

## **Will government continue to focus on the sunset industries of the oil and gas sector, or the energy efficiency/clean energy industries of the future?**

It isn't enough to say we don't want shale gas or other extreme fossil fuel energy projects. We believe it is important to provide solutions for economic development that create jobs as well as contribute to our province's economic and environmental well being.

There are many alternatives to a fossil fuel based economy. These alternatives include energy efficiency and clean energy, industries that create more long-term sustainable jobs per dollar invested than the oil and gas sector, while at the same time reducing the effects of climate change - a win-win situation for all of us.

It seems that we are a province in climate change denial. The Alward government spent their entire term in office vigorously pursuing shale gas development as a panacea for improving our economic woes even though the development of this industry, like all oil and gas sector initiatives, is highly vulnerable to volatile market forces over which we have no control i.e glut on the market, low prices, etc.

We have an opportunity with the newly elected Gallant government to pursue a different direction, one where we create new, innovative companies and focusing on energy efficiency and renewable energy.

If we pursued making every building in our province energy efficient with the same vigour the Alward government pursued shale gas, we would see significant job gains and improvements in our fiscal situation.

Contrary to what many people think, renewable energy and energy efficiency are not new and unproven industries. In December 2011, Bloomberg New Energy Finance recorded the **trillionth dollar of investment** in renewable energy, energy efficiency and smart energy technologies since it began keeping records in 2004.

About \$25-billion has been invested in Canada's clean-energy sector in the past five years alone. Employment in this sector is up 37 per cent. The investment in clean energy in Canada since 2009 is roughly the same as has been pumped into agriculture, fishing and forestry combined.

In 2013, Canada was the second-fastest growing clean-energy market in the G20. Investment in the wind sector grew by more than 40 percent, to \$3.6 billion, and Canada's solar sector also spiked, hitting \$2.5 billion in investment—almost 50 percent more than in 2012.

By ignoring the green energy sector, New Brunswick is losing out on tremendous opportunities. We can't afford to continue missing out on these opportunities.

Vermont, a state with a population about the same size as New Brunswick has chosen to take full advantage of these opportunities. They have embraced renewable energy and created a vibrant economy in this sector. In fact, Vermont added 1,000 solar jobs in 2013 and was ranked #1 in the number of solar jobs per capita in the US. How did they do this?

The state implemented the Solar and Small Wind Incentive Program in the spring of 2003. The program provides incentives for solar, solar hot water and micro-hydro systems for new equipment purchased and installed in Vermont.

By choosing not to implement policies that promote similar initiatives, we are once again missing out on opportunities; opportunities over which we do have control.

Let's take Efficiency New Brunswick as an example of what can be accomplished through innovative government policy. Efficiency NB was once a leader and innovator in energy efficiency. In fact, the state of Vermont originally based its energy efficiency programs on the innovations taking place in the province of New Brunswick,

So how has Efficiency New Brunswick contributed to New Brunswick's economy? The agency provided \$60 million in incentives to help 30,000 homeowners, 402 commercial buildings and 42 industrial facilities become more energy efficient. What were the results of this investment?

The \$60 million in incentives resulted in \$446 million being invested directly back into the New Brunswick economy for building materials, equipment and contracting services. That's a 743% return on investment. Most investors in the stock market would salivate at this high a return on investment.

But that's not all. As a result of the increased efficiencies, an additional \$60.45 million in reduced energy costs is saved every year by these same homeowners, commercial building owners and industrial facilities, money that is also available to be spent in the local economy.

How many jobs has this created? A recent peer reviewed study has identified a multiplier of .38 job years/GWh of energy savings (with a ratio of 10% direct jobs and 90% induced jobs). Efficiency NB's 2012/2013 annual report states their programs have resulted in 1162 GWh of reduced energy use. This means Efficiency NB's programs have resulted in the creation of 444 job years, with 44 direct jobs and 400 induced jobs. Compare this to the handful of direct jobs created by Corridor Resources with shale gas exploration and development and ask yourself where you would choose to invest your money if you had a choice..

The recent report "What do We Know? The State of Canadian Research on Work, Employment and Climate Change, states renewable energy generation employs an average six people per 10 MW of capacity.

New Brunswick has just under 3800 MW of capacity, almost 300 MW of which is wind. If government policy were to mandate an increase to 1,200 MW of renewable energy capacity via a program such as Vermont's Solar and Small Wind Incentive Program, it would result in the creation of 720 additional direct jobs.

In the past year, management-consulting firm McKinsey & Company said that better and cleaner technologies are underpinning “a new industrial revolution.” Think about the 1970’s when no one had heard of Silicon Valley. We are at a similar threshold that Silicon Valley was at in the 1970s, only this time it is with energy efficiency and renewable energy.

Why would New Brunswick choose to continue to miss out on the tremendous opportunities for economic growth available in this sector, opportunities that are not as susceptible to market conditions as the fossil fuel sector?

New Brunswick has seen tremendous success in the technology sector due to strong innovators taking risks and showing vision and creativity. In fact, Q1 Labs and Radian 6, both companies started right here in New Brunswick, were two of the largest technology company sales successes in North America in recent years.

Let’s take the entrepreneurial spirit, innovation and creativity shown by New Brunswickers in the technology sector and focus it on this new industry sector that not only creates jobs, but mitigates the effects of climate change at the same time.

Do you remember Kodak from your younger days? During most of the 20th century Kodak held a dominant position in photographic film, and in 1976, had a 90% market share of photographic film sales in the United States. Yet in January 2012, Kodak filed for bankruptcy protection. Let’s not focus our energies on the sunset industry of fossil fuel exploration and development, likely to be the Kodak of our era.

Let’s follow other successful jurisdictions such as Germany, Denmark, Massachusetts, Vermont, and Ontario in pursuing energy efficiency and renewable energy alternatives that not only create substantially more jobs than the fossil fuel industry, but also reduce the impacts of climate change.

We recommend three simple policy changes for the Gallant government to help us get started on this new and exciting path:

1. Implement policy to have every building in the province become energy efficient.
2. Implement policy to generate 1200 MW of power via renewable energy generation by 2020 via a program such as Vermont’s Solar and Small Wind Incentive Program
3. Fund the Energy Institute to research and develop opportunities in the energy efficiency and renewable energy sector.

We could decide to be leaders in the energy efficiency and clean energy sectors that others could emulate rather than grabbing the rope of the sinking fossil fuel industry in a desperate, last ditch effort at repeating the same old, same old in the hopes of a different result.