Speaking Points
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Council For Clean and Reliable Energy
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CHECK AGAINST DELIVERY

Introduction

Thank you for your kind introduction, and for this opportunity to join you this evening. I want also to thank the Waterloo Institute for Sustainable Energy and the Council for Clean and Reliable Electricity for organizing this conference on Nuclear Power in Society.

Tomorrow you will have the opportunity to hear from many leaders and decision-makers. The informal "fireside" interview tomorrow afternoon will certainly offer a stimulating exchange of ideas among some of the most influential players in the industry as you seek the "balance for the future."

But this evening, before you begin tomorrow's deliberations, I would like to provide a different context of Canada's emerging regulations on the environment and climate change.

Integration and Harmonization

At the outset, let me emphasize the need to harmonize our regulatory regime with the regime that is evolving south of the border. Harmonize. Not follow.

The reasons for that are obvious: Canadians share a common environment with the United States. Our economies are integrated. And Canada is a major part of the North American energy equation.

We're a supplier, a business partner, and a recipient of direct investment. We are not just the single largest supplier to the American market of oil, natural gas, hydroelectricity and uranium. If you live in the land-locked northern tier states, we are an *indispensable* supplier. We co-manage and co-own pipelines and power grids that transcend the border.

Through our membership in the North American Electricity Reliability Corporation, or NERC, we are committed "24/7" to maintaining a reliable source of power both in Canada and the United States. And through the International Energy Program and the NAFTA, we are committed to sharing oil with the United States in times of emergency short supply and energy insecurity.

Our environmental, economic and energy interdependence is one reason it makes sense for the countries of North America to make common cause and implement comparable climate change policies. But there is another reason to do so – a very practical one.

Stabilizing greenhouse gas emissions in the atmosphere at non-dangerous levels is one of the great challenges of our time. Within that we face a challenge in "finding a balance" – your conference theme. It is the balance we seek in creating a made-in-Canada regulatory regime that is harmonized with the regime south of the border.

Clean Energy Dialogue

Canada and the United States have already moved down the path of policy convergence.

Last February, President Obama and Prime Minister Harper agreed to commence a bilateral Clean Energy Dialogue. Last month, Secretary Chu and I reported to them on our progress to date.

We're jointly examining ways to build a more efficient power grid.

As well, we're expanding research and development into clean energy.

Carbon Capture and Storage

One of the most promising areas for such cooperation involves developing and deploying clean energy technology through carbon capture and storage.

Earlier this month, Prime Minister Harper and Premier Stelmach of Alberta announced funding for a CCS project at a TransAlta plant west of Edmonton. The project will capture and store up to one million tonnes of CO_2 a year

as one of the world's first large-scale CCS facilities. Projects like this will define the future of the energy industry. According to the Canada-Alberta Carbon Capture and Storage Taskforce, the technology could allow Canada to cut its greenhouse gas emissions by almost three-quarters of Canada's current annual emissionsby 2050.

The Prime Minister often emphasizes that, even though Canada is an emerging energy superpower, the only way to stay competitive in the global energy market is to be a clean energy superpower. Canada's Economic Action Plan includes a $1 billion Clean Energy Fund. Combined with our ecoENERGY Initiatives this fund demonstrates our Government's balanced approach to clean energy technologies with support for research, development and demonstration projects, including large-scale carbon capture and storage projects.

But there is much more we can do to leverage each other's progress in technology.

As part of the Clean Energy Dialogue, a roundtable of industry executives from both countries identified that one of the biggest impediments to closer cooperation is the absence of clear policies, regulations, and rules governing CCS. Each country is now working to develop these frameworks and ensure they are compatible in order to take advantage of opportunities for collaboration.

We are also working together to test carbon dioxide injection and storage, and developing a geological atlas that will identify potential storage locations across the continent. In May, the Americans will host a bilateral conference in Pittsburgh and Canada will follow that up with a second conference in 2011.

Auto Emissions

In other areas, we have already found ways to harmonize regulations for industries that are fully mature, and have been integrated for generations. One good example involves the way in which we regulate the emissions from vehicles.

For a generation, Canadian and American automobile manufacturers effectively followed the same emission standards. The United States had mandatory standards for Corporate Average Fuel Economy, and Canadians manufacturers voluntarily complied with them.

But in 2007, the U.S. Congress passed legislation that prescribes new efficiency standards – a goal of 35 miles per gallon for the average new vehicle fleet by 2020. Last year, the U.S. Department of Transportation released a Notice that it would increase fuel economy standards beginning with the 2011 model year.

The Government of Canada will harmonize our standards with the national standard of our largest trading partner. Last April, I announced that we would use the existing regulatory regime under CEPA to introduce new regulations for automotive tailpipe emissions. That approach optimizes our flexibility to co-ordinate with evolving U.S. standards.

Cap and Trade

We are also taking a collaborative approach with cap and trade: we will build a system in Canada that can be treated as equivalent to the system that will eventually be adopted in the United States. This does not mean we are waiting for the Americans to act – far from it. It means that we are ensuring we create a system that does not inadvertently impose trade barriers.

Over the past months, I've met with every provincial and territorial leader to build consensus for a national position on climate change. We are looking for common ground on issues that, after all, often affect provincial and territorial jurisdiction. And there is indeed a consensus on at least one key issue: each of the premiers and territorial leaders agrees we need to harmonize Canadian regulations – especially cap and trade – with the United States.

Canada will set up its own cap-and-trade market – one that is designed for specific Canadian industrial sectors. But we will do this in a way that can be easily integrated into a North American market for carbon permits.

Last June, we set out guidelines for a carbon offset system that will establish tradable credits in our upcoming cap and trade system. We will set up our own cap-and-trade market – designed for specific Canadian industrial sectors. But we will do this in a way that will be easily integrated into a North American market for carbon permits. Accordingly, we'll phase in measures over time, in alignment with the development of the proposed U.S. system.

South of the border, the American Clean Energy and Security Act has moved through the House of Representatives. It sets the goal of a 17 per cent reduction of greenhouse gases below 2005 levels by 2020. The latest Senate draft bill – Boxer-Kerry – would change that goal to a 20 per cent reduction. And at the same time the EPA is developing regulatory proposals under the existing Clean Air Act.

The House Bill will also require utilities to generate 15 per cent of electricity from renewable resources and show annual energy savings of five percent from efficiency measures. Here in Canada, with our abundance of hydroelectric power and commitment to clean energy, we plan to obtain 90 per cent of electricity from clean sources by 2020.

Canada's Targets

Canada has set its own targets. But targets that are within the range of US objectives. By 2020, Canada has committed to reduce GHGs by 20 per cent from their 2006 level and by 2050 we are looking for a 60 to 70 per cent reduction over 2006.

In Canada, we believe our targets are balanced, ambitious and achievable. Balanced, because no industries or regions of the country are singled out. Ambitious, because they represent significant targets that will make a real difference in reducing greenhouse gas emissions. And achievable because, in setting the goals, the Government recognizes that the Canadian economy must grow and prosper – among other things, that's how industry will be able to afford to make the changes necessary.

Nuclear's Role

Nuclear will play a key role in our clean energy strategy. And the reality is: nuclear is non-emitting.

Nuclear energy displaces between 40 and 80 million tonnes of greenhouse gas emissions annually relative to producing the same quantity of electricity from gas or coal.

Canada has been a pioneer in the development of nuclear technology for peaceful purposes. Today our nuclear industry generates billions of dollars of economic activity and accounts for thirty thousand direct and indirect jobs.

While the global nuclear sector is poised for growth, our industry is operating in a very competitive environment against some very big and some very well financed vendors. That's one of the reasons why we announced in May, that we're moving forward with restructuring of AECL. We want to strengthen its ability to compete internationally and take full advantage of the emerging opportunities. This will put it in a better position to build on Canadian technology and access opportunities at home and around the world.

One of the key phrases that you hear is that we're undergoing a nuclear renaissance. It's a form of electricity that is being embraced by many countries around the world.

At the International Energy Agency Meetings in Paris last week, leaders around the world re-stated what we have known for some time: without a significant increase in nuclear power, the world will be unable to meet required greenhouse gas reduction targets.

So there's a market for nuclear power -- and restructuring AECL will give Canada's industry the power to access it.

Conclusion

Ladies and gentlemen, tomorrow you will have the opportunity to look at the nuclear industry from many different perspectives. I assure you that the Government believes strongly in the future of the industry in Canada.

The nations of the world are responding to the challenges of climate change. Canada has developed many innovative technologies that will be vital in meeting those challenges. We are researching, developing and deploying many new technologies. But the nuclear technology that we did so much to pioneer a half century ago will remain at the forefront of the global quest for clean and reliable energy.

As the sign reads on the walls of Indigo book stores across the country, "The World Needs More Canada." That's true of our culture, yes. But it's true about out energy resources as well. And it is certainly true with respect to our energy technology – including yours.