s talking about a carbon tax anymore, because it’s politically toxic. What I’d really like, and I think what Canadians want, is to have a mature conversation about what’s the best way to do it.”

# **Clean Power Politics**

## **Part 2: A better clean energy conversation in Ottawa**



# Does it have to be so polarized?

Short term: clean and fossil can co-exist fairly peacefully

- Barack Obama: “all of the above”
- Stephen Harper: “energy superpower”

Oil and gas sector is a major investor in renewables



# But in the longer term...

Deep greenhouse gas reductions = far less use of oil, gas, coal

- Majority of current reserves “unburnable”

Deep Decarbonization Scenario (2050):

- Canada’s electricity system essentially fossil-free, with 27% of power generated by sun and wind (from 2% today)



# Better Clean Energy Politics

As a starting point, more understanding of:

- The implications of climate commitments
- The scale of the clean energy opportunity
- The risks of over-emphasis on fossil development

...amongst federal MPs / officials



# Better Clean Energy Politics

Aspiration: a “health care like” level of consensus on some basic climate / energy premises

Some preconditions:

- Serious federal engagement
- More willingness to talk about regional implications / tradeoffs
- The confidence that there is more than one route to economic success for Canada



# **Federal Policy Recommendations**





# Federal Levers

## Industrial Support

- Direct spending on clean energy (deployment, R&D)
- Sectoral support policies / investments
- Export support

## Climate Policies

- Greenhouse gas regulations
- Market-based measures to control GHGs
- Target-setting and climate diplomacy



# CANADA GETTING IN THE GAME



# Support Electric Vehicles

Consumer Incentives Work:

- 97% of EV purchases in Canada have occurred in provinces with incentives

Harmonize with the U.S. (federal rebate):

- Up to \$7,500 per vehicle, over and above state incentives



# Build Clean Energy

Invest in a “Building Clean Energy” infrastructure fund to support:

- Transmission lines
- Marquee clean power projects
- Smart grids / grid upgrades
- Electrification of transportation

With provinces, based on regional planning, using a range of financial tools (grants, P3s, loan guarantees, etc.)



# Level the Playing Field: Small Steps

Tax code changes to support clean power.

E.g.:

- Power storage
- Building-integrated solar photovoltaics
- Solar renovation tax credit for homeowners



# Level the Playing Field: Seriously

Nation-wide, economy-wide price on carbon

- Building on provincial policies in existence today (B.C., Quebec, Alberta)
- And maybe Ontario before too long?



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# THANK YOU! QUESTIONS?

Clare Demerse

[clare@cleanenergycanada.org](mailto:clare@cleanenergycanada.org)

[@cleanenergycan](https://www.instagram.com/cleanenergycan)