

Strengthening a Co-operative Renewable Energy Sector

Briefing for Members of Parliament, April 29th, 2013

Prepared by the Ottawa Renewable Energy Co-operative, Canadian Co-operative Association, and The Federation of Community Power Co-operatives.

Background on the Co-operative Sector in Renewable Energy in Canada

In 2011, the Canadian Co-operative Association published a report, *Co-operatives Fueling a Green Economy*¹, summarizing the involvement of co-operatives in the renewable energy sector across Canada and the challenges facing continued growth. Since then, there has been significant growth in the sector particularly in Ontario as a result of the feed-in tariff program and its use of the co-operative enterprise model for local delivery and ownership.

The study found that there were 71 co-operatives involved in various forms of renewable energy, from biofuels to hydro power (see Figure 1 for a summary of the diversity of the co-operative sector). We estimate that, because of the growth in the sector in Ontario, there are now at least 100 co-operatives involved in renewable energy, with many of the new co-operatives focusing on solar power.

In 2011, it was found that the geographic distribution of co-operatives across Canada was weighted to Ontario and Quebec (see Figure 2 below). Again, because of the supportive public policy and the resulting growth in the Ontario sector, the percentage of co-operatives in Ontario is significantly increased today.

Figure 1: Canadian Energy Co-operatives by Sector, 2011

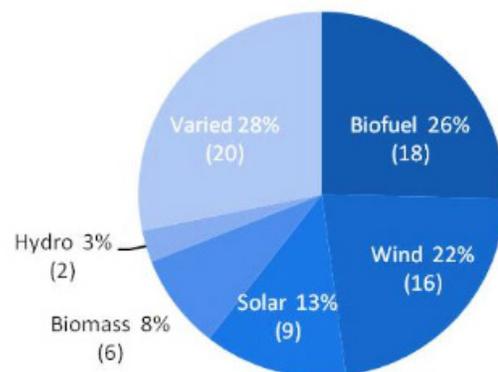
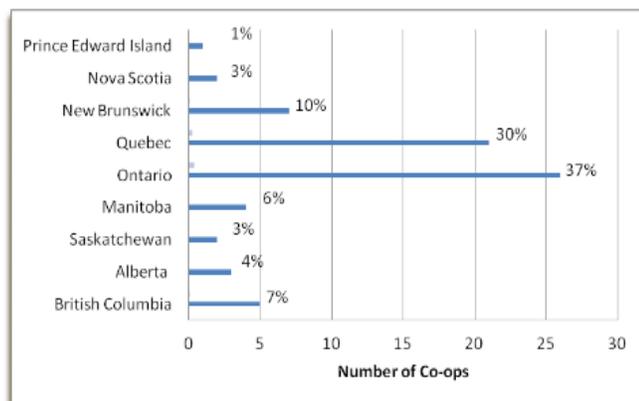


Figure 2: Energy Co-operatives by Province, 2011



The renewable energy sector is unique in that it is not only driven by standard market forces such as short-term supply and demand, but also by long-term concerns such as reducing carbon emissions, conservation, environmental health, job creation, and local economic development. To enable further growth in the sector, the study found that supportive policies to support start up and compete with traditional energy sources were needed. This is because the cost of renewable energy generation is not yet competitive in the current electricity

market, which is dominated by fossil fuels and nuclear power.

Renewable energy projects are complex and take considerable time to develop. Co-operatives take a 3 to 5 year development phase and are more complex due to their democratic nature and community focused model.

Co-operatives are well positioned to engage community support for renewable energy projects. Specifically, when community members own a share of the project and have some say in the development, they tend to be much more accepting of any compromises in their local communities.

The renewable energy sector provides an interesting connection between urban and rural regions of Canada. The majority of projects are in rural areas where the co-operatives engage the local residents. In many examples, co-operatives also draw upon urban memberships to raise funds and support for renewable energy development.

Ways Federal Policies can Support the Co-operative Renewable Energy Sector

1. Access to federal government funding (such as the FedDev funds) to support co-operatives in their formation.
2. Provide support for the community renewable energy sector through an energy production incentive as was provided by the Wind Power Production Incentive until 2012 (e.g. 1 cent/kWh).
3. Support research and development funding to programs of CANMET and other agencies, including infrastructure support for smart grids and power storage that would allow higher deployment of renewable energy.
4. Enable debt financing for renewable energy co-operatives by supporting the CCA's Co-operative Investment Fund.
5. With the Provinces, create long term targets and implementation plans for renewable energy.
6. Give priority to renewable energy in a national energy strategy.

Photo by: Celeste Coté



Ottawa Renewable Energy Co-op connecting a project on Presland Non-profit Housing

Photo by: Don Pettit, Peace photoGraphics Inc.



The board of directors of Peace Energy Co-operative, with project partners from AltaGas, pose under BC's first operational commercial-scale wind turbine during the official commissioning of Bear Mountain Wind Park August 6, 2009. Bear Mountain consists of 34, 3-megawatt Enercon turbines, and is the first wind park to feed into the BC Hydro grid.

¹ http://www.coopscanada.coop/assets/firefly/files/files/Rpt_on_Renewable_Energy_Coops_FINAL_final_2.pdf