

**PUT CANADIANS TO WORK.
ACCELERATE CLEAN GROWTH &
ECONOMIC RECOVERY.**



2021 GOVERNMENT OF CANADA BUDGET SUBMISSION

RECOMMENDATIONS

1. Immediately recapitalize the **Emerging Renewable Power Program** through Natural Resources Canada with an investment of \$230 million or more.
 2. Launch a renewed **ecoENERGY for Renewable Power** program under Natural Resources Canada supported by an investment of \$500 million or more.
 3. Accelerate and expand the **Greening Government Initiative** to encompass all federal crown corporations and initiate immediate procurement of new renewable generation capacity to meet the demands of federal crown corporations.
-

August 07, 2020

Honorable Wayne Easter
Member of Parliament, Malpeque
Chair, Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6

Re: Pre-Budget Consultation in Advance of the 2021 Budget

Mr. Easter:

Greengate Power (Greengate) appreciates the opportunity to provide a submission and articulate our recommendations for the 2021 federal budget. We also wish to extend our gratitude to the Government of Canada and all members of parliament for their efforts to support and promote the public safety of Canadians through the COVID-19 pandemic.

Based in Alberta, Greengate is one of Canada's most successful independent renewable energy developers. With a 450 MW track record of success in developing renewable projects, Greengate has attracted over \$1 billion in investment, reduced carbon emissions, and created over a thousand jobs for Canadians.

Budget 2021 is an opportunity. The COVID-19 pandemic has had a significant short-term impact on the Canadian economy, but the longer-term effect of this current crisis will be even more profound. The COVID-19 pandemic has dramatically altered global energy markets and has accelerated the transition to a low-carbon, clean energy economy.

Greengate is supportive of Canada's pre-COVID-19 climate change goals and efforts to encourage clean technology but as a country, we have not moved far enough fast enough. The economy of tomorrow is being built today and Canada must take steps now to become a leader, or risk being left behind by competitors in Europe, Asia and the United States.

Greengate is part of Canada's clean growth and clean energy future. We are currently developing the largest solar project in Canadian history in southern Alberta. The recently expanded Travers Solar project is an approximately \$750 million investment, and will significantly reduce carbon emissions while creating jobs and demonstrating the economic viability of utility-scale solar in Canada. Developing a project of this scale has not been without its challenges. Government of Canada trade tariffs have unnecessarily increased the cost of the Travers project and ones like it, and this has had the effect of disincentivizing utility-scale solar in Canada. It is now more important than ever that the Government of Canada take steps to support utility-scale renewable energy in Budget 2021.

Our submission provides three recommendations the Government of Canada can act on now to put Canadians to work and develop more utility-scale renewable energy projects and technologies. The Government of Canada should also do more to accelerate a clean technology, clean growth economy by investing in and implementing new programs to support net-zero transition in Canada's oil sands and natural gas industries, as well as to develop new fuel sources, such as hydrogen.

Budget 2021 is an opportunity to match ambition with action and build the resilient, sustainable clean growth economy that Canadians both desire and deserve. I encourage you to take this opportunity and build our world back better after COVID-19.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Balaban", with a stylized flourish at the end.

Dan Balaban
President & CEO
Greengate Power

ACCELERATE CLEAN TECHNOLOGY & ECONOMIC RECOVERY.

Supporting jobs in the renewable energy sector is key to ensuring Canada achieves its goal to transition to a clean growth economy. Through Budget 2021, Canada has an opportunity to attract new investment into renewable energy, decarbonize fossil fuel dominated electricity grids, reduce greenhouse gas emissions, and create thousands of new jobs in clean technology.

Recommendation 1: Immediately recapitalize the Emerging Renewable Power Program (ERPP) through Natural Resources Canada with an investment of \$230 million or more.

ERPP provided \$200 million to expand the portfolio of commercially viable, investment-ready, renewable energy technologies available in Canada to reduce GHG emissions throughout the country's electricity sectors. ERPP has proven to be a highly successful initiative but no longer has funding and application intakes have been closed for some time. With program infrastructure already in place, an immediate recapitalization of ERPP would enable funding to be quickly and efficiently deployed to support the post-COVID recovery.

In addition to a \$230 million or greater recapitalization, ERPP program criteria should be amended to provide more flexibility and enable the funding stream to become more strategic and stimulative in the near-term to support a clean growth economic recovery. Traditionally ERPP has been used to support projects that deploy new technology. This criteria should be broadened to include commercially proven technologies such as wind and solar of innovative scale and commercial structure. This amended criteria would allow greater emissions reductions to be achieved through ERPP funding.

A recapitalized ERPP can be utilized to help support the expanded \$750 million Travers Project. In addition to triggering mass layoffs, COVID-19 has had a negative effect on the long-term outlook of power prices in Alberta. The challenges faced by a merchant market renewables project such as Travers in an oil and gas producing jurisdiction have vastly increased and the Travers Solar project could be delayed – unless government support to improve the viability of the project can be identified.

Greengate has explored no-cost support options for the Government of Canada to consider including a remission of tariffs order on imported bifacial PV modules from China. Given there is an ongoing CBSA/CITT review of those trade barriers, it is unlikely no-cost support for the project through tariff relief will be forthcoming. Greengate is thus seeking federal government support to improve the financial viability of the Travers Solar project. Travers is a shovel-ready project and with stimulative action, can put Canadians to work in 2020, accelerate economic recovery, and support the development of clean technology and green energy infrastructure in Alberta.

Greengate further requests that the Government of Canada not delay until 2021 to reinvest in ERPP. The program can be recapitalized immediately to incent and expediate projects that will have long term benefits for the Canadian economy.

ACCELERATE CLEAN TECHNOLOGY & ECONOMIC RECOVERY.

Recommendation 2: Launch a renewed ecoENERGY for Renewable Power program under Natural Resources Canada supported by an investment of \$500 million or more.

The ecoENERGY for Renewable Power program was launched in April 2007 to encourage the generation of electricity from renewable energy sources such as wind, low-impact hydro, biomass, photovoltaic and geothermal energy. 104 projects qualified for funding under the program and produced almost 4500 megawatts of additional renewable power capacity to Canada's electricity grids.

Greengate recommends that a renewed ecoENERGY program have two primary components:

1. Similar to the previous program, funding should be allocated to provide a set dollar per megawatt-hour production incentive over a 10-year period to qualified renewable energy projects that produce low-impact renewable energy and make increased contributions to Canada's energy supply, thereby contributing to a more sustainable and diversified energy future. The previous ecoENERGY program included a \$10/megawatt hour incentive and a relaunched program could include a similar rate.
2. A relaunched program should also include a higher set dollar per megawatt-hour production incentive over a 10-year period to qualified hybrid renewable projects that incorporate energy storage or green hydrogen production.

Renewable and hybrid renewable projects are essential components of a low-carbon economy and would help Canada reach its 2030 and 2050 carbon emission reductions.

Recommendation 3: Accelerate and expand the Greening Government Initiative to encompass all federal crown corporations and initiate immediate procurement of new renewable generation capacity to meet the demands of federal crown corporations.

Acceleration of the Greening Government Initiative is required to meet Canada's sustainability goals already established under the Paris Agreement on climate change and in the Pan-Canadian Framework on Clean Growth and Climate Change. It is highly 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. Greengate strongly supports the rapid implementation of this initiative and would 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.