



Newfoundland and Labrador
Environmental Industry
Association

Building the Business of the Environment

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NEIA Responds to Provincial Energy Plan

St. John's, NL, September 17, 2007 – The Newfoundland and Labrador Environmental Industry Association (NEIA) is generally pleased with the contents of the Province's newly-released Energy Plan and applauds Government's "Newfoundland and Labrador first" approach to energy allocation, as well as its emphasis on economic self reliance, sustainability, innovation and environmental leadership. These priorities can significantly boost development of the province's environmental companies.

In its Energy Plan presentation to Government in 2005, NEIA made nine primary recommendations regarding an Energy Plan for the Province:

1. Development of the Lower Churchill Hydro Project and of small hydro projects as sources of clean, renewable energy and in recognition of the strong and capable skill set in the province to manage environmental protection
2. Natural gas development, particularly as an innovation driver
3. Development of alternative energy, notably wind energy and biomass in the form of peat. Development of such energies would be another innovation driver.
4. Emphasis on energy efficiency and the need for Government to demonstrate energy efficiency in its utilization and endorsement of efficient buildings, best available technologies, low emission vehicles and clean fuels. NEIA also suggested that Government provide tax incentives for use of energy efficient products and technologies, and stated that such emphasis would further serve to drive innovation.
5. Emphasis on climate change and the need to integrate the Climate Change Action Plan with the Provincial Energy Plan; the need to actively pursue emission credits for Newfoundland and Labrador's hydro developments.
6. Enhanced environmental regulation such that the Province has robust, comprehensive, clear and concise output-based regulations
7. Due diligence to risk management, in recognition of the risk associated with energy production and Government's need to engage in oil spill preparedness and emergency planning.
8. Consolidation and streamlining of the Provincial and Federal environmental assessment processes
9. Reduction of red tape in the regulatory process governing the energy sector.

In light of these recommendations, NEIA applauds Government's plans to:

- Develop the Lower Churchill and implement a transmission link to the island portion of the province.

- Tap into the Province's natural gas reserves and develop a natural gas industry
- Optimize wind power in the Province
- Emphasize energy efficiency and lead by example through its internal vehicle purchase policy and policy on the purchase and renovation of government buildings
- Establish an Energy Conservation and Efficiency Partnership (ECEP) and develop a detailed plan for energy conservation and efficiency programs, including priorities and targets
- Endorse, complement and build on the Climate Change Action Plan and the Innovation Strategy
- Develop, with industry, a Greenhouse Gas (GHG) Strategy for the energy sector
- Join the Canada-U.S. Climate Registry
- Improve the timeliness and certainty of the regulatory approval decision-making processes
- Convene a task force on innovation and funding of energy innovation.

NEIA is pleased with Government's emphasis on clean, renewable energy, conservation, climate change and energy efficiency. Proper prioritizing of these areas will in turn foster innovation and growth in the environmental sector and enhanced economic viability of the province as a whole.

As promising as the Energy Plan is, however, it errs on the side of caution. Various statements of intent are conditional and vague:

"In the long term, we will set a goal of greatly reduced GHG emissions".

Government will "consider" the implementation of a rebate program to encourage the purchase of hybrids and other fuel efficient cars and sport utility vehicles (SUVs).

Government will "investigate" ways to influence vehicle choice, adoption of advanced energy efficiency standards and application of energy codes for new residences, businesses and public buildings.

It will "explore" introduction of commercial and residential lighting conservation and insulation enhancement programs, as well as "strive" to implement a policy where the current Model National Energy Code is exceeded by 25 percent.

The Province will lead by example and implement a policy, "where appropriate", that all new government and government-funded buildings, and major renovations, must be 25 percent more energy-efficient than required by current codes, and must achieve, "where possible", a Silver Standard under the Leadership in Energy and Environment Design (LEED) program.

While these are all commendable endeavors, NEIA encourages Government to make more declarative statements and to be more specific with both intent and near-future timelines. As another example, if the Centre for Environmental Excellence (CEE) is to be tasked with research into ways and means the environmental sector can utilize partnerships to optimize GHG reductions, it might be better able to respond if specific topics for research were clearly delineated.

NEIA would also suggest making new policy more rigorous. For example:

- Instead of implementing a safe and easily attainable internal vehicle policy wherein 25% of all cars and SUVs purchased by Government in the next four years are energy-efficient, introduce policy that would require 100% energy-efficient vehicles and no SUVs.
- Do not wait until 2013 - another six years - to install scrubbers and precipitators at the Holyrood Generating Station. These devices are neither expensive to purchase nor difficult to install, and would greatly reduce the sulphur and particulate emissions coming from the station.

With regard to other recommendations NEIA made in 2005:

NEIA acknowledges that the issue of risk management, particularly with regard to an offshore oil spill, will be covered in the new Sustainable Development Act.

NEIA is pleased that the Province is looking favourably on a GHG trading scheme in which credits are applied to generators of clean power, and appreciates that Newfoundland and Labrador will not be in a position to participate in such trading schemes until the Lower Churchill is fully developed.

NEIA is also pleased that the Province is in favour of implementing a Technology Fund to facilitate high value, renewable energy opportunities such as the Lower Churchill and the Province's wind development opportunities. Technology Fund projects such as these would not only optimize the emissions reductions goals of our Province, but also those of the provinces that will purchase surplus energy via the new transmission links.

Finally, NEIA is pleased that the 1998 moratorium imposed on small hydro projects on the island stands to be lifted, pending decision in 2009, in order to augment electricity supply to the island.

"The Energy Plan is safe, but it does represent a sincere first effort on Government's part to responsibly utilize, develop and allocate our Province's energy reserves. What we need now are iron-clad commitments as opposed to good intentions, along with close-range, bona fide timelines. Properly cultivated, the Energy Plan has the potential to help build the environment sector as well as a vigorous, sustainable overall provincial economy," stated Bonnie Andrews, NEIA Executive Director. "Strategic investment in our Province's vast energy reserves is pivotal because our economy is so heavily resource based."

About NEIA – With more than 150 members, the Newfoundland and Labrador Environmental Industry Association (NEIA) has a mandate to promote the growth and development of the province's environment sector through strong leadership, advocacy, educational and training opportunities, and business development initiatives. Through interactions with government bodies, research and educational institutions, and private enterprise, NEIA acts as a common voice for member companies and organizations. Visit www.neia.org for more information.

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