

# ENERGY PRODUCTION

## Accelerating Renewable and Decentralized Energy

The IEA 1.5C report detailed the essential role that renewables will play in transitioning to a net zero economy and calls for all advanced economies to have 100% emissions-free electricity by 2035 or sooner.<sup>67</sup> This requires investments to modernize the grid, innovation in electricity regulations, improved governance and market design, and programs that enable system operators and utilities to learn about the integration of zero carbon technologies. In June 2021, the federal government invested \$964 million in the Smart Renewables and Electrification Pathways Program for renewable energy and grid modernization projects. To generate additional local benefits and broaden support for the energy transition, a significant portion of new renewable generation should be financed and owned by local public utilities, co-operatives and Indigenous organizations. To improve equity, federal funding should be targeted towards expanding participation in renewable energy by low-income and vulnerable neighbourhoods.



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<sup>67</sup> International Energy Agency, “Net Zero by 2050: A Roadmap for the Global Energy Sector.” <https://www.iea.org/reports/net-zero-by-2050>



## Recommended Investment:

**\$510 million over five years** [NRCan]

### 1. Support for Community Financing

**\$250 million over five years** to add a Community Energy stream to the Smart Renewables and Electrification Pathways Program (SREPS), focusing on deployment of renewable energy projects of up to 4 MW and distributed community renewables plus storage projects, favouring projects that reduce peak demand and provide locally-relevant grid services.<sup>68</sup>

### 2. Financial support for rooftop (or distributed) solar in low-income neighbourhoods

**\$250 million over five years** to provide incentives of up to \$6,000 per housing unit towards the capital cost of renewable energy projects that serve low-income and vulnerable neighbourhoods, to help reduce utility bills, energy poverty and enhance equitable participation in renewables, with special focus on renters and multifamily buildings.

### 3. Best practices in clean electricity governance, market design, planning and deployment

- A. **\$5 million** to fund a consultative process with provinces, territories, utilities, industry, NGOs and interested Canadians focused on least-cost pathways toward 100% clean electricity by 2035.
- B. **\$5 million over five years** to fund an independent centre of excellence in clean electricity governance to support best practices in utility regulation and electricity market design, with a view to accelerate the deployment of grid-scale and distributed renewable energy in support of affordable, reliable and 100% clean electricity by 2035.

## Contacts

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<sup>68</sup> e.g., participation in frequency regulation, reactive power regulation, active power reservation.