

*Check Against Delivery*

**Richard Neufeld, Minister of Energy, Mines and Petroleum Resources**

**Canadian Transportation Fuel Cell Alliance Meeting  
October 25, 2005**

It's great to be here to speak to you at the meeting of your fifth annual conference.

I also want to bring greetings from the Premier of the Province of British Columbia. He wishes you the best in your deliberations, wherever they may take you.

It's interesting, and I appreciate the announcement about having a ride in the hydrogen-powered car a little bit later on. I was actually honored to be at that announcement in Vancouver. It was great. I encourage any one of you.... Maybe all of you have already - I'm not sure - had a ride in a Ford Focus powered by a hydrogen fuel cell. It's interesting to have that little drive.

I've been fortunate enough to also be in London at the world hydrogen conference where I had a ride in another car of that kind and also have been to Washington, D.C. a number of times. But one time I specifically went and visited one of their fuelling stations, a public fuelling station in Washington, D.C., and that was very interesting.

I just want to start a little bit.... You talked about Peace River North. It's my constituency. It's been my home most of my life. I live in Fort St. John, which for some of you that may not know is a fair way north from this beautiful city of Victoria. It's a large constituency, so I always like to talk a little bit about it. It's about 185,000 square kilometres, just my constituency. It's the size of Nova Scotia, New Brunswick, Prince Edward Island and Vancouver Island, with a little room to spare in land mass. There are about 33,000 to 35,000 souls who live in that area.

To put that in perspective a bit, it's got an economy of oil and gas obviously, agriculture, huge agriculture in northeastern British Columbia. It's the only part of B.C. that's east of the Rockies. It has a huge forest industry and a huge tourism industry.

This summer when I visited my son and his wife in Taiwan, they teach English there-I was reading an article in the newspaper that was about Cambodia. What really caught my attention was the fact that they said Cambodia was about 181,000 square kilometres, somewhere almost the same as my constituency - the country of Cambodia. What was real interesting to me when I read that was the fact that there are 12-million people who live in Cambodia. Put that in perspective with my constituency where there's about 35,000 people. Put that in perspective when you hear that we've cut the last tree or we've just plastered the landscape with well sites. We drill about 1,200 or 1,300 wells a year. Alberta, for instance, drills about 15,000 to 18,000 wells per year. Put that into perspective.

We've got an economy in northeastern B.C. that's really helping provide the health care and education for the province of British Columbia, and that whole industry is expected to generate well over a few billion dollars this fiscal year in direct revenues to the province of British Columbia.

So we can see that in comparison with the development of the oil industry, what can happen with hydrogen over time, right, because they're very connected. What happens in my part of the province or what happens in the rest of the province where there are other basins, they are very connected to the hydrogen economy.

And we can see those things starting. They started from a small nucleus. In northeastern British Columbia the oil and gas industry started with one well about 50 years ago. That's not that long, but it's certainly come a long ways, and I think what we all have to do is wait for some of that to happen and continue to work on behalf of the hydrogen industry.

At this conference, the fifth annual general meeting of the CTFCA, you are working on the ongoing issues and challenges of sustainable transportation, which will impact the lives of everyone in British Columbia. Clean air, water and land are essential for a healthy, sustainable quality of life, for our long-term economic sustainability as well. Not only do we need to conserve and protect what we have; we can strive to enhance our quality of life and natural environment.

B.C.'s legacy of sustainable power and energy is often underestimated. The 2002 B.C. energy plan balances our goals for low-cost electricity with our goal of environmentally responsible development as we move forward. What does it provide? What it does provide is a path for secure, clean and reliable power for the future. Part of this will be the key alternative energy sources such as hydrogen technologies, which will contribute to a future reduction in greenhouse gases and other air emissions. We have huge under-developed energy supplies that can give our province a competitive advantage, but only if we move to ensure their development in an environmentally responsible and an affordable way.

Recently our government launched its vision for the next ten years. Two of the five goals for a golden decade apply to electricity and alternative energy production. Goal number four states that B.C. will lead the world in sustainable environment management with the best air and water quality, and goal number five says B.C. will create more jobs per capita than anywhere else in Canada. The B.C. government has made alternative energy a part of its strategy to strengthen economic development and to address climate change and environmental sustainability.

B.C. already has a strong basis for innovation and expertise in the emerging alternative energy and power technology market, but we have just begun to tap the full potential this industry holds for our province, our economy and our future. The Premier's Technology Council, which advises the government on issues relating to the advancement and application of technology in British Columbia, has recommended that the government focus its technology and industry marketing strategy on four known sectors of areas of strength within the province, and they include alternative energy, biotech, wireless and new media.

Back in April of this year, Premier Campbell announced the alternative energy and power technology task force, chaired by the Minister of Environment, Barry Penner, and Mossadiq Umedaly, Xantrex Technology chairman and member of the Premier's Technology Council. The task force will report back to cabinet this fall on how to best implement and resource an alternate energy and power technology strategy. This task force is receiving input from industry, from utilities, researchers, communities, first nations, non-governmental organizations and others to report back to government on how we can best advance the alternative energy industry in B.C.

I'm sure you can guess which sector is one of the largest growth industries in our province. Obviously, it is the alternative energy and power technology. B.C. has market leaders and emerging companies in a number of smart, sustainable power technology areas. They include hydrogen and fuel cells, natural gas and electric hybrid engines, smart grid and power measurement and small and micro hydro, just to name a few. We need that diversity in order to meet the complex and varied needs of our province when it comes to resources and sources of energy. The result of this leadership and diversity is that B.C.'s power technology sector includes more than 60 companies, providing well over 3,000 jobs and in excess of \$700 million in revenue.

The Premier is interested in seeing British Columbia be the leader in development of hydrogen and the fuel cell industry. He knows it creates knowledge based and technology-intensive jobs, high value-added exports of good and services and sustainable economic growth in the alternative energy sector.

In 2010, in connection with the Olympics, we will showcase demonstrations of B.C.'s power technology innovations through ambitious initiatives like the hydrogen highway project. We will be looking at further opportunities to demonstrate B.C.'s growing leadership in the hydrogen fuel cells field, which is bringing international delegates here in June of '06 for the UN World Urban Forum.

We have an opportunity to create more high-tech paying jobs here in this province - first, in addressing our own energy needs, obviously, and then in helping solve energy challenges around the globe.

Just a bit about the prospects in global markets for a moment. China is a country with 16 of the 20 most polluted cities in the world. China knows that Canada, and specially British Columbia, has the expertise it needs in environmental products and services and indicates it wants access to that environmental technology.

International investors continue to recognize our leadership, and they are investing in B.C. to benefit from the cluster advantages we demonstrate here. In Europe now the fuel cells are already powering 30 buses in ten European cities that are driving real bus routes carrying real paying passengers.

We have Westport Innovations, a Vancouver-based firm that supplied China with 2,000 compressed natural gas buses. From Japan, Mitsubishi Corporation announced its decision in July 2004 to locate its global hydrogen production equipment business, called H3 Energy, here in British Columbia.

The development of fuel cells in British Columbia has been marked by a strong partnership between industry, the federal government and the province. The most recent example of this partnership is the Vancouver fuel cell demonstration project announced in March of this last year in Vancouver. This is a \$9-million joint initiative between Fuel Cells Canada, the Ford Motor Company and the government of Canada and B.C. with contributions of almost two and a half million from the CTFCA.

Five fuel cell vehicles are being tested and demonstrated on the Lower Mainland and Victoria at this time. This is the first demonstration of fuel cell vehicles in all of Canada, and Ford's first demonstration in all of North America that we should really take pride in that. I mean that's a pretty compelling case that British Columbia is the first place in North America where Ford has decided to do these demonstrations. I think it's actually quite marvelous.

This gets us to the showpiece of alternative energy in B.C. The hydrogen highway is a first of its kind, hydrogen fuelling infrastructure along the corridor that starts in Surrey, B.C. with two stations to be located in Vancouver, one at the airport and another one at UBC. There's another fuelling station planned for North Vancouver and then in Squamish and Whistler. Vancouver Island will have its first station at B.C. Transit's Langford facility.

The hydrogen highway is a demonstration and development project that involves a consortium of organizations to design, build, operate, test and evaluate this infrastructure.

Of course, this is a project you are very familiar with, as the Canadian Transportation Fuel Cell Alliance has provided more than \$4.5 million in funding for projects on Vancouver Island.

The B.C. hydrogen and fuel cell industry represented by all of you presented the Premier last year with a vision for your industry. That vision is to have one of the world's pre-eminent hydrogen economies by 2020. Your industry is at the vanguard of developing high-efficiency hydrogen fuel cells that will revolutionize how energy is produced, delivered and consumed.

Alternative fuels and measures to reduce transportation-related greenhouse gas emissions are extremely important, because transportation accounts for roughly 40 percent of provincial greenhouse gas emissions. That's why our government added 356 gasoline hybrid vehicles to the government's fleet this spring. Adding more hybrid vehicles is a practical and effective example of how we can use proven existing technology to [help] improve air quality and meet our environmental goals.

One of the champions of this vision is B.C. Transit, looking to make sustainable choices in public transportation. Showing their leadership in sustainable transportation, B.C. Transit is developing a compelling business case for new vehicles, which will include a large-scale fleet of fuel cell hybrid buses for regular transit operations by 2009.

I know your organization has contributed to B.C. Transit for the development of a feasibility study for the deployment of fuel cell buses in Victoria and Vancouver. This proposal will help create the market pull necessary to attract additional private sector investment in fuel cell drive systems, bus platforms and supporting hydrogen fuelling infrastructure in British Columbia and Canada. B.C. Transit will spend approximately \$34 million on this exciting new venture.

Last year our ministry signed a letter of cooperation with the National Research Council and the Institute for Fuel Cell Innovation on hydrogen and fuel cell emissions, and as you can see, a continued partnership between our government and the hydrogen and fuel cell industry will surely accelerate the development and early introduction of fuel cells in hydrogen technologies.

B.C. is uniquely positioned amongst our competitors around the world in this regard. Our advantages are many. Some of them include abundant fossil fuel resources and more to be potentially discovered in new basins outside the northeast; the end-use application expertise of our growing hydrogen and fuel cell cluster and the development of our hydrogen delivery infrastructure. Together we can ensure that we can continue to build on our world leadership, reap the benefits of commercialization and make Canada's vision of a hydrogen economy a reality.

The government and the hydrogen and fuel cell industry are working together to make Canada's vision of a hydrogen economy a reality and to build on our world leadership. Together we will benefit from hydrogen and fuel cell development

through the creation of new jobs, high value-added export of goods and services and sustainable economic growth.

We are all talking about helping create a new kind of future where environmental health and sustainable economic development are achieved together. All of you here carry that vision for a new future that is different, and again, on behalf of our government I commend you for your contribution and commitment by helping B.C. first, then Canada and the world achieve some of the benefits that we can derive from a hydrogen economy.

Thank you very much.

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