



# **Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget**

**By: Canadian Renewable Energy  
Association**

## **List of Recommendations**

- **Recommendation 1** – That the Government of Canada expands and rapidly implements the Greening Government initiative to encompass all federal crown corporations.
- **Recommendation 2** – That the Government of Canada allocates \$500 million to launch a renewed EcoENERGY for Renewable Power program, under Natural Resources Canada, in support of projects that integrate renewables and energy storage.
- **Recommendation 3** – That the Government of Canada allocates \$230 million to re-capitalize existing Natural Resources Canada R&D funding programs, including the Emerging Renewable Power Program and the EV Infrastructure Demonstration program.
- **Recommendation 4** – That the Government of Canada moves forward with the development and implementation of the Clean Power Fund and increases its allocation to \$10 billion.
- **Recommendation 5** - That the Government of Canada allocate \$1 billion toward a federal rebate to support rooftop solar for households, businesses, and community buildings, with a dedicated funding stream for Indigenous community-led solar projects
- **Recommendation 6** – That the Government of Canada prioritize the rollout of previous commitments to provide interest-free loans of up to \$40,000 through the Canada Mortgage and Housing Corporation, and the rollout of \$400 million for deep retrofits of large buildings, and that roof-top solar and energy storage be eligible expenditures under these two mechanisms.

August 7, 2020

The Honourable Wayne Easter, MP  
Chair of the House of Commons Standing Committee on Finance

Sent via email to: [fina@parl.gc.ca](mailto:fina@parl.gc.ca)

**RE: Pre-Budget Consultation in Advance of the 2021 Budget**

The Canadian Renewable Energy Association (CanREA) is the voice for wind energy, solar energy and energy storage solutions in Canada. CanREA officially launched on July 1, 2020, following the amalgamation of the Canadian Solar Industries Association and the Canadian Wind Energy Association. Our diverse members are uniquely positioned to deliver clean, low-cost, reliable, flexible and scalable solutions for Canada's energy needs. Our vision is to ensure wind energy, solar energy and energy storage play a central role in transforming Canada's energy mix.

We welcome the opportunity to provide comments on measures the federal government can take to restart the Canadian economy, as it recovers from the COVID-19 pandemic. Economic recovery decisions made by the federal government at this crucial moment will shape the future of Canada. We believe policy direction must remain laser-focused on building a sustainable low-carbon economy. As the Government of Canada considers ideas to stimulate job creation and infrastructure investment, CanREA takes this opportunity to stress the contribution that wind and solar energy, as well as energy storage, can make

We remain highly supportive of Canada's pre-COVID-19 climate change goals and targets. Working together, we can reduce the use of fossil fuels like natural gas in the electricity grid and achieve 90% clean electricity by 2030 and 100% by 2050; drive significant electrification of industry, transportation and the built environment; green government and military operations; and accelerate the widespread adoption of technologies like energy storage. Doing so will give Canada its best chance of reducing GHG emissions by 30% by 2030 and reaching net-zero emissions by 2050 while creating good jobs and economic opportunity in urban centres, rural areas and Indigenous communities across the country.

Canada's transition to a clean economy powered by renewable energy simply cannot wait if we are to achieve these objectives. Recovery stimulus investments could provide a generational opportunity to accelerate progress by supporting the widespread deployment of mature and cost-competitive renewable energy technologies and laying the foundation for their continued growth in the future.

Our goal with these recommendations has been to bring forward achievable concepts that will quickly lead to a significant uptick in infrastructure investment while also creating the conditions for sustained investment over the period of Canada's economic recovery.

These measures can put people to work today building Canada's future. They will also provide a foundation for future projects that will build upon the results of these initiatives. As the federal government considers ideas to rebuild Canada's energy sector, the solar, wind and energy storage industries stand ready to support the dual objectives of reinvigorating Canada's economy post-COVID-19 and reducing Canada's greenhouse gas emissions now and into the future.

**Recommendation 1** – *That the Government of Canada expands and rapidly implements the Greening Government initiative to encompass all federal crown corporations. Furthermore, that the Government of Canada pursues the immediate procurement of new renewable generation capacity to meet the demands of all federal crown corporations.*<sup>1</sup>

It is encouraging that Public Services and Procurement Canada (PSPC) has [undertaken a Request for Information](#) for the procurement of new-build renewable energy generation capacity in Alberta to meet the demands of Government of Canada operations in Alberta, and to displace the emissions of electricity consumed by federal facilities outside of Alberta. We strongly support the rapid implementation of this initiative and urge the federal government to take on even greater ambition by pursuing the immediate procurement of new renewable generation capacity to meet the demands of all federal crown corporations.

**Recommendation 2** – *That the Government of Canada allocates \$500 million to launch a renewed EcoENERGY for Renewable Power program, under Natural Resources Canada, in support of projects that integrate renewables and energy storage.*

Inspired by the original [EcoENERGY for Renewable Power program](#) (2007-11), which enabled approximately 4,500 MW of new renewable generation to be built in Canada, this program would provide a production incentive payment for a 10 year period to support the deployment of new utility-scale hybrid projects that combine wind and storage, solar and storage, wind and solar or all three. Eligible projects would compete to secure funding on the basis of cost-competitiveness.

Unlike utility-scale wind and solar generation in conventional applications, these applications are not yet cost-competitive today. However, they are essential components of a low-carbon economy and would help Canada reach its 2030 and 2050 carbon emission reduction targets.

**Recommendation 3** – *That the Government of Canada allocates \$230 million to re-capitalize existing Natural Resources Canada low-carbon energy programs, including the Emerging Renewable Power Program and the EV Infrastructure Demonstration program.*

The [Emerging Renewable Power Program](#) and the [EV Infrastructure Demonstration](#) have proven highly successful. With all program infrastructure already in place, these funding streams would enable capital to be quickly and efficiently deployed to support the post-COVID recovery. We strongly recommend that:

- Each of these existing funding streams be re-capitalized, and that new application rounds be launched as soon as would be practical.
- Under the Emerging Renewable Power Program, specific criteria be developed to provide targeted support for hybrid projects (wind / solar / storage) and for novel applications of renewable generation, including novel applications of green hydrogen electrolysis.
- Under the EV Infrastructure Demonstration program, specific criteria be developed to target the integration of distributed solar and bi-directional energy storage applications, expanding on initiatives such as the Sky Smart Electric Vehicle Charging Station.

---

<sup>1</sup> Including but not limited to VIA Rail, Canada Post, the CBC, all development agencies and federal financial institutions, the National Capital Commission, and museums, galleries, and historic sites.

**Recommendation 4** – *That the Government of Canada moves forward with the Clean Power Fund and increases its proposed allocation to \$10-billion.*

We see the Clean Power Fund (CPF) within the Canada Infrastructure Bank as a potentially powerful tool for enabling large-scale projects that will have an impact on rebuilding the economy and reducing carbon emissions.

Moving forward with the implementation of this key Mandate Letter commitment and doubling its proposed allocation from \$5B to \$10B would have a genuinely transformative impact in terms of long-term, strategic investment to improve electricity grid resiliency across Canada, and better enable zero-carbon electrification. At the same time, this investment in Canada's electricity infrastructure and network systems and innovation would be critical for facilitating the job creation and economic growth from complementary programs supporting large-scale wind and solar generation (Recommendation 1), as well as rooftop solar (Recommendation 5).

**Recommendation 5** - *That the Government of Canada introduce a federal rebate to support rooftop solar for households, businesses, and community buildings, consisting of:*

- *\$400M over 5 years to provide automatic rebates of up to 40% of the installed capital cost for net-metered residential solar, to a maximum of \$10,000 per household. This could support approximately 70,000 additional solar homes across Canada.*
- *\$500M over 5 years to provide automatic rebates of up to up to 25% of the installed cost for net-metered large-scale rooftop solar, to a maximum of \$200,000 per project, for commercial, industrial and institutional/community building customers.*
- *\$100M over 5 years to provide application-based grants of up to \$1M per project specifically for community rooftop and small-scale ground-mount solar PV projects serving Indigenous communities.*

Rooftop solar, particularly at the residential scale, is by its very nature an exceptionally rapid and powerful job creator, thanks to the short project lead-times and relatively minimal design and permitting requirements. In the current climate of economic adversity, this program would also enable households and businesses to reduce and take control of their energy costs, generating greater disposable income to be spent elsewhere in the local economy, while at the same time supporting grid decarbonization.

Existing and well-established Net Metering and Net Billing frameworks currently in place in every province and territory across Canada would provide all necessary oversight in terms of determining eligibility and rebate amount. Rebates would be automatically available upon project completion (connection to the local grid) for the customer to deduct from their personal or corporate income tax liability for that fiscal period.

For the Commercial, Industrial Community Buildings stream, a portion of the total allocation for this investment could be from the re-profiling of the [CAIF SME Rebate Stream](#). Unlike the SME Rebate Stream, the 500 employee limit for participating businesses would be removed, and approval would be automatic via the prevailing provincial net metering scheme, as opposed to the CAIF application process, thus reducing the administrative burden and accelerating the availability of liquidity for Canadian businesses and community/non-profit organizations.

Specifically targeting the CAIF jurisdictions, this program would enable households and businesses across the economic spectrum to access affordable rooftop/on-site solar generation and energy storage.

Building upon the structure of the Clean Energy for Rural and Remote Communities: Capacity Building and the BioHeat, Demonstration & Deployment Program Streams, funds for Indigenous community solar could be allocated toward projects that help to reduce reliance on diesel while building local capacity and energy independence, reducing environmental and health impacts, and creating local economic development opportunities.

**Recommendation 6** – *That the Government of Canada prioritize the rollout of previous commitments to provide interest-free loans of up to \$40,000 through the Canada Mortgage and Housing Corporation and the rollout of \$400 million for deep retrofits of large buildings, and that roof-top solar and energy storage be eligible expenditures under these two mechanisms.*

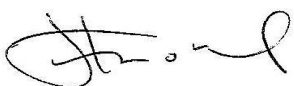
We were very pleased to see the Mandate Letter commitment to retrofit 1.5 million homes, over the next five years, by giving interested homeowners and landlords a free energy audit and then providing interest-free loans of up to \$40,000 through the CMHC.

We ask that the Government prioritizes the implementation of this program including any budgetary allocations required. Further, we call on the Government to specifically recognize in the program design the important role of roof-top solar and energy storage.

We are pleased with the extent to which energy efficiency and retrofits were prioritized in the Liberal Campaign Platform and subsequent Ministerial Mandate letters. Of critical importance to us is that these measures – like the \$400 million for deep retrofits of large buildings and the funding for net-zero homes – are funded via the next federal budget and that roof-top solar and energy storage are within the scope of the program design.

## Conclusion

We thank you in advance for your careful consideration of these recommendations, and remain available to provide additional information as may be required.



Jean-François Nolet  
Vice-president – Policy, Government & Public Affairs  
Canadian Renewable Energy Association