



Natural Resources
Canada

Ressources naturelles
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June 20, 2023

Dr. Geoff Strong
4366 Jim's Crescent
Cowichan Bay, British Columbia
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Dear Geoff Strong:

The Office of the Prime Minister has forwarded a copy of your correspondence of February 4, 2023, about reducing Canada's emissions through greater deployment of renewable energy to the Honourable Jonathan Wilkinson, Minister of Natural Resources. I am responding on behalf of Minister Wilkinson.

We recognize the urgency of the climate crisis and the imperative to transition to a cleaner, more sustainable energy system. The Government of Canada is tackling this issue from multiple angles, from enshrining our climate goals into law, to developing regulations that will help drive progress towards a net-zero emissions electricity grid by 2035, as well as supporting greater deployment of renewable energy, grid modernization and infrastructure projects.

In 2021, we passed the *Canadian Net-Zero Emissions Accountability Act* to establish a legally binding process that set five-year national emissions-reduction targets and develop credible, science-based emissions-reduction plans to achieve each of those targets. This Act will hold present and future governments accountable to our climate targets by requiring the Minister of Environment and Climate Change to report to Parliament with respect to each target. Part of this work will entail development of a progress report on the implementation of measures as well as an assessment of their effectiveness.

We are also developing clean electricity regulations for Canada's electricity sector. These regulations, done in collaboration with provincial and territorial governments, Indigenous groups, and electric utilities, will spur further investments in renewable energy and help modernize the grid. This will enable increased access to cleaner electricity through the deployment of interties, distributed energy resources, smart grids, and grid storage, and

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allow for greater electrification of other sectors such as transportation, buildings, heavy industry, and the oil and gas sector.

Canada is already a global leader in the generation of renewable electricity with 68% of our electricity coming from renewable sources. When accounting for nuclear power, 83% of the electricity generated in Canada produces no greenhouse gas emissions. Canada is also at the forefront of innovative technologies for how we produce and use clean energy. Solar photovoltaic (PV) and wind energy are the fastest growing sources of electricity in Canada. We are positioned ninth globally with respect to total wind power installed capacity, with 14,734 megawatts (MW) in 2021, which provided enough electricity to power about three million typical Canadian homes. Canada reported 4,596 MW of solar PV capacity in 2021, which can provide enough electricity to power about 430,000 typical Canadian homes.

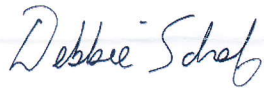
To continue this growth in renewable energy deployment, the Government of Canada has made a number of investments, including in the Smart Renewables and Electrification Pathways Program which it launched in 2021. Since then, the government has recapitalized this program twice, in Budgets 2022 and 2023, providing additional funding for projects. This program will provide funding for smart renewable energy and electrical grid modernization projects. Eligible projects include established renewables (wind, solar, small hydro, biomass), emerging technologies, (offshore wind, geothermal, concentrated solar, energy storage, tidal or wave, renewable heating), and grid modernization (distributed energy resources, electric vehicle integration, microgrid). Information about these projects can be accessed through the program's [webpage: https://natural-resources.canada.ca/climate-change/green-infrastructure-programs/sreps/23566](https://natural-resources.canada.ca/climate-change/green-infrastructure-programs/sreps/23566)

Last fall the Government of Canada also signalled an intent to introduce a new investment tax credit of 30% focused on net-zero technologies, battery storage solutions, and clean hydrogen, which will help Canadian companies create jobs and remain globally competitive. Budget 2023 announced a new investment tax credit for clean electricity that will provide a 15% refundable tax credit for investments such as non-emitting electricity generation systems (e.g. wind, concentrated solar, solar photovoltaic, hydro, wave, tidal, nuclear), abated natural gas-fired electricity generation, stationary electricity storage systems (e.g. batteries, pumped hydroelectric storage, compressed air storage), and equipment for the transmission of electricity between provinces and territories. Both new projects and the refurbishment of existing facilities will also be eligible which will help mitigate expensive costs of stranded assets. This new measure will also allow taxable and non-taxable entities (e.g. Crown corporations and publicly owned utilities, corporations owned by Indigenous communities, pension funds) to access this initiative which will further drive progress made on the energy transition.

Although the Government has taken a lead role in funding many programs and research initiatives, the provinces have ownership over the electricity sector and decide the pace and extent of its development. We recognize there is still work to advance with our provincial and territorial partners in this space in order for Canada to reach our climate targets and be a leader in the battle against climate change.

Thank you for writing and sharing your thoughts on this important matter.

Yours sincerely,

A handwritten signature in cursive script that reads "Debbie Scharf".

Debbie Scharf
Assistant Deputy Minister
Energy Systems Sector
Natural Resources Canada