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Chair

Mr. Leon Benoit

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• (0900)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good morning, everyone. Welcome.

Today we are starting a study on the status of the ecoENERGY programs.

We have with us today, as our first panel, from the Department of Natural Resources, Mark Corey, assistant deputy minister, earth sciences sector; Carol Buckley, director general, office of energy efficiency; Jonathan Will, director general, energy resources branch; and Mary Preville, acting director general, office of energy research and development.

Welcome to all of you. We won't get into a real discussion of this right now, but I would like all of you to think of the following as we go through the meeting today. We have organized the panel for today, including the departmental officials, and three other meetings on this. I think the intention is to then go back to the isotopes report, although there has been some uncertainty as to whether we had agreed to have three meetings, including this one, and then go to the report—or to have this meeting and three others. So if you could think about that, we will get back to it at the end of the meeting and very briefly settle it and decide where to go.

We'll start with the presentation by Mr. Corey, and then we'll get to the usual questions and answers in the usual format.

But first, thank you very much for coming today. We have been talking about visiting these programs for some time, and I'm glad we're going to have a little look at them, at least, over the next few days.

Go ahead, please.

[Translation]

Mr. Mark Corey (Assistant Deputy Minister, Earth Sciences Sector, Department of Natural Resources): Thank you, M. Chair.

First of all, we sincerely would like to thank the committee for inviting us here today to discuss Canada's ecoENERGY initiative. During the first hour, we will be covering all of the programs, and during the second hour, we will provide you with a more detailed summary of the ecoENERGY Retrofit—Homes program. I know that this is a matter of concern to you, and we will be discussing it in greater detail.

[English]

We also have a handout, which I'll be speaking to.

[Translation]

Page 2 of the document pertains to ecoENERGY initiatives that are part of the government's Clean Air Agenda Program and all of its EcoAction programs.

These initiatives represent an investment of more than \$4 billion and are designed to promote energy efficiency, increase the supply of renewable energies—including biofuels—and to create clean energy technologies. The three objectives of the ecoEnergy programs are as follows: To help Canadians consume energy more efficiently, to promote the supply of renewable energies and to create and roll out technologies designed to reduce greenhouse gas emissions. The programs have been divided into the following four categories: energy efficiency, renewable energy, biofuels and technology.

Significant progress has been achieved thanks to these investments. Investing in clean energy technologies and energy efficiency stimulates the growth of the clean energy industry, creating high-paying jobs for Canadians, and at the same time protecting the environment.

I am going to read you a brief presentation about our ecoENERGY programs and the achievements to date. For practical reasons, I divide them into four categories, as I mentioned earlier.

• (0905)

[English]

I will be talking again to the four basic groupings of the ecoENERGY programs.

The first one is energy efficiency. This has a lot of programs in it, as you can see from the slide, from the retrofit homes program down to the equipment one. The ecoENERGY efficiency initiatives promote smarter energy use by Canadians at home, at work, and on the road. The programs use multiple instruments to improve energy efficiency. We use incentives, codes and standards, training, education, and awareness. The programs address each sector of the economy. They rely on partnership and collaboration to lever resources from provincial, territorial, and utility partners.

Frequently the federal initiatives provide a foundation to which other organizations can add their complementary measures, furthering the reach of energy efficiency across Canada. The initiatives include the ecoENERGY retrofit homes program, which has been a very popular program, as you know. Carol Buckley, our director general, will be doing a presentation on that during the second hour, and I think we'll be really focusing on that program in the second hour.

On the fifth page are the results of the energy efficiency programs. Training, for example, has been provided for between 1,000 and 2,000 home builders every year, so they can build R-2000 and Energy Star homes that are 25% more efficient than conventional new builds. Commercial truck and bus drivers learn how to maximize fuel economy through training, as do plant foremen and energy managers in industry. The popular Energy Star label identifies the top performers for 50 products, and 60% of Canadians use this label now to inform their energy purchases. Many provinces and utilities also base their rebate programs on Energy Star products.

A strong regulatory package will address 80% of the energy used in the commercial and residential sectors. Thirty new and more stringent product regulations will be in place by March 2011 to address lighting, refrigerators, motors, consumer equipment like televisions, and more. The provinces with energy efficiency regulations work closely with Natural Resources Canada to make sure our approaches are aligned.

Slide 6 talks about renewables. The ecoENERGY renewable initiative is focused on increasing the commercial deployment of renewable energy technologies. In the case of renewable electricity, this has taken the form of a production incentive designed to improve the relative competitiveness of these technologies. In the case of renewable heat, this has been achieved through a broader set of initiatives, including a capital incentive to install solar thermal systems, partnerships with the utilities and other service providers to increase the use of solar hot water systems, and actions to increase industry capacity such as training certified installers. Response to both of these initiatives has met or exceeded expectations, and we expect to meet or beat our initial targets in these programs.

Slide 7 talks about the biofuels component of the program. The ecoENERGY for biofuels program supports Environment Canada's renewable fuel regulations that will come into force in 2010. The program provides incentives to increase the supply of renewable transportation fuels. As of March 2010, the program is committed to supporting the production of up to 1.6 billion litres of biofuels by 2012. The budget has largely been allocated, and the remaining bit will be committed over the next few months.

Slide 8, the last section, is on the ecoENERGY technology initiative fund, which funds research, development, and demonstration to support the development of next-generation clean energy technologies such as carbon capture and storage and renewable energy technologies. For example, seven new CCS projects, ranging from \$4 million to \$33 million, support preliminary engineering and testing activities.

The other program we use in conjunction with this, which I mentioned, is the clean energy fund program, which is also making a major contribution to carbon capture and storage. The clean energy

fund was announced in January 2009 under the economic action plan, and to date it has committed \$466 million for major integrated large-scale CCS projects.

The ecoENERGY technology initiative and CCS projects have helped set the stage for clean energy fund projects. Opportunities are being taken where possible to co-fund projects through both ecoENERGY technology initiatives and the clean energy fund to move projects along to large-scale demonstration.

The last slide talks about the future. I know this is a question we'll get. As indicated in the March 2010 Speech from the Throne, the government is now reviewing its energy efficiency and emissions reduction programs to ensure they are effective. I should mention that this is actually fairly common. A lot of times the government will fund programs for a four- to five-year period, or longer.

● (0910)

When the period is up we usually review them in the last year to make sure that the programs are still necessary and effective. For a number of these programs that finish at the end of this year, such a review is now ongoing and it will be basically for ministers to review and to decide. But again, the government has not decided yet on the future of these programs.

The Chair: Thank you very much for your presentation.

We will start the questioning.

We'll start with, from the official opposition, Mr. Tonks, actually. Back to Mr. Tonks.

Go ahead for up to seven minutes, please.

Mr. Alan Tonks (York South—Weston, Lib.): I'm not sure I like that characterization of "back"....

The Chair: Well, you've been back and forth a couple of times.

Mr. Alan Tonks: Thank you, Mr. Chairman.

Thank you to our witnesses.

I guess the first question I have is in terms of evaluations. With respect to reduction in greenhouse gases, has there been any ongoing monitoring and assessment of the general clutch of programs and linking that to the effectiveness with respect to greenhouse gas reductions?

Mr. Mark Corey: Yes, in fact there has. For each of these programs, we go in and we calculate the megatons, for example, of GHG that will be reduced from it.

Just to give you an example, I'll ask Carol to talk a little bit about some of the energy efficiency programs and some of the measurement that we're doing there.

Ms. Carol Buckley (Director General, Office of Energy Efficiency, Department of Natural Resources): Thank you very much for the question.

We currently have five evaluations under way on the energy efficiency suite. They will be completed in the next couple of months. Those evaluations will assess the emission reductions of each program against the proposed emission reductions. I don't have the results of those evaluations to date, but on an ongoing basis, from the first year of these programs, 2007, and in each subsequent year, the program captures the emission reductions. We estimate what the impacts are, depending on the nature of the program, and we report on those in an annual report to Parliament.

The emission reductions are also reported in the Kyoto Protocol Implementation Act reporting requirements, which are organized by Environment Canada. We provide the emission reductions associated with each of the programs to that exercise and they are reported publicly.

Mr. Alan Tonks: Okay. As a corollary to that question and that answer, to what extent, then, are those evaluations related to direction to the government with respect to an extension of the programs or variations on the programs?

Ms. Carol Buckley: All the data on program effectiveness will be used in the government's assessment of the programs. As indicated in the Speech from the Throne and in budget 2010, there will be a review of energy efficiency and clean energy programs. Part of the data collected and used in that analysis will be the progress and effectiveness in the programs in making emission reductions vis-à-vis what their expected targets were. All of that information would be input into the review, which will, in turn, inform the decisions that ministers will make about the programs in the future.

Mr. Alan Tonks: I'm jumping ahead a bit—this question probably is more related to when we talk about the home energy retrofit—but the government has decided to not take any other applications. I would like to try to get a handle on the extent to which the evaluation would have guided that decision. I'm not sure that's in order at this point.

Is that okay, Mr. Chairman?

• (0915)

The Chair: Yes, those are the issues we're talking about. We could leave as much as possible for that second hour, but go ahead, Mr. Tonks.

Mr. Alan Tonks: Thank you.

Ms. Carol Buckley: Sure, evaluations do inform decisions, but other things inform decisions as well. With respect to the home retrofit program, we monitor the intake of that program very carefully. As director general, I review the statistics on the program every week, and I have done so since the inception of the program.

We ended the pre-retrofit evaluation phase of the program, the intake phase of the program, if you will. We ended that phase of the program at the point when the remaining budget was sufficient to offer an opportunity to those already participating in the program to have access to a grant. So that is just good management of a program budget in order to stay within your program budget allocation, to end

intake at a time when the existing participants would use the remaining funds in the program.

Mr. Alan Tonks: Okay. I will pursue that later on.

We had quite a presentation and had various witnesses on integrated energy systems. Part of the evaluation is whether these programs have stimulated the integration of new technologies and of alternate energy production, probably from a macro and strategic point of view.

Do the evaluations give us the sense that we are actually learning from the technologies, that we are stimulating them with these programs?

And is there any evidence that we are integrating technologies—geothermal, solar, wind applications—into transportation or whatever? Are the programs stimulating that kind of strategic environmental progress?

Ms. Carol Buckley: Yes, there is a lot of evidence. Thank you very much for that question. It's an important one.

There is a lot of evidence that the programs are stimulating the uptake of emerging technologies and encouraging the integration of efficient technologies and renewable and other emergent technologies. I'll give you a couple of examples.

The home retrofit program has provided incentives to more than 1,000 domestic hot water systems in the residential sector and more than 7,000 heat pump systems, which provide both heating and air-conditioning. These are quite expensive technologies for the homeowner to adopt. The grant was very helpful, and I don't think we would have seen such penetration levels of those technologies without the incentive.

In other areas, we certainly see an impact on technologies. For example in the industrial sector, we have 19 benchmarking studies in different sectors of the economy that give information to the industrial plant managers and decision-makers about better technologies to put in their plants in order to bring the plants up to a benchmark efficiency level. We have evaluations of those to show that they're effective.

Mrs. Mary Preville (Acting Director General, Office of Energy Research and Development, Department of Natural Resources): I can add a bit to my colleague's answer.

Through the clean energy fund, which Mr. Corey referred to, there is a component known as the renewable and clean energy demonstration. A call for proposals was launched in May 2009, and just in January 2010, 19 various projects were selected. Some of them relate to communities and the integration of various renewable technologies in communities in different regions across the country.

Through the ecoENERGY technology initiative, there is also support being provided to six integrated community projects under the EQUilibrium Communities initiative, which is led and co-funded equally by both Natural Resources Canada and Canada Mortgage and Housing Corporation.

The Chair: Go ahead, Mr. Tonks.

Mr. Alan Tonks: Could we have the inventory of those technologies you just mentioned, just to get the flavour of how this is actually happening?

• (0920)

Mrs. Mary Preville: Certainly. We'll be glad to provide the committee with the list.

The Chair: Thank you, Mr. Tonks.

We'll go now to Madam Brunelle for up to seven minutes.

Go ahead, please.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good morning. Thank you for coming.

In the documents provided to us by the Library of the Parliament, I see that there are nine ecoENERGY programs. For the first program which is called ecoENERGY for Buildings and Houses, there are six components. Which of these programs has the largest budget? Is it the program designed for buildings and houses, as I would think?

[English]

Ms. Carol Buckley: Yes. *Merci de votre question.*

The program with the largest budget is the ecoENERGY retrofit homes program, with \$745 million.

[Translation]

Ms. Paule Brunelle: How did you divide the money in the budget amongst the Canadian provinces? Was the money pro-rated on the basis of population or on the number of applications received?

[English]

Ms. Carol Buckley: Thank you very much for the question.

The distribution of funds across the country is entirely demand-driven. The Canadian homeowners apply to the program from wherever they live, and that's how the grants are paid out. We don't carve out the grant by province; we hold it all in one budget, and Canadians apply wherever they live.

When I do the presentation on the program in more detail here—in just a few minutes—a slide in the deck will show the distribution of grant payments across the country. You can get a picture of how Canadians have taken up the programs province by province.

[Translation]

Ms. Paule Brunelle: All right, I'll wait until...

Yes?

Mr. Mark Corey: I would simply like to add that we will see that this is truly a Canada-wide program, meaning that it is present everywhere in the country. And we have had considerable demand throughout Canada.

Ms. Paule Brunelle: I will see if this is the case later on, during your presentation...

As a Quebecker, I would say that Quebec has gone to a great deal of effort to switch to electric energy—I know that we are spoiled, because we have a lot of this. For many years we had provincial programs aimed at improving energy efficiency, changing thermo-

stats, switching from oil to electric heating. So I was saying that, as far as we are concerned, the demand is less important—but you will be answering this question later on.

How do you assess the results of these programs? Some of these programs must have been in existence for many years now. These are not programs that were launched two or three years ago. I would imagine that you assess the results on a yearly basis, before budgets are drawn up. So my second question is: is that how it goes? In your opinion, which program has resulted in the greatest energy savings?

[English]

Ms. Carol Buckley: With respect to the energy efficiency programs, there are a number of methods of evaluation. One is the formal evaluation conducted by a third party. Five of these are under way at the moment, on equipment, transportation, buildings, houses, and industry programs. The results of these will be available in a few months.

On an annual basis, we have a business plan that breaks down our four-year targets year by year. We track the progress of the programs on an annual basis against those annual targets. In fact, as the director general I review the targets with all of my managers at mid-year and at the end of each year in the four-year cycle in order to see that programs are on track and to make any corrections, if anything is not on track. Those are the two primary ways in which we conduct evaluations of the progress of the programs and their effectiveness.

The last part of your question referred, I believe, to which would be the most effective program.

[Translation]

Mainly, the most effective of all these programs.

[English]

The programs are all doing quite different things and using different measures. An incentive program is very different from a training program in terms of the rate of intervention with the energy user, for example.

One of the most effective tools overall is the regulatory instrument, because it provides a prohibition in the economy for the least efficient performers to be imported or transferred across borders. These programs, which carry our standards and regulations, are extremely effective. We have been operating them since 1995, and they have been through many different evaluations. Those evaluations have always been very positive, demonstrating net present value financial savings impacts to Canadians as well as the emission reduction impacts associated with those regulations.

Thank you.

• (0925)

[Translation]

Ms. Paule Brunelle: When you talk about regulatory tools, the image of a refrigerator or some other item of this type springs to mind. Is that significant? Do you have examples? Are these trucks, for instance?

[English]

Ms. Carol Buckley: Thank you for the question.

The Energy Efficiency Act currently covers about 40 products. These include all of the large major appliances in the home—fridge, stove, dishwasher, clothes washer and dryer—as well as many other products: light bulbs, motors, commercial refrigeration, commercial air conditioning, commercial boilers and furnaces, transformers.

We would be happy to provide the list to the committee, if that would be interesting, because I do not have the list entirely in my head.

At the end of the fiscal year, in March 2011, our regulations will cover 80% of the energy use in the home and 80% of the energy use in a commercial setting, so they really cover a broad range of energy uses.

[Translation]

Ms. Paule Brunelle: Thank you.

[English]

The Chair: You still have a minute. Go ahead.

[Translation]

Ms. Paule Brunelle: You have seven carbon capture and storage projects. You have no doubt read many of the criticisms on this issue, saying that this is at the exploratory stage and that it is not clear what results it will produce. Do you not feel that this is a rather hefty investment in undemonstrated technology?

Mrs. Mary Preville: Thank you very much for the question.

[English]

Carbon capture and storage has been proven to be a very safe and reliable technology at smaller scales. What is recognized now is the need to significantly scale up, to large-scale, and that is what the present demonstrations are endeavouring to do.

There is a lot of evidence in Canada with storage of other substances in geological formations such as natural gas, carbon dioxide itself, and acid gas reinjection. We have close to ten years of experience with injecting carbon dioxide into the Weyburn-Midale fields in Saskatchewan for enhanced oil recovery.

So we ensure there are appropriate monitoring and evaluation systems in place with appropriate risk mitigation factors. Also, a key consideration is the site selection and the knowledge of the geological reservoir.

The Chair: *Merci, Madame Brunelle.*

I'll now go to Mr. Cullen for up to seven minutes.

Go ahead, please.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Chair.

Thank you to our witnesses. Welcome, and it's nice to some of you back.

Looking over your initial presentation, the department seems...I want to say the word "happy", but at least encouraged, by the program to this point. Am I making a fair assessment? You didn't present to us today a great set of concerns, challenges, and failures. It was more that this has been a good program for NRCan.

Yes? Am I characterizing it right?

I don't think you have it with you today, but could you provide the committee with what has been spent since the year 2000 on the following technologies: renewable energy writ large, CCS, wind, solar, wave, and tidal? Does the department track the breakdown of that?

Mr. Mark Corey: Yes. In fact, we can get back to you and get details. We do track all of our programs and we have got them broken out. We can provide that information.

The Chair: Thank you, Mr. Corey.

Mr. Nathan Cullen: Thanks.

Does the department also track the cost per tonne of greenhouse gas reductions achieved through each of those investments?

• (0930)

The Chair: Ms. Buckley.

Ms. Carol Buckley: Thank you for the question.

Yes, we do indeed track the cost per tonne, and a number of different methodologies are used to assess cost per tonne. You can take the cost of the program and simply divide it by the emission reductions, the tonnes. You can take the cost of the program to the government and to the user and develop it that way. The method we prefer is one in which you discount the tonnes. That is, you treat it like a financial statement, like a net present value, and you discount the value of the tonnes over time.

I don't have a cost-per-tonne analysis for you here, but you can look at publicly available information and run a cost-per-tonne analysis yourself. Or, as we continue our own internal analysis, we would be happy to come back and share that information.

Mr. Nathan Cullen: That's what's curious. At the UN level, at the United States level, when you look through these programs one of the things that you quickly come to is that they'll give you a chart that says of the program they run right now, this is the gradient of cost: this is the most expensive, this is the least expensive. Usually energy efficiency comes out quite strongly. Other newer technologies, like CCS, come out as very expensive because they've not been proven.

Along with what has been spent since 2000, will you provide at least the second and third analysis that you mentioned? I think for Canadians trying to understand this, the simple amount of money put in and the amount of carbon dioxide tonnes reduced is the most intuitively correct analysis. That's just, we put in a billion, we got out so many tonnes, and these are all the different departments and programs that achieved that.

Is that possible for you to give to the committee?

Mr. Mark Corey: Again, we'll undertake to get back and provide to you what we have.

Mr. Nathan Cullen: Great.

On the renewable power program—this is the incentive we give to renewable energy, to be created—90% of all the wind capacity, for example, in Canada has been created since the inception of the renewable power program. So it's had an obvious effect on the marketplace. It's not being continued, as far as we know.

What led to that conclusion from the department?

Mr. Jonathan Will (Director General, Energy Resources Branch, Department of Natural Resources): Thank you for the question.

The program continues until March 31, 2011, but the program is not fully subscribed at this moment. Specifically—

Mr. Nathan Cullen: Sorry, just to get the term right, when you say “not fully subscribed”, are not enough folks coming forward and asking for the money, or have you not spent it all yet?

Mr. Jonathan Will: We haven't spent it all. There are some applications.

Mr. Nathan Cullen: My understanding from the minister is that what's in the pipe right now will take care of the rest of the funds. The applications that you folks have in hand will deplete the rest of the renewable power incentive.

Mr. Jonathan Will: It may. That depends on the applications, whether they are ultimately successful.

Mr. Nathan Cullen: Let me put it this way, then: you have sufficient applications in front of you to spend the rest of the renewable power incentive.

Mr. Jonathan Will: Yes, unless a high proportion of them don't meet the criteria.

Mr. Nathan Cullen: Right, but that would be unusual. You've had experience with this, so you know what the....

What's confusing to me, then, is that we essentially haven't renewed or we haven't supplemented any more incentive for wind production. -South of the border, our largest competitor has increased—not just maintained or cut the program, but increased—their wind production by another 53%. In terms of other competitors around the world, such as China, we're producing one-seventh of what China is producing in wind power, which I think would strike many Canadians as strange. In general terms, we think of the Chinese producing a lot of coal-fired plants, that they're in a more nascent economy when it comes to energy and Canada should have the shiny new stuff. We're producing on a level of only one-seventh of what China produces, and we're spending much less per capita than our American counterparts.

Does this concern the department at all when we look at our competitive advantage in terms of the renewable energy market, where not only are we spending less, but the others are actually moving away from us? They're gaining in speed while we're staying still, which probably means we are falling behind.

What have I said that's incorrect?

Mr. Mark Corey: It's always awkward for us, because of course we could always spend more money and we could always have bigger programs. We think obviously this is a valuable area in which to invest. The issue is that at some point we have a fixed budget and we have to prioritize. We are spending a significant amount on wind

and we'd like to spend more, but again, within the amount of money that's available to us, we're going to try to maximize the impact of that.

● (0935)

Mr. Nathan Cullen: Sure, but the same cannot be said of the budgets for CCS or biofuels. Is that true? Those budgets will be growing in expenditures over the next number of years, while wind is being plateaued and ended.

There are choices being made. I understand budget constraints and all the rest of it. That's fine. That's somewhat out of your hands. But you're advocating certain programs to the minister, I suppose, saying this one worked and that one is not so good.

From appearances, wind, while not exhausted, is probably fully subscribed. The wind energy companies are coming to us and saying they are leaving Canada because the investment climate is much poorer here than it is south of the border, which is an easy transference for them.

I'm concerned that this is hurting our competitiveness on the renewable energy front, which is the green economy that folks talk so much about and have so much hope for. It is the only industry that did well during the recent recession. That must be of some note to the department and the government, that while so many industries tanked, this one did well. Yet we are ending the funding for it and we're continuing with CCS and biofuels, which are both much less productive, if I can say that.

The Chair: Could we have a very short response, please?

Ms. Carol Buckley: Thank you.

I'll just build on my colleague's comments to respond to your question on, comparatively, biofuels or carbon capture and storage.

With respect to biofuels, the government support for biofuels is in a fairly similar position as its support for wind. We have 21 agreements with companies to support biofuels production and we have applications from a number more that we will not be able to satisfy. So we're in a similar position of having applications in hand that will exhaust our remaining budget in the next couple of months and insufficient funds to fund orders of magnitude more than that.

To me, it's in a fairly similar position in terms of allocating the budgets that we have available to us.

The Chair: Mr. Will, did you have something you wanted to add?

Mr. Jonathan Will: Yes. With respect to wind, when the original ecoENERGY for renewable power program was started, the incentive structure in Canada was mainly federal. Over the last few years, every province has taken some sort of programs and measures, different ones, that support wind.

For example, in the Atlantic provinces, most of them have done renewable portfolio standards, which require a certain amount of electricity to be generated through renewable sources, often wind; and Ontario has introduced a feed-in tariff, which provides an incentive of 13.5¢ per kilowatt.

Mr. Nathan Cullen: You're saying the provinces are coming in.

Mr. Jonathan Will: The provinces are coming in.

Mr. Nathan Cullen: Less need for the feds.

Mr. Jonathan Will: It requires a reassessment of the role of the federal government.

Mr. Nathan Cullen: I see.

Mr. Jonathan Will: For example, in Ontario currently, with the incentive of 13.5¢ they get, they are ineligible for the federal program, because the view was that over 12¢ it wouldn't be increasing any incremental power. In addition, in the province of Quebec the provincial government provides very generous contributions, but in their program conditions, 75% of the money that they would have received from the federal program is reduced by the provincial program, because they also don't want to be providing money that's not providing incremental benefits.

The Chair: Thank you, Mr. Cullen.

We go now to the government side, to Mr. Harris, for up to seven minutes.

Go ahead.

Mr. Richard Harris (Cariboo—Prince George, CPC): Thank you, Mr. Chair.

If you'll pardon the pun, I would like to just kind of clear the air on the wind power generation.

I'm not an expert in this field, but it's my understanding that of all the clean power sources, wind energy, from the point of view of cost efficiency and return on your investment, ranks very low on the scale of what you're getting, the bang for your buck. I've never seen a report yet that showed that investment in wind power can be sustained without massive and continuing subsidies from either the federal, regional, or provincial governments.

When Mr. Cullen points out that America and China are investing far more in wind power than we are, which may or may not be correct—I am assuming it is—it appears to me that they've made a decision to subsidize to a greater extent an alternate energy source that is not efficient, where Canada perhaps is putting more money into biofuels and development of more efficient types of clean energy.

Am I on the right track here, talking about the efficiency of wind power and of—I hate to phrase it like this—how bad an investment it really is by comparison to where we can put our money in other forms of clean energy development?

• (0940)

The Chair: Mr. Will, go ahead.

Mr. Jonathan Will: Thank you for the question.

The answer is, yes, compared to conventional sources of electricity generation, wind power is relatively expensive. It does

require some sort of benefit—either through an incentive through the tax system, through the program system, or just a straight requirement that it be produced—for it to compete with conventional sources of energy, in particular coal or natural gas. Among the renewable power sources, however, it is the least expensive currently, based on the state of technology.

Mr. Richard Harris: I've seen numbers where it indicates that wind energy generation is somewhere in the neighbourhood of only 30% efficient, and not much higher than that in most every case that we have going right now in Canada. Were it not for the continuing subsidies it would just simply be a bad investment; we could do better investing in other forms of clean energy technology.

Mr. Jonathan Will: The 30% you're referring to is what's called the capacity usage, which is a big issue in terms of wind power. When the wind's not blowing, the windmill is not generating power.

Mr. Richard Harris: I understand that, and from a business point of view it's like having a product that only sells part of the year. It's a pretty bad investment. It's better to have something that's producing a return year-round. Anyway, let's leave that for a minute.

In the energy-efficient initiatives, have there been any truly independent assessments of how our programs are doing? I imagine you have your in-house assessments, and on the political side they have their assessments, but is there anybody outside the political realm that has looked at what we've been doing and given it some sort of a grade?

The Chair: Ms. Buckley.

Ms. Carol Buckley: Thank you, Mr. Chair.

Indeed, before we can get program approval on an area of activities that has already existed in the past, we have to have a third-party independent evaluation. As I mentioned earlier, there are five third-party independent evaluations under way right now in the energy efficiencies suite of programs, for the equipment, industry, buildings, housing, and transportation programs. All of those evaluations are being done by professional evaluators who do not work for the programs. They work for consulting companies, or they are from the evaluation branch of Natural Resources Canada. They are undertaking these evaluations, and the results will all be publicly available in a couple of months.

Mr. Richard Harris: The other thing I wanted to ask is about leveraging. I'll just take the example of the ecoENERGY energy retrofit for small and medium-sized organizations. I guess our money into that program was \$60 million, and I see that the stimulation factor was \$161 million. So that's about 2.6 times our investment. Is that ratio about average throughout most of the programs? Are there some in which we might have had a one-to-four, or one-to-five ratio, or even one-to-three on leveraging?

Ms. Carol Buckley: Thank you, Mr. Chair. That's a very interesting question.

The leverage for each program is quite unique to that program. It depends on how much investment the Government of Canada is making vis-à-vis how much investment the energy consumer needs to make. In the case of the small and medium organizations incentive, a small building or a small factory would get access to up to \$50,000 in incentives for an investment they make, and the leverage is as you have indicated. Other programs, such as the ecoENERGY retrofit home program, have a higher level of leverage so that for every federal dollar we spend, the homeowner is spending about ten dollars.

The leverage is far greater for non-incentive programs. Where we're making investments in training curricula for novice drivers, for example, which all of the provinces have adopted so new drivers learn eco-driving techniques, the federal investment is just minuscule, and yet we train thousands of new drivers across Canada every year. Similarly for training truck drivers and home builders, the federal investment is very small vis-à-vis the investments that the private sector makes.

• (0945)

Mr. Richard Harris: I have one more question. I want to just clarify something.

We've been developing new technology to cut down on our greenhouse emissions. I'm assuming that our cost per tonne, because we're developing new technology, is going to be higher than it will be after we have the program levelled out, the technology has been proven, and we're just applying that. The development of technology is going to be higher, so I don't think we can achieve the lowest possible cost per tonne at this point on most of the programs, but that will come.

Am I right in that? I'm referring to Mr. Cullen's assertion that our cost per tonne is far too high, but that's because of the technology we're developing, I'm assuming.

Mrs. Mary Preville: Thank you very much for the question.

You're correct. The development of new technologies is obviously very expensive. There are many unknowns, going from the person who has the bright idea, to the scientist who can then develop it, and then to likely the engineer who can put it into practice. Not all succeed, and there are many risk factors along the way. So of course, the development of technologies in the infant stage, or even in the demonstration phase, is much more costly than when you start to get economies of scale.

Mr. Richard Harris: Thank you very much.

I think I must be about done.

Is my time done, Mr. Chair?

The Chair: Oh, you were done, like....

An hon. member: Like the rest of us are.

Voices: Oh, oh!

The Chair: Frankly, I forget.

Thank you, Mr. Harris.

We now go to the second round, which is for five minutes, starting with the official opposition.

Mr. Bains, go ahead, please.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you very much, Chair.

I'd like to follow up on the comments made by Mr. Harris and Mr. Cullen with regard to the effectiveness of the program and how we measure success. I think we've spent, according to your numbers, \$960 million over four years for these programs, and the overall objective is how much we reduce gases by.

You mentioned, Mr. Corey, that you would love to spend a lot more money if it were available. Obviously we have limited resources, so it does boil down to value for money. In your opinion, are we getting the optimal value for money for the investments we're making to reduce the greenhouse gases?

An hon. member: Absolutely.

An hon. member: He asked them.

Mr. Mark Corey: Mr. Chair, again, that's really the purpose of going through...the fact that we have fixed-term funding, that we have to then go through an evaluation. Part of the evaluation is to see exactly how effective the programs have been, what the cost has been, what the results have been. That's part of the evaluation we're going through right now.

Carol, do you want to talk a little bit more about it? We can get into some more specific detail, actually, with the programs.

Ms. Carol Buckley: We do assess the impacts of each program. Obviously, you're looking at a roll-up across all of the programs, which we will have more definitively when we have our evaluations.

So we have our own internal progress accounting on each of the programs and I'm reluctant to share that until we have the third-party independent evaluations that give us that—

Hon. Navdeep Bains: Can you elaborate on the criteria that you have for effectiveness? One criteria is obviously the reduction. We would measure that on a per-tonne basis.

Are there any other criteria that you have to measure success or progress?

Ms. Carol Buckley: Certainly the criteria for measuring the effectiveness of any one program are very much linked to that particular program. We're sitting before you today representing a real range of different program types. In an incentive program, we would look at the effectiveness not just of the dollars per tonne; it's also how many resources in the Government of Canada are required to process the applications but provide due diligence for the Canadian taxpayer that the investment has actually taken place.

So we look at the effectiveness of how long it takes us to respond to an application and to process it through the federal government, and how long it takes us to respond to questions from the public and to deal with their application.

That's very different from the effectiveness requirements of preparing a regulation or a standard where we don't have the same response to the individual consumers but where we do have to take into account the impact on the economy of imposing a regulation, how long industry has to respond to that regulation, and whether we are consulting adequately.

There are different effectiveness criteria we would apply to a regulatory program than we would to an incentive program. Each individual evaluation looks at each individual program and develops the specific criteria for evaluation. I've just given you a couple of examples for two different programs.

● (0950)

Hon. Navdeep Bains: You said you're tracking this internally and you're going to wait to make it public, once it has been validated by a third party. What is the timeline associated with that?

Ms. Carol Buckley: The evaluations on the energy efficiency programs are expected in a couple of months.

In the meantime, there are public records of our emission reductions in the annual report to Parliament. The energy efficiency programs report on their progress every year in that public fashion. There is also a reporting in the Kyoto Protocol Implementation Act, reporting which comes out annually.

Hon. Navdeep Bains: Based on your internal tracking for the criteria that you just described, and obviously each program is very different, have you made any changes to the program based on this tracking, realizing that maybe you're not necessarily getting the success in terms of reducing the greenhouse gas emission targets that were originally set out?

Have you made changes to any particular programs, and can you cite those examples?

Ms. Carol Buckley: Certainly. Thank you for the question and the observation.

Because we review our progress on the energy efficiency programs at mid-year and at the end of the year, every cycle, and we are three years into this four-year set of programs, we have made many observations about improving the effectiveness of our programs.

Hon. Navdeep Bains: Excuse me, effectiveness or ineffectiveness?

Ms. Carol Buckley: Effectiveness.

Hon. Navdeep Bains: Okay.

Ms. Carol Buckley: Yes, certainly, let me repeat, we have made many improvements to the effectiveness of our programs.

For example, on the small and medium-sized organizations incentive program, in response to an audit, we are reviewing how we audit the recipients to ensure that the program funds were spent appropriately. The auditor made an observation that we in fact had a more cumbersome process in place for evaluating the effectiveness of the incentive than we could have had.

So we have taken action already to try to streamline our process of selecting a recipient auditor to go into a company and determine how

the money was spent. The audit actually observed that we were maybe putting in too much oversight for fairly small investments.

The Chair: Thank you, Mr. Bains.

We'll now go to the government side, to Mr. Shory, for up to five minutes. Go ahead.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

Thank you to the witnesses, as well, for coming out this morning.

It's very interesting, and I'm happy to see that our government has been investing in the clean air agenda, and also on reducing GHG emissions. As a matter of fact, our government has undertaken a lot of very specific and targeted initiatives to reduce greenhouse gas emissions and will continue to do that. The latest numbers also show that greenhouse gas emissions are dropping because of our government's policies. In fact the emissions were reduced by about 2% between 2007 and 2008. I just read that this morning.

But my question will be coming back to ecoENERGY for renewable heat systems. I haven't heard much about geothermal programs. Are there any initiatives or programs on geothermal heating systems?

The Chair: Go ahead, Mr. Corey.

Mr. Mark Corey: In fact, we're very interested in geothermal. I should say that my other job, as the chair said, is the assistant deputy minister of the earth sciences sector, which includes the Geological Survey of Canada. One of the things that we're doing in the Geological Survey of Canada right now, of course, is we're looking at how we can better map the potential. Particularly in western Canada, for example, we would have the potential for the high-temperature electricity-generating type of geothermal. There are basically four types and it goes from the high temperature down to the lower, where you have heat pumps.

We actually do have a couple of specific projects that we're working on in geothermal. One of them is in Yellowknife and the other one is in Fort Liard.

These are Mary's programs.

● (0955)

The Chair: Ms. Preville, go ahead.

Mrs. Mary Preville: Thank you very much.

The two specific programs that Mr. Corey referred to are actually just getting under way under our clean energy fund program. They're two of the 19 projects that were announced in January.

In the city of Yellowknife they're doing a project that will use geothermal heat from the abandoned Con mine for use within the city itself.

The second project is the community-based geothermal demonstration in a remote first nations community. That project will demonstrate how a northern community can use geothermal resources to generate electricity and heat in a first nations community.

Those are projects that are just getting under way with a high potential.

Mr. Devinder Shory: If I understand it correctly, there is no program, even on a trial basis, for individual homes for a geothermal heating system or electricity production?

Ms. Carol Buckley: I'll take that question if that's all right, Mr. Chair.

The ecoENERGY retrofit homes program has provided financial incentives to over 7,000 homeowners to support their implementation of a geothermal heat pump system in their homes, so that program has been supporting that technology at the residential sector level.

Mr. Devinder Shory: I take it that this initiative has been a success for retrofit homes programs. Is that correct?

Ms. Carol Buckley: Yes, I would say it's been very successful. It's reached almost 300,000 homeowners to date and paid out over \$340 million in grants. That includes 7,000 homeowners who have received quite substantial grants for heat pumps.

Mr. Devinder Shory: Then it brings the question that if it is so successful, why is it not introduced for new homes?

Ms. Carol Buckley: The decisions were made by ministers in 2006 on how to allocate this funding suite called ecoENERGY efficiency. The decisions made at the time were to put incentives into existing homes to improve their efficiency.

The decision was not made by ministers to provide incentives for new homes, for new energy efficient homes. Some of the thinking around that has to do with the fact that only under 2% of homes are built new every year. The stock of 10 million homes is in need of improvement if we are interested in reducing the energy use of our housing stock and in reducing the greenhouse gas emissions associated with our housing stock.

If you're looking at making an intervention in the economy, there are a lot more homes that need retrofit every year than there are homes that are built new every year. So the decision at the time was to put the incentive money towards improving the efficiency of the existing stock rather than towards improving the efficiency of the new stock.

If I might, Mr. Chair, just to add to that, we have excellent instruments in place for new buildings to improve their efficiency. We have the EnerGuide rating system for new homes, which is increasing the efficiency of new homes through programs such as R-2000 and Energy Star. The efficiency of the new home is higher than it was previously.

The Chair: Thank you, Mr. Shory.

We'll go to Monsieur Guimond before we suspend for just a couple of minutes as we add to the panel. I think we can go another five minutes on this, on the broader issue, before we get into the ecoENERGY retrofit program for homes, specifically.

Go ahead, Monsieur Guimond, for up to five minutes.

[Translation]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chair.

Good morning, I am finding this discussion very interesting. I am going to move in another direction that concerns my region. I come from eastern Quebec, more specifically from Rimouski. It is a rural region, like many regions in Quebec and in Canada. Over the last few years, with the economic, agricultural and forestry crises and the increase in energy and gas prices among other things, many farmers, forestry workers and small cooperatives have formed groups in several villages in my riding in order to look at new opportunities in agriculture and forestry. This was done with the intention of producing green energy, biofuels, etc.

As the representative from the Department of Natural Resources, are you aware of the developments that have taken place over the last few years in my area and perhaps elsewhere?

● (1000)

Mr. Mark Corey: Mr. Chair, we have invested almost \$100 million in the forestry sector in order to increase production of these energy sources. Our colleague, Jim Farrell, assistant deputy minister for the forestry sector, could describe that program in more detail. We do have such programs to support the sector.

[English]

Ms. Carol Buckley: Thank you. I will just add a little bit to support that question.

From Natural Resources Canada's perspective, we also have the ecoENERGY for biofuels program, which supports domestic production of biofuels, which may, in fact, serve producers who come from the forestry or farming sectors. Colleagues at Agriculture and Agri-Food Canada also have a biofuels capital incentive program, which is directed at stimulating farmer participation in the production of biofuels using farming products. That's called the ecoABC program.

[Translation]

Mr. Claude Guimond: That seems very interesting, but could you give me more detail on these programs so that I can see to what degree we are talking about the same subject?

Mr. Mark Corey: I can give you some more details and come back with more information in this regard. I have some notes here, in English.

[English]

What budget 2010 announced was the next-generation renewable power initiative. It provides \$100 million over four years to support advanced clean energy technologies in the forestry sector. This builds on other programs we've been working with the Canadian Forest Service to put in place. That's probably the most recent one aimed at combining the energy and forestry industries.

Mr. Chair, we can come back and provide more information on that program, as well. I just don't have the information on that with me today.

The Chair: Thank you.

Go ahead, Monsieur Guimond.

[Translation]

Mr. Claude Guimond: I would like to have more information. I can see as I tour my riding that there are a lot of new initiatives in the forestry sector. It seems to me that there is a lack of vision and leadership that would allow us to identify the most promising approaches and provide good programs so that we can move forward.

Is it one of your concerns, at the Department of Natural Resources, to identify, establish priorities and assess these projects so that we can stop this piecemeal approach, have a clear vision of the future and embark on the right path?

Mr. Mark Corey: This is what we in our department call a horizontal project. It involves the forestry sector as well as other sectors, and energy experts. I could come back with more information on the strategies being considered. After I have consulted my colleague Jim Farrell, assistant deputy minister for the forestry sector, I will be able to tell you what we are currently doing for this sector.

Mr. Claude Guimond: Witnesses will be coming to tell us about these new developments over the next few meetings.

In conclusion, what I have found as have groups from this sector is that there is too much red tape. It is discouraging for the small groups that do not have the support that is needed to fill out these forms. If you could just keep them in mind, as far as future programs are concerned, in order to make their lives easier, it would be appreciated.

• (1005)

[English]

The Chair: Thank you.

Merci, Monsieur Guimond.

We are finished with the first hour and the first panel today. We will just shuffle things a little and add to the panel, coming back in the next hour to deal specifically with the ecoENERGY retrofit homes program.

We will suspend for two to three minutes and come back to the second hour.

• _____ (Pause) _____
•

The Chair: Let's reconvene the meeting.

For the second hour we have Ms. Buckley and Mr. Corey back. We also have new members on the panel. We have Mr. Charles Tanguay, who is communications officer for the Union des consommateurs, and with him is Marc-Olivier Moisan-Plante, economist.

Welcome, both of you, to the panel.

We'll start in this discussion on the ecoENERGY retrofit homes program with a presentation from the department, from Ms. Buckley. Then we'll go to you, Mr. Tanguay, for your presentation, and then to the usual question period.

Go ahead, please, Ms. Buckley.

• (1010)

Ms. Carol Buckley: Thank you very much, Mr. Chair.

I would like to thank you for the opportunity to provide you with more details about our program, ecoENERGY retrofit homes. It's a welcome opportunity to discuss this program, which, as I think you heard from the first hour, is one that we feel has been very successful.

I've provided a handout with which I hope you can follow along.

There are about ten million low-rise housing units in Canada, and that's our target market for this program. Fewer than 2% of homes in Canada are built new each year, so we have a very large stock of existing homes to worry about the efficiency of their energy use. Indeed, this program is targeting the renovation of those homes so as to reduce their energy usage in order to reduce greenhouse gases and provide cost savings for Canadians on their fuel budget.

Energy efficiency in the housing sector has increased by 22% over the last decade and a half. That's pretty much due to the fact that the appliances we use are 50% more efficient than they were a decade ago, building practices are building more airtight, more efficient homes, and the furnaces we put in our homes are significantly more efficient than they were a decade and a half ago.

But with all of that, energy use in the sector has still grown by 5% in absolute terms over the last decade and half. This is due to the fact that there has been about a 30% rise in the population, so there are more homes for more Canadians, and the homes we live in are on average 10% larger than they were a decade and a half ago. Maybe a more significant impact on all of our lives is that for the things we plug into the wall—the computer equipment, the audio equipment, many things that didn't even exist a decade and a half ago—the energy use associated with those electronics has grown by 105%. So while there have been efficiency gains in this sector, so too have there been absolute increases in energy use.

I'm moving on to slide 2 now.

Hence came the introduction of the program to offer up to \$5,000 in grants to homeowners to put energy efficiency retrofit in place in their homes.

It's a three-step process. The consumer calls up a certified energy adviser who has been certified by Natural Resources Canada to do evaluations in people's homes. The evaluation takes place, and the homeowner receives a list of energy efficiency measures that they could put in place in their home.

The second step is for the consumer to decide which measures they want to put into place and to do the work. They have 18 months, or until March 31, 2011—that has always been a rule of the program—to put their investments into place.

The third step in the program is for them to call back the energy evaluator, who returns to their home and does an assessment of what work was put into place. This gives the Government of Canada a credible, evidence-based program whereby we know that we're providing incentives for which the work has actually been done.

It's at this point that the homeowner would apply for the grant.

I'm moving on to the next slide here.

The program has proved very popular. The government has continued to invest. We had an original budget of \$160 million for four years. It was meant to reach up to 140,000 households and reduce emissions by about 0.4 megatonnes—that's 400,000 tonnes of greenhouse gas or their equivalent. However, given the very high level of demand that the program was experiencing, the government decided in budget 2009, as part of the economic action plan, to increase the budget by \$300 million. The expectation was that this addition in funding would reach as many as 200,000 additional homes and allow them to retrofit and receive a grant and reduce emissions by a further 0.8 megatonnes of greenhouse gas emissions. At the same time, the government increased the grants so that homeowners would have an extra 25% of incentive for their measures, and this helped the uptake of the program and spread the money across Canada more quickly, having a stimulus effect on those who manufacture and install energy efficiency goods and practices.

Demand for the program continued to escalate, and the government has put two more increases in budget in place: a \$205-million increase and an \$85-million increase, which together will reach a further 180,000 homes and reduce emissions by another 0.5 megatonnes.

In total, Mr. Chair, the program has a \$745-million budget over four years to reach as many as 520,000 households. That's a nearly fivefold increase in budget.

• (1015)

Moving to the next slide, we've been very successful in leveraging investments from partners in the provinces and territories and in the utilities. All the provinces and territories, with the exception of Nunavut, offer complementary programs, where they provide incentives, low interest loans, and in 10 cases they also help subsidize the cost of the energy evaluation for the homeowner.

In addition, a number of utilities, such as Terasen Gas, Enbridge Gas, and BC Hydro offer their own grants, further adding to the federal dollars, and many cities do the same thing.

In thinking of the end user and how easy it is for them to apply to the program, as we heard a comment from Monsieur Guimond here, we are thinking about the Canadian homeowner so that they only have one application to make and the federal government processes that application and provides the information to the partner programs.

On slide 5, you can see the impact of this program from coast to coast. We have provided you with the statistics in each province of Canada and each territory of Canada. The box in each case shows how many energy advisers are certified to work for the program in that region. It shows how many Canadians have taken advantage of the pre-retrofit evaluation—600,000 in total—and then it shows how many post-retrofit evaluations have taken place. That's the number of Canadians who have applied for a grant. And the final number is the average size of the grant: \$1,300.

On slide 6, we indicate the types of measures that Canadians have invested in. There has been a preponderance of air sealing:

replacement of heating systems, windows and doors, as well as insulation.

Then I will draw your attention to the support for emerging technologies. This question has come up a couple of times this morning. You can see we have support for the implementation of solar domestic hot water systems, over 1,100 of them, and 7,700 ground-source heat pumps have been installed with support from the program.

The last slide is a wrap-up of the statistics to demonstrate the impact that this program has had on the Canadian residential sector. There have been over 600,000 pre-retrofit evaluations, so that is 600,000 Canadian households who have detailed information, in hand, about their house and the improvements they can make to reduce their energy use. To date, \$340 million in grants have been paid out, with an average saving in each household of 22%. That means the participating households can reduce their energy bill by almost one-quarter. That's a very significant reduction, particularly when energy prices tend to keep rising. Three tonnes of reduction in greenhouse gas per home...2,000 energy advisers across Canada.

We have over \$300 million left in the program for dispensing in this year to the homeowners who are still remaining in the program. In total, the \$745 million will be spent to reduce greenhouse gases and increase the efficiency of Canadian homes and allow Canadian homeowners to divert money from their fuel bills to other more important uses.

I would be happy to take your questions. Thank you very much for the opportunity.

The Chair: Thank you, Ms. Buckley.

We go now to Mr. Tanguay for a presentation and then we'll go to questions.

Go ahead, please.

[*Translation*]

Mr. Charles Tanguay (Communications Officer, Union des consommateurs): Thank you, Mr. Chair.

I want to thank members of this committee for inviting us today to present our views on energy efficiency.

My name is Charles Tanguay, and I am the communications officer for the Union des consommateurs, a federation of consumers' associations with its head office in Quebec. I am accompanied by Marc-Olivier Moisan-Plante, my colleague who is an economist. His specific area of interest is energy efficiency issues. He is currently conducting a study on ecoenergy labelling for homes. I think the topic will be of interest to you and we can tell you about it. The Union des consommateurs is a federation. It includes 10 local consumers' associations, the ACEFs, as well as the Association des consommateurs pour la qualité dans la construction, an association specifically dedicated to residential home renovation and construction.

Our interest in energy efficiency issues is not new. We participate in the work of the Régie de l'énergie du Québec, and our member associations deliver a special energy efficiency program called "Éconologis" which targets low-income households. The program is funded by the Quebec Agence de l'efficacité énergétique and by energy distributors and through visits to low-income family households, makes it possible to do small insulation work projects, to provide advice and to reduce energy bills in these homes.

We believe that everything about energy efficiency is good. It reduces energy costs for consumers and mitigates the increase in costs associated with ever-increasing energy demands. We know that producing additional quantities of electricity costs considerably more today than the average of existing facilities. So it is much more cost-effective, for energy suppliers and society in general, to use negawatts, in other words to reduce consumption rather than increasing production capacity. It is also a matter of reducing greenhouse gases. We hope that Canada will reduce greenhouse gas emissions. In addition, there are economic arguments in favour of energy efficiency. We have seen very strong job creation in the sector. Money invested in it creates considerably more jobs than in other sectors. It is the economy of the future; it is a way to make our economy more efficient and to do more with less energy. It is good for consumers, but also for society in general. We would like to see the government do everything it can, take more action in terms of energy efficiency.

Bear in mind that many of the benefits of energy efficiency are not accounted for, nor are they only economic. For example, in the area of housing, the comfort of occupants can clearly be improved. We can improve air quality in homes, and as a result, the health of occupants. An energy-efficient home is generally better built, and that means it will last longer, and will require less maintenance. Many of these advantages are not accounted for, but they exist. As regards low-income households, the energy costs they will not have to pay will enable them to buy more food and to send their children to school. It is important to calculate not only the economic advantages, but all of the advantages associated with energy efficiency programs.

In Quebec, the Régie de l'énergie approves the programs of various energy providers. The cost of the programs is integrated into the base rate; in other words, it is part of the rates paid for energy. That means that all energy consumers in Canada pay for the various energy efficiency programs.

• (1020)

So when a program is subsidized by the government, all Canadian taxpayers pay for it. It is therefore very important for benefits to be fairly distributed. Ideally, all citizens should be able to benefit from the program.

Yet we realize that there are specific problems in reaching out to low-income households, when it comes to energy efficiency programs. In an evaluation—I believe that ecoENERGY's predecessor was evaluated—we found that the segment representing the poorest 40% of the population had benefited from only 3% of these program's benefits. In other words, the poorer you are, the less you benefit from energy efficiency programs. But the poorest people are the ones who need these energy efficiency programs the most. In

fact, in many cases, they live in lower quality homes, which are poorly insulated, and they do not have the means to buy high-efficiency appliances. So poverty is making the energy bill more difficult to bear.

In addition, there are a host of difficulties associated with being a tenant. In many cases, the owner does not pay the heating bill for tenants. So there is no economic incentive for the owner to improve the energy efficiency of the rental unit.

That leads me to an anecdote on work conducted on energy efficiency. But this time it deals with automobiles. We have provided you with a copy of a research report published just over a year ago on energy efficiency labelling of automobiles in Canada. In the report, we recommend that Natural Resources Canada undertake a review of the enerGuide label for automobiles. We examined labelling models used throughout the world for automobiles.

This is an aside, but you will see that there are links to housing.

Our labels for automobiles in Canada could be improved and could above all be more visible. The current problem is that half of the time, the fuel consumption label for vehicles is located inside the car's glove compartment or in the dealership's showroom. So it is not very visible.

While conducting this research, we also examined studies which analyzed consumer behaviour when deciding to purchase a vehicle. We know that consumers are very irrational. When buying a car, criteria are based on emotions; consumers are concerned with the look of the car, with the power of the engine. While there is more and more talk about the energy efficiency side, when it comes time to buying the car, consumers are not translating these concerns into action. So we looked at how to make consumers more concerned with the issue, so that energy efficiency is part of the main decision-making criteria.

In reality, the same problem can apply to homes. When someone looks for a home, they start by looking at a neighbourhood, then they fall in love with the house because it has a renovated kitchen or bathroom. These criteria are more emotional, and less rational, and they win out over criteria for energy efficiency.

I will conclude quickly.

Our research report on automobiles advocates the adoption of new labelling which is more visible, as well as incentive programs to purchase vehicles which emphasize energy efficiency.

We can see the same thing in housing. My colleague is wrapping up a research program on ecoENERGY labelling for homes. As part of his work, he has analyzed experiments that have been conducted throughout the world, in Denmark, in the United Kingdom, in Oregon. We are looking at the relevance of making labelling mandatory during a real estate transaction, or when renting an apartment or selling a home.

• (1025)

We are also doing an overview of incentive programs which reinforce labelling. We feel the Department of Natural Resources plays a very important role. Evaluations of the various programs clearly show economic benefits, but as I was saying, there are a host of other benefits that are not measured. Often, grants like ecoENERGY ones are the incentives consumers need to take concrete action in doing renovations. Moreover, they often invest more than the value of the grant. And that is very beneficial.

Programs involving visits by experts and standardized diagnostic procedures for energy efficiency take several years to be fine-tuned. We believe ecoENERGY developed important expertise in the diagnostic of buildings' energy efficiency and it would be important to conserve that expertise, especially if the government foresees ecoenergy labelling for homes, as recommended in our report. This must of course complement provincial programs. I believe that the Department of Natural Resources program has been matched by the provinces. When there are two incentives, the programs are more attractive. I also think that links with the CMHC can be explored to improve, for example, interest rate reductions and also to target low-income households.

It is important to be concerned with adapting programs specifically in homes where there is too little energy efficiency. If we do not do that, energy costs will be higher and will result in renovations. And if they are not well-monitored, they may not be well done and that will be detrimental not only for energy and energy savings, but also perhaps for the health of the occupants of Canadian buildings.

Our research report will be available early on in the summer and we will gladly share it with you. In the meantime, my colleague will be able to answer your questions. Thank you very much for inviting us to appear today.

• (1030)

The Chair: Thank you, Mr. Tanguay.

[English]

We'll go directly to questions from Mr. Regan.

We're going to be really pushing it even to get through the first round, so maybe we could have a six-minute round. The clerk has mentioned that the next committee would appreciate it if we ended all of our meetings at five to 11—and we do still have a short discussion of a couple of minutes at the end of the meeting today.

Go ahead, Mr. Regan.

[Translation]

Hon. Geoff Regan (Halifax West, Lib.): I would like to thank all the witnesses who have come here today.

My initial questions are for the department officials then I will have questions for the other witnesses.

[English]

First of all, Mr. Chairman, I'd like to ask Mr. Corey and Ms. Buckley if they could provide the committee with a list of all the wind projects that have been funded by the department under these programs over the past four years, including the name of the company funded, the date the project was approved, the amount of funding, and a short description of the project, or is that available somewhere online you could direct us to?

Mr. Mark Corey: Yes, we can provide that.

Hon. Geoff Regan: Thank you very much.

Let's go to the retrofit for homes program. This started in 2007. Is that correct?

The original budget is shown here. Let's go to the first year. It was started with \$160 million over four years. How much was actually spent? Is this showing us that the \$745 million was actually spent, or something else?

Up to March 31 of this year, can you tell us how much was spent?

Ms. Carol Buckley: The \$745 million represents the four-year budget total. We have already paid \$340 million in grants and have over \$300 million left to dispense this year. I can't give you the exact spending as of March 31, including staff costs and administration costs, as I don't have it with me here, but we can certainly provide that to the committee afterwards.

Hon. Geoff Regan: The last line of your slide show says that over \$300 million of the \$745 million will be disbursed this year. Looking at this, I guess one would interpret it to mean, okay, \$745 million less \$300 million would be \$445 million left. But it's more than \$300 million, so there is somewhat less than \$445 million remaining.

Nonetheless, there's a lot left for this year, is what it sounds like.

Ms. Carol Buckley: There is an awful lot left for this year. It reflects the fact that over 600,000 Canadians have already had a pre-retrofit evaluation, and 300,000 Canadian households are currently eligible for a grant under the program.

Hon. Geoff Regan: Is there enough demand to extend the program beyond March 2011?

Ms. Carol Buckley: There is certainly ongoing demand.

Hon. Geoff Regan: So there's no reason to believe there's not enough demand, considering what you've seen so far?

Ms. Carol Buckley: That's right. The demand has been steady since the inception of the program in 2007.

• (1035)

Hon. Geoff Regan: If it was worth it then, why is it not worth it now?

Ms. Carol Buckley: Frankly, the review of the program on a regular basis, in terms of its expected uptake by homeowners, indicated to us at a certain point in time that there was enough demand from existing participants to use our remaining budget, and at that point in time we had to stop intake. As public servants, it's important for us to respect the budget allocations we have available to our programs, and we simply take the action in order to operate the program within its budget. Its budget has been increased on three separate occasions within the past three years, representing a nearly fivefold increase in the original budget.

Hon. Geoff Regan: So why would you say it was overbudget? What was the cause of that?

Ms. Carol Buckley: Sorry, I hope I didn't say it was overbudget. I said we limited intake at the point in time when the existing participants would use the remaining funds. To continue the intake would have run the risk of exceeding our available budget.

We have not exceeded our available budget, but we took action at a point in time to be able to respect our budget.

Hon. Geoff Regan: But you had a \$300-million expansion to the program in last year's budget, and then you had to have a \$285-million increment in December. That sounds to me like it was going overbudget, and you had to deal with it.

Ms. Carol Buckley: Well, as the demand for the program continued and we monitored it on a week-by-week basis, we could forecast what the demand for the program would be, and the government was able to make decisions to provide additional funds for the program up to the point this year when we limited the intake.

Hon. Geoff Regan: So the reason the cost has gone beyond what was originally anticipated is that Canadians liked it—

Ms. Carol Buckley: Yes.

Hon. Geoff Regan: —because Canadians took advantage of the program.

Ms. Carol Buckley: Absolutely.

Hon. Geoff Regan: It seems to me that what you're telling us is that this is being killed because it was too effective.

Ms. Carol Buckley: Well, I'm not sure that's the way I would characterize it. I would say that the government has responded to the demand for the program on three separate occasions by increasing the budget to meet the demand, and at a point in time we are limiting the intake in order to respect the existing budget that we have.

Hon. Geoff Regan: I appreciate that, and I've heard that, and I understand that you don't decide what budget you will get. But the fact of the matter is that I haven't really heard a reason, really, for ending the program at the end of the fiscal year we just started. I still haven't heard a good reason why it shouldn't go beyond that.

In talking about the program's partners, Mr. Tanguay mentioned how important it is that this mesh well with the provincial programs. My understanding is that the provincial partners are furious that this is going to end now, because they feel that the programs they have put into place have worked well with this. Unfortunately, they have seen examples from lots of governments in the past where the Government of Canada has come in and offered something and started something up and then said, "Okay, we're out, it's all yours

now." I'm sure they're not very happy about it in this case either; they're left holding the bag.

Let me ask you about the common measures you have listed on page 6 of the deck, such as reducing air leakage—that is, air sealing—and replacing heating systems, etc. Which of those measures tend to have the most benefit?

Ms. Carol Buckley: For reducing energy use, air sealing and insulation provide a very high return on investment in improving the efficiency of the home, as does replacing a heating system. So of the five common measures that I've listed, three of them—or four of them, if you count the two insulation measures—are really effective. Replacing windows and doors is popular for lots of reasons, but it's not one of the highest-impact measures from an energy perspective. It increases comfort by reducing drafts and, obviously, there's a cosmetic improvement when you get new windows and doors, but it doesn't have a really significant energy impact.

Hon. Geoff Regan: But particularly in terms of air sealing and insulation, we aren't short of houses in Canada that still need to improve their air sealing and insulation, are we? You don't have that impression, do you?

Ms. Carol Buckley: No, I don't have that impression. This program will reach about 5% of the low-rise building stock, which is a significant number of houses, but it also means there are other houses still with energy efficiency retrofits to be done.

Hon. Geoff Regan: So is the government considering a new program to replace this one?

The Chair: Thank you, Mr. Regan—

Hon. Geoff Regan: I'm sure she's dying to answer, Mr. Chairman. It's a very short question.

The Chair: Go ahead, a very short answer.

Ms. Carol Buckley: Thank you very much, Mr. Chair, for allowing me to answer the question.

As the Speech from the Throne and budget 2010 indicated, the government is doing a review of its energy efficiency and clean energy programs, and that review will look at the effectiveness and the efficiency questions that have come up this morning many times with respect to how those programs are spending public money and reaching the objectives of reducing greenhouse gas emissions and other things. And ministers will simply take decisions about future programs at that time.

● (1040)

The Chair: Thank you.

We go now to the Bloc Québécois.

Madam Brunelle, you have up to seven minutes. Go ahead, please.

[*Translation*]

Ms. Paule Brunelle: Good morning, gentlemen.

Mr. Tanguay, you referred to low income households, and rightly so. I think your observations are important because the segment of the population that needs these programs the most would undoubtedly be left out. It really makes me think about those people who indicated that there are health-related issues in those households, that they are poor, they do not have a healthy diet; but these people do not have the means to eat well. It is a vicious circle.

I was wondering to what extent the ecoENERGY programs complement the provincial programs. Are the provinces not closer to the consumers' needs and are they not in a better position to implement those programs? Is there duplication? That is what you seemed to indicate earlier.

Mr. Marc-Olivier Moisan-Plante (Economist, Union des consommateurs): For the time being there is no duplication because there is no Canadian renovation program for low-income households. The Agence de l'efficacité énergétique in Quebec is trying to develop such a program. So that is the situation for low-income households right now. There is no program duplication.

Ms. Paule Brunelle: Mr. Tanguay, you spoke of the difficult situation renters find themselves in. They cannot benefit from these programs because the owners, in those cases, are not as interested. You can see where the problem lies.

Do you have any suggestions? Have you explored that? Should there be direct assistance for renters, or something along those lines?

Mr. Charles Tanguay: We are looking at all possible solutions, but one solution might be to place more emphasis on energy efficiency when renting housing. This could be achieved, in our opinion, by attributing energy rating to apartments. There are initiatives that target the owners of income generating apartment blocks. They are getting established, but not without difficulty. Programs really need to be quite creative in order to attract the interest of the owners of multiple income properties. At the same time, there have to be ways of ensuring any renovations to improve such properties do not systematically lead to rent hikes.

It is a really difficult situation to address, but I think that rental housing energy ratings would certainly be one way of improving the situation.

Ms. Paule Brunelle: Thank you.

Mrs. Buckley, there was something in your presentation, on page 5, that concerned me. I can see that, if you compare examples in Quebec and those in Ontario, in Ontario there are 1,182 advisors and a very significant number of evaluations in comparison to Quebec, where there are 134.

Does more advisors mean more evaluations before renovations? And does Quebec, with its 47,000 pre-renovation evaluation requests get its fair share under the program? Is it simply because there have been fewer applications?

Furthermore, I can see, if you look at the table—and if I have understood correctly—that British Columbia, Ontario and Quebec account for about half the renovations carried out. Prior to renovation, there were 47,172 applications; and post-renovation, 19,600. So about half the desired renovation projects are actually carried out, if I have understood correctly.

What is preventing people from going through with the renovations? Is it the red tape or are there simply not enough advisors?

Mme Carol Buckley: Thank you for the question.

As you pointed out, it is a question of applications.

[English]

The Province of Ontario got out very early, in response to our program launch in 2007, to offer a matching dollar-per-dollar program and to subsidize the evaluation. There's also quite significant participation from utilities in some cities and municipalities in Ontario. That drove a very early response and a buildup of the industry in Ontario. It has driven the number of energy advisers available and the take-up in the population.

We see that in a province. Whenever the province joins, the take-up in that province starts to double and triple because of the doubled impact of having more than one order of government involved, and then there are the other complementary programs as well. In the case of Quebec, it joined with its complementary program somewhat later than the Ontario program did, and it does provide support, as does the Ontario government, to the consumer, but it simply reflects less demand in the province of Quebec and less support from the provincial and/or utility programs.

• (1045)

[Translation]

Ms. Paule Brunelle: We heard a lot of criticisms from consumers since you put an end to evaluation applications. What percentage of applications were denied as a result of your abruptly deciding to put an end to pre-renovation evaluations?

[English]

Ms. Carol Buckley: Thank you for the question.

The method of limiting intake that we selected was to stop accepting bookings for pre-retrofit evaluations. That provided fairness to consumers who might live in an area that doesn't have as many energy advisers and where they might have to wait longer for a pre-retrofit evaluation than they would in an area where there are lots of advisors.

If we had limited intake by saying that all those who had a pre-retrofit evaluation were in the program and those who hadn't had the evaluation yet weren't in the program, there would have been some inequity between people who hadn't yet had access to their evaluation. So we limited access in the booking. If someone had booked an appointment, then they would eventually get their pre-retrofit evaluation, and they could participate in the program.

We have not cancelled any participation by anyone who has had a booking. Anyone who had a booking can continue through the program, and anyone who had a pre-retrofit evaluation can go ahead and go through the program.

So yes, there probably exists out there people who hadn't made the phone call yet and hadn't booked their pre-retrofit evaluation, but we don't have any numbers on them because they had not taken any action yet to enter the program in any way, shape, or form. We have no way of calculating what those numbers would be.

The Chair: Madam Brunelle, your time is up.

We'll go to Mr. Cullen now.

Go ahead, Mr. Cullen.

Mr. Nathan Cullen: Thank you, Chair.

Let's follow this through. This was seen as a very successful program by the government. It had a 10:1 ratio of private dollars to public dollars. No other program comes close to that, I assume, in terms of leveraging funds. Is that true?

Ms. Carol Buckley: I don't have those numbers in my head. It's certainly high for an incentive program, but non-incentive programs would certainly have a higher degree of leverage.

Mr. Nathan Cullen: Right. So it's \$10 for every \$1 coming in. The government likes the program. If I get the order of sequence right, in the throne speech the government congratulated itself on a great program. The budget announced more money for the program. The website announced no more intakes.

You understand the different orders of degree here. When the government goes public with something, it's when things are great. When it sticks it seven clicks in on a website somewhere, cancelling it, it's not because it's celebrating anymore. That tends to be the trend we see within government.

I'm confused by something, Ms. Buckley. You talked about respecting budget allocations. You folks have to deal with the budget you're presented. That's not a decision you made. That's a political decision made further up the chain as to how much money to give to certain programs.

You used the term "not taking applications". The program for any Canadian trying to access this has, in effect, been cancelled. It doesn't exist. If I were to decide tomorrow that I wanted to go and get access to this program, it's not there any more—that's true?—because of this evaluation that you're going through right now.

Ms. Carol Buckley: Absolutely. The program is no longer taking new applications.

Mr. Nathan Cullen: Okay. What I'm confused by is the argument you've used to this point, that you needed to review the program.

Can the government not review the program while the program still exists? Does that not happen all the time in government, where we have a program that exists and we want to review its effectiveness? We don't need to cancel things to review them. Where is my logic missing?

• (1050)

Ms. Carol Buckley: No, absolutely, your logic is sound. A government can certainly review a program while running the program. We do that on an ongoing basis. In this case the decision was made to limit intake at a time that would respect the existing budget we have available to us, which is \$745 million in total.

Mr. Nathan Cullen: You talk about limiting intake. Basically, the program doesn't exist. It has been put in abeyance for new applications. It may come again, but it doesn't exist right now. It's been cancelled.

I'm trying to explain this to the constituents I have—

The Chair: On a point of order, Mr. Anderson.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): I think Mr. Cullen needs to be a little bit more straightforward and honest about this. There's another \$400 million that has not been distributed this year, as was pointed out to Mr. Regan.

So the program is operating. It's operating effectively, and he needs to understand that.

The Chair: This seems to be debate, Mr. Anderson.

Go ahead, Mr. Cullen.

Mr. Nathan Cullen: There was no order in that. That was simply a point of view.

So when we try to explain to our constituents, Ms. Buckley, whether they can gain access to this program, they cannot.

Ms. Carol Buckley: Mr. Chair, I would like to be extremely clear.

The program is not taking any new applicants. That is very clear.

The program will continue to pay funds for the coming year to existing applicants. That is very clear.

Mr. Nathan Cullen: Right. For anybody who is showing up now, it's too late. It's been cancelled as far as they're concerned.

Did you talk to the provinces before making this decision?

Ms. Carol Buckley: We work very closely with the provinces. We have many avenues of consultation and discussion with them. Once the decision was made, we let them know as quickly as possible.

Mr. Nathan Cullen: I'm assuming that's after it was announced on the website.

Ms. Carol Buckley: No.

Mr. Nathan Cullen: They knew it was coming.

Ms. Carol Buckley: We talked to them before it was announced on the website.

Mr. Nathan Cullen: What was the response coming from your provincial colleagues, if you could characterize it?

Ms. Carol Buckley: Provincial colleagues who deliver similar programs understand the requirements to manage within budgetary requirements.

Certainly there was disappointment that it was not continuing, but there was also understanding, as many of our provincial programs have experienced the same uptake in demand and they've had to manage their budgets appropriately.

Mr. Chair, I might add a very important point. They were extremely thankful and grateful that we would continue to manage the infrastructure of the intake so that they would not have to replicate that in 12 instances on their own.

Mr. Nathan Cullen: Just to get some global context again, because I think it's important for folks to understand what other countries are up to, the United Kingdom has set itself a goal of retrofitting all homes, 100% of stock, by 2030. Are you aware of this program?

Ms. Carol Buckley: Yes.

Mr. Nathan Cullen: We're looking at 5%. Is that right, from your earlier testimony?

Ms. Carol Buckley: My comment was that the eco-ENERGY retrofit home incentive program will be addressing 5% of the domestic stock, but that does not mean that's the only effort this government is taking to encourage retrofits in the existing housing stock.

We have information, we have rating systems and labelling that my colleague from the Union des consommateurs was talking about that also bring awareness to consumers of the benefits of energy efficiency.

Mr. Nathan Cullen: Does the government have any national goals? The U.K. has set out a very public goal of 100% of all stock by 2030, with interim targets along the way. Does the Canadian government have any such goals?

Ms. Carol Buckley: Yes, the Government of Canada has, as I'm sure you're aware, greenhouse gas emission targets for 2020 and 2050, and the actions we take on energy efficiency support those overall greenhouse gas emission reduction targets.

Mr. Nathan Cullen: So the answer is, no, we don't have a retrofit goal. We don't have a percentage of housing stock in Canada goal of 10% or 15% or 100% or any percentage?

Ms. Carol Buckley: No, the Government of Canada does not have a specific goal of that nature.

The Chair: A very brief final question, Mr. Cullen?

Mr. Nathan Cullen: No. Thank you, Mr. Chair.

The Chair: Thank you.

We'll go to Mr. Allen for a couple of questions.

Go ahead, please.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Ms. Buckley, I want to thank you for your comments with respect to the program management side of it. I think it's a prudent thing. I guess you could go on offering any program at any rate at any amount of money, assuming you want to take a party political position of raising taxes. I suppose you could possibly do that. That's not where we're going to go.

Having said that, have you done any analysis with respect to the impact of what the home renovation tax credit last year and some of the stacking provisions might have had on demand for the program? That's my first question.

The second question is that you talked about getting your weekly statistics on the program. What are those statistics? Are they related to demand in the program? Are they related to greenhouse gas emissions saved? Where does that information come from?

• (1055)

Ms. Carol Buckley: Thank you, Mr. Chair.

I got the first question and I'll answer that, but I didn't catch the beginning of your second question, so I'm sorry, I'll have to ask you to repeat that.

On the first question, we can see from the take-up statistics—we track them weekly, daily, on this program—the impact of the home renovation tax credit. You can see an increase in uptake once the home renovation tax credit was introduced. That was the same time we had an increase in our grant, so the two are commingling and you can't pull one out versus the other.

I don't have those particular statistics with me, but I can share them with the committee if that would be of interest to the committee. We can show you what the tracking looks like when the home renovation tax credit came in. It was quite significant, the increase in intake.

I'm sorry, what was the beginning of your second question?

Mr. Mike Allen: The second one was that when you talked about weekly statistics that you were getting on the program, what kind of statistics are you getting? Is it just dollars spent in evaluations, or is it kind of a contribution to what the greenhouse gas reductions would be? I guess as a second part to that question—this will be my last question, with respect to the chair—in the evaluation that you're going to be completing over the next couple of months on the program, are you going to be taking those factors into account, including things like the 25% increase and what extra demand that incurred on the program, and look at that from the context?

I understood today, and I've been saying this all along, that the program hasn't been cancelled, it's going into review. Some of the things that you're going to be learning from the statistics I assume could end up creating a new program or a variation of this one going forward.

Ms. Carol Buckley: Thank you very much for the question. I'll try to be brief, being aware of the time there.

We track the number of pre-retrofit evaluations and the number of post-retrofit evaluations, which are in fact grant applications. We track the spending week by week. We track the spending forecast every week for the next 18 months, or March 31, 2011—in other words, the forecast liabilities associated with all of the participants in the programs to date. We track the emission reductions, the energy reductions, the turnaround time in dealing with the applications, and the number of calls and letters we receive about the program and many other things, but those are probably the most important. Certainly all of this information will be used in the evaluation to inform future decisions.

The Chair: Thank you, Mr. Allen.

We are out of time. I did mention at the first of the meeting that there is some question as to whether we have three more meetings dealing with biofuels, carbon capture and sequestration, and other topics. Tentatively the clerk is setting up three more meetings, or is the plan to come back on Tuesday the 27th and start dealing with the isotope report?

There's the matter of whether we have two or three more meetings.

Mr. Cullen.

Mr. Nathan Cullen: I have a suggestion. I'm just trying to remember the sequence of how we booked these.

When we set the agenda on March 16, I know there weren't a lot of witnesses set up around the retrofit; it was only at March 25, when the no new intakes, or the cancellation of the program, was announced. I'm suggesting to committee members that we need a day talking to....

We haven't seen anybody here yet who actually does the retrofits or is in the industry that deals with this. We didn't necessarily suggest witnesses because we thought the program was continuing, based on the throne speech and budget. It was only cancelled a week after we as a committee set our schedule.

So I'm suggesting that on the 29th, rather than get into the isotopes report, we do a day on retrofits with people actually in the industry doing the retrofits, to get a better sense of what the impact is of the government's decision.

The Chair: You've heard the proposal from Mr. Cullen, that we have a follow-up meeting on the retrofit program with other witnesses on the 29th.

Mr. Nathan Cullen: Through you to the parliamentary secretary, Chair, could a suggestion be made and a request made for the minister to appear on that day as well?

I don't know how other committee members feel about that. It would be on that same topic, that specific retrofit topic.

The Chair: Mr. Anderson.

Mr. David Anderson: Apart from this issue that he's just introduced, you were talking about the scheduling. I think most of us thought there were going to be three meetings following this one: one on biofuels, one on CCS, and one on alternative energy. I thought that's what we had talked about. I think the question was

whether we were going to do the two, then interrupt it with the isotopes, and then come back to the third one.

I was going to make the suggestion that we do three meetings on these three topics and see those through. I would understand Nathan's adding a fourth meeting on home energy retrofit. I'm not so sure we shouldn't maybe have a little bit longer discussion on it.

• (1100)

The Chair: Okay: how about at the next meeting we have a discussion on that?

Can everybody consider that?

Mr. David Anderson: But can we plan on doing those three meetings on biofuels, CCS, and alternative energy, which we talked about, in order, before we do anything else?

Hon. Geoff Regan: [*Inaudible—Editor*]...and get it done, even if it is interrupting this.

In other words, if we did the three of those, then the isotopes, then go to...[*Inaudible—Editor*].

The Chair: We'll come back at the next meeting and decide. It seems like a reasonable approach, but it's not for me to decide.

I'd like to thank all of the witnesses for being here. I hadn't actually expected you to leave, and I knew that this would be a short discussion. So thank you all.

We'll see you all next Tuesday, when we will have the witnesses and will be dealing with biofuels, I believe.

The meeting is adjourned.

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