

Speech Notes
High Commissioner James Wright
All-Energy Show, Aberdeen, Scotland
May 20, 2009

Good morning ladies and gentlemen. Thank you, Mr. Jason Orminston, for your kind introduction. Thank you also to the organizers of this prestigious renewable energy exhibition and conference, and especially to Ms. Judith Patten who has done such an excellent job organizing this event. It is great to be back in Aberdeen and I am honoured to be on such a distinguished panel.

I will start by stating the obvious. The world economy has seen better days. And although it seems that we are all inching towards recovery, the past several months have been very challenging, to say the least.

Canada has not been immune to this dramatic downturn. But, in relative terms – and even in the darkest days of this crisis – the Canadian economy and our banking system have proven themselves remarkably resilient. Our fiscal position remains the best in the G8.

Our unemployment remains relatively low. Our interest rates are competitive. Inflation is under control. Household disposable income has been rising steadily. In fact, the household, government and financial sectors all boast strong balance sheets in Canada.

Canada's economic resilience is partly due to our taxation policies. We have been lowering taxes of all kinds: personal, family, consumption and business. Under measures introduced by the government, the tax burden at the federal level in Canada will fall in the next few years to its lowest level since the early 1960s.

And when times were good, successive Canadian governments managed surplus budgets for over 10 years, all the while drawing down the national debt. So we entered this global downturn from a position of strength.

The economy has also surged on the strength of our commodities, which have met strong levels of demand in global markets. Canada is blessed with an abundance of natural resources to aid in our production of energy. Our country is seventh in world oil production, with the second largest proven reserves in the world. We are third in the production of natural gas; second in the production of hydroelectricity; and first in uranium. In fact, Canada is the world's only growing supplier of energy commodities that is reliable, stable, secure, democratic and market-oriented.

At the same time, Canada is committed to a future of clean energy. By 2020, we intend to lower emissions to 20 per cent below 2006 levels; and we will aim for an emissions reduction of 60 to 70 per cent by 2050. Industries that do not meet these targets will have to pay into a fund that will be used to develop and deploy new clean energy technologies. In other words, we want to use economic incentives to directly stimulate the technological transformation that will be required to balance emissions reduction with economic growth. And just last week, the Government of Ontario passed The Green

Energy Act that will expedite the growth of clean, renewable sources of energy, like wind, solar, hydro, biomass and biogas.

Canada's east and west coasts provide wave and tidal resources that are some of the best in the world. The Bay of Fundy on Canada's east coast has the world's highest tides. Wave activity on both coasts benefits from unimpeded wind arising from both the Atlantic and Pacific oceans, and across an expansive land mass. Our lakes, rivers and mountain streams promise some of the best hydroelectric energy potential in the world. And while some might find it hard to believe, we are indeed a sunny country throughout the year. We have four distinct seasons which lend themselves to the development of large-scale solar and second generation biofuel industries.

Carbon capture and storage is a new technology we have been pioneering in Western Canada, and as Scottish Minister Jim Mather just said, one in which I know the UK is also investing. Canada currently has several applications that are now underway in the province of Saskatchewan and elsewhere and we have achieved some positive results that we believe could someday be applied globally. The Province of Alberta has announced two billion dollars of funding for the development of this technology, and the federal government recently announced more than 250 million dollars for new projects in Nova Scotia, Saskatchewan and Alberta.

All this said, it is important to remember that industry accounts for only half of Canada's greenhouse gas emissions. That's why we are undertaking many initiatives in the development of alternative fuels and energy efficiency. As the largest producer of uranium, and with a made-in-Canada civilian nuclear program, we can contribute to the renaissance of nuclear energy. In Canada, we are on track to produce 90 per cent of our electricity from non-emitting sources such as hydro, nuclear and wind by 2020. Moreover, we have capacity to develop more non-emitting power sources that can help our big neighbour to the south, lower its carbon emissions.

Canada already plays a major role in the North American energy equation. Currently, we are the largest supplier to the US market of oil, natural gas, electricity, hydroelectricity, uranium and coal. And we are committed to maintaining our role as a reliable source of North American power through the North America Electric Reliability Council (NERC).

Opportunity and obligation are why we need to work with the Americans on developing cooperative bilateral action plans such as:

- a joint strategy to bring northern gas to southern customers;
- clean technology roadmaps that would optimize the considerable expertise of both countries in areas such as carbon capture and storage; and
- plans to expand clean power generation and transmission capacity in North America.

When President Obama visited Ottawa in February, we were pleased to establish a clean energy dialogue and to continue to cooperate on continental environmental protection. With a well educated workforce and some very generous tax incentives, we are growing the renewable energy industry. Because we border on the US and have an extensive grid

network, Canada has a significant opportunity for electricity generation. Policy development by the federal government and in each of the ten provincial governments has created the framework and foundation for the renewable energy industries to continue to thrive. However, only through investment, knowledge transfer, innovation and partnership in research and development, will our renewable energy potential become fully developed.

That is why our leading-edge scientists and businesses are discovering and developing innovative technologies that will derive energy from wind, solar thermal, earth and biofuels to fulfill energy requirements for electricity, heating, cooling and transportation.

Here at All Energy, we have the largest Canadian presence yet, with over a dozen companies and representation by seven of our ten provinces. We encourage you to stop by the Canadian Pavilion in the main exhibition hall, stand numbers B41 and B43, and to talk to these representatives about their products and plans.

It is no surprise that Canada is well represented at All Energy. After the United States, the UK is Canada's second largest trading partner. Britain is also the second largest investor in Canada, including of course in the energy sector.

Close to 30 percent of the oil and gas produced in the North Sea is by Canadian companies proudly based in Aberdeen. As a frequent visitor to Scotland and Aberdeen in particular, I can also vouch for the growing partnerships between Canadian and British companies and universities in helping to develop renewable energy resources, especially wind, wave and tidal. And with the support of Secretary of State Ed Miliband, the Canadian and UK governments recently reached an important new understanding to foster greater collaboration between our two countries on carbon, capture and storage.

In short, there continues to be much that we can learn from each other in tackling the global challenges of energy security and environmental sustainability.

Our work in Canada and abroad demonstrates our proactive approach to achieving a sustainable society. As the various renewable energy technologies become more prevalent, the research undertaken by our scientists and innovators will help position Canada at the leading edge of the worldwide renewable energy industry, all the while that we make significant efforts to improve the state of the environment.

Thank you for the opportunity to tell you about our renewable energy industry. I wish you all an enjoyable and productive time here in Aberdeen.