



Canadian
Electricity
Association

Association
canadienne
de l'électricité



Canadian Electricity Association Recommendations for Budget 2016

Opening Remarks

by

The Honourable Sergio Marchi

President and CEO of the Canadian Electricity Association

House of Commons Standing Committee on Finance

2016 Pre-Budget Consultations

February 16, 2016





Opening Remarks

Overview

- Thank you Mr. Chairman for the invite to appear before the committee.
- **First**, a few words on our Association, the CEA remains the national voice and forum for the electricity sector across Canada, and this year, we celebrate our 125th anniversary.
 - Our membership comprises the generation, transmission and distribution of electricity, as well as corporate partner members representing the full electricity supply chain
 - We also have a close relationship with the US, given the integration of our grid, in which we enjoy an annual \$3B electricity trade surplus.
 - Electricity in a word is, indispensable to the quality of life of Canadians and to the competitiveness of our economy. And as such, it is a strategic asset for our country.
- **Second**, the electricity world is in a transformational period, where two critical challenges include the need to renew core infrastructure, to the tune of \$350B over 20 years, and addressing the exponential growth of cyber attacks.
- **Third**, electricity is Canada's clean energy solution, over 80% of our emissions are GHG free, making us one of the cleanest in the world.
- **Fourth**, besides helping to power Canada, we are also a leading economic driver, employing over 100,000 Canadians, contributing over \$35.7 Billion to GDP (in 2014).
 - In terms of our infrastructure rebuild, the Conference Board of Canada estimates that the resulting creation of indirect jobs will approximately number another 100,000 jobs.





- And in the annual ReNew Top 100 infrastructure builds, electricity projects represent over 1/3 of the \$161B total investments.

Now Turning to our Budget Recommendations.....

- **One recommendation calls for sustained federal leadership and support for clean energy infrastructure.**
 - Clean energy is the future, leading to economic, environmental, and social benefits, and the Government commitments for the Canada Infrastructure Bank, Green Bonds and the Low Carbon Economy Trust, are key.
 - And we expect that these new entities will be open and accessible to our members as well.
 - In this regard, we are working with responsible Ministers to develop a focused framework for long term, transformational projects, which currently fall between the remit of regulators and government aspirations.
- **Another addresses the serious threat of cyber-attacks, where the electricity sector is a significant target**
 - We are calling for the Budget to clarify the funding envelope for Public Safety Canada, and the Canada Cyber Incident Response Centre (CCIRC).
 - The previous government made financial commitments to both, and we believe it is crucial for the current government to honour these intentions. (\$94.4 million for Public Safety Canada “cybersecurity initiatives” in Budget 2015, and an additional \$142 million in July 2015 or cybersecurity, including CCIRC)



- **Two of our recommendations calls for renewed funding for NRCAN's Office of Energy Efficiency, and for its Adaptation Platform.**
 - The core funding for both platforms expire after this year, and we recommend that they be renewed, as they create sizable savings for Canadian families and reduce overall emissions.

- **A 5th Recommendation encourages the government to implement its campaign pledge, to establish Electric Vehicle targets for its federal vehicle fleet and placing charging stations in federal parking lots.**
 - The substance, as well as symbolism of such action, is key to changing consumer and societal behaviour re emissions.

- **Another proposes celebrating Canada's 150th birthday in energetic style, through the announcement of 150 energy innovation projects throughout 2017.**
 - Innovation is so central to everything we do, as it is for the economy at large. And the impact pooling the work of the federal government to support these projects would be most valuable.

- **Our final proposal deals with an emerging grid security risk – namely, geomagnetic disturbances, which can lead to outages.**
 - The science is still evolving in this area, so we recommend that the Budget consider funding, so as to enhance our understanding of these potentially devastating impacts.

- **Conclusion**
 - In closing, we believe our recommendations strike a balance between national concerns relating to the economy and the environment, support for infrastructure renewal, and enhancing the protection and reliability of our system.



- Thanks for your attention, and I would be pleased to respond to any questions.

