



Progress Report ~ Energy Framework and Renewable Energy Strategy

The *Energy Framework and Renewable Energy Strategy*, released in June 2004, includes an action plan to enhance the role of renewable energy, and the framework around which a comprehensive provincial energy strategy will be shaped. Following is an update on the Actions and Next Steps outlined in the strategy.

Actions

- Committing to a Renewable Portfolio Standard (RPS) for electricity of at least 15 per cent by 2010. Given the favourable wind regime in Prince Edward Island, this will be met through the establishment of an additional 40 megawatts of wind capacity. Over the longer term, the Province will evaluate opportunities for having 100 per cent of its electrical capacity acquired by renewable energy by 2015.

A Renewable Energy Act will be introduced during the fall session of the Legislative Assembly. The RPS of 15 per cent will be established in the accompanying regulations. It is expected the PEI Energy Corporation will issue a request for proposals in the spring of 2005 for development of about 30 megawatts of wind. And, through the Atlantic Energy Ministers Forum, the Province will continue to explore opportunities to have 100 per cent of electrical capacity from renewable energy by 2015.

- Requiring Maritime Electric Company Ltd. to file an Open Access Transmission Tariff with the Island Regulatory and Appeals Commission.

The Island Regulatory and Appeals Commission is expected to request the utility to file an Open Access Transmission Tariff in 2005.

- Evaluating the feasibility of biomass-fueled generating systems to determine their suitability for economical power generation.

The potential of forest biomass fuel will be considered as part of upcoming public consultation on a new forest policy for Prince Edward Island.

- Endorsing the use of solar technology, particularly for meeting domestic hot water requirements.

The Department of Environment, Energy and Forestry continues to share with Islanders the economics associated with the generation of energy from the sun.

Actions continued

- Continuing to evaluate the economic viability of an ethanol and biodiesel industry in Prince Edward Island.
Government has completed a preliminary analysis on the feasibility of a biodiesel plant in Prince Edward Island. It suggested a more detailed assessment is warranted. The Province will enter into a contracts for this work before the end of the fiscal year.
- Evaluating the economic feasibility of collecting biogas from meat packing wastes for energy production.
Results of a feasibility study on generating biogas from meat packing waste are expected in the near future.
- Showing its leadership by immediately introducing transportation efficiency standards for new or replacement vehicles in its fleet.
Government has approved the following transportation efficiency standards for new or replacement vehicles in its fleet, effective April 1, 2005: 10.5 L/100 km (27 mpg) for cars, 14L/100 km (20 mpg) for two-wheel drive light duty trucks and vans, and 15.5 L/100 km (18 mpg) for four-wheel drive light duty trucks. This means that any new leased or purchased fleet vehicle, one ton or less, will be more fuel efficient than at least 70 per cent of vehicles in its class, according to Natural Resources Canada's 2004 Fuel Consumption Guide. As well, discussions have been held with General Motors regarding the potential to convert part of the Environment, Energy and Forestry fleet to hybrid gas-electric vehicles which get better gas mileage and produce fewer harmful emissions. For example, converting the fleet of conservation officer trucks to hybrid vehicles would reduce total carbon dioxide emissions by 18 tonnes per year. Mileage for the hybrids is 14.5 L/100 km, compared to 17 L/100 km for the trucks the conservation officers currently use.
- Exploring with the Cities of Charlottetown and Summerside options for the development of public transportation systems.
Government has had preliminary discussions with the City of Charlottetown on the potential opportunities for incorporating hydrogen-fuelled vehicles into a public transportation system.
- Encouraging the adoption of both the National Building Code and the Model National Energy Code for Houses for new construction to reduce the per capita energy consumption within the residential sector.
Government will continue to provide information on how energy efficiency standards in residential construction reduce per capita energy consumption.
- Implementing electricity efficiency programs within its public buildings.
The Department of Transportation and Public Works has taken some initial measures to reduce unnecessary lighting at the public administration buildings in Charlottetown; and in cooperation with the Department of Energy, Environment and Forestry, officials from Transportation and Public Works have completed an inventory of Government's energy use. As the next step, an application has been submitted to the federal Energy Innovators Initiative which will allow the Province to proceed with a comprehensive energy audit of certain facilities to identify areas for potential energy savings.

- Requiring Maritime Electric Company Ltd. to file an approved energy efficiency plan and demand side management strategy with the Island Regulatory and Appeals Commission.
The Renewable Energy Act will require the utility to set demand side management targets. Demand side management involves using electricity efficiently and scheduling some energy-intensive activities away from the peak consumption times of day.
- Allowing the PEI Energy Corporation to remain actively involved in advancing and developing wind projects in Prince Edward Island.
The PEI Energy Corporation is expected to issue a request for proposals in the spring of 2005 for development of about 30 megawatts of wind.
- Exploring the possibility of removing the sales tax on all components of wind turbines.
Provincial Treasury is exploring this possibility.
- Incorporating net metering for small wind power in statute to promote this development.
The Renewable Energy Act will enable net metering for farmers, small business or homeowners producing electricity from a renewable energy source so they will receive credit for the full retail value of the electricity generated.
- Evaluating manners of compensation that may accrue from power generated from large wind facilities that are specifically developed to meet electricity export markets.
The Renewable Energy Act will enable the Province to claim environmental credits from large wind facilities, whether for local or export markets.
- Ensuring the economic viability of community or wind cooperative systems by guaranteeing a selling price to the utility of up to 85 per cent of the retail residential rate.
The Renewable Energy Act will establish a guaranteed selling price for electricity supplied to the utility. This enhances the economic viability of community or cooperative systems.
- Pursuing a method of enabling Prince Edward Island residents to invest in local wind energy projects.
Islanders will be given the opportunity to invest in local wind energy when the Energy Corporation issues a request for proposals for 30 megawatts of wind energy in 2005.
- Embarking on a monitoring program that systematically appraises the wind profiles of the Island.
The PEI Energy Corporation has erected 13 meteorological towers throughout the province to monitor wind speed and direction. In January/February 2004, 50-metre towers were erected at Souris, East Point and North Lake. In June/July 2004, 50-metre towers were erected at Cape Wolfe, Lennox Island, Spring Valley, Marshfield and Hermanville. And, in August 2004, 10-metre monitoring towers were erected at Abram's Village, Borden-Carleton, Stanhope, Pownal and Wood Islands. Data from these towers will help the Energy Corporation evaluate the wind energy potential in different areas of the province.
- Formulating a possible role in advancing, demonstrating and deploying wind-hydrogen technology in Prince Edward Island.
In cooperation with several partners, the Province has submitted a proposal to Industry Canada on the development of a hydrogen village in the North Cape area.

Next Steps

Renewable Energy Act

The *Renewable Energy Act* will be introduced during the the fall sitting of the Provincial Legislature to put into force components of the Renewable Energy Strategy.

Climate Change Consultations

The Special Committee on Climate Change was directed by the Legislative Assembly to consult with Islanders and develop recommendations on a Climate Change Strategy for the province. Public consultations were held and the committee is expected to report back to the House this fall. Its recommendations will be incorporated into the provincial Climate Change Strategy and will form a significant component of the Energy Strategy.

*Hydrogen Village™ Project**

In cooperation with several partners, the Province has submitted a proposal to Industry Canada on the development of a hydrogen village in the North Cape area. It would include several applications of wind and hydrogen technology.

*The Hydrogen Village Trademark has been applied for by a consortium managing the Hydrogen Village Project in the Greater Toronto area.

PEI Energy Strategy

Government will continue to formulate a comprehensive Prince Edward Island Energy Strategy based on key components of the Renewable Energy Strategy and Climate Change Strategy, as well as the work of the Atlantic Energy Ministers' Forum.

Atlantic Energy Ministers' Forum

The Atlantic Energy Ministers' Forum has made great strides to increase regional collaboration on a variety of energy issues. A committee of officials from the major electric utilities in the region and provincial energy officials has identified priority areas for cooperation and immediate action including climate change, regional renewable portfolio standards, and implementation of renewable energy sources. The results of studies into these priority areas will significantly influence the overall energy strategy in PEI and throughout the region.

