Asia-Pacific Partnership on Clean Development and Climate

6th Policy and Implementation Committee Meeting

Vancouver, British Columbia

October 29th, 2008

COUNTRY STATEMENT - CANADA

Thank you very much Mr. Chairman and distinguished members of the Policy and Implementation Committee. Once again, I would like to welcome you to Canada. As the Head of Delegation for the host country, I know that the beautiful City of Vancouver will provide the appropriate venue to build on a tradition of successful and productive PIC meetings that was started in Berkeley, California more than two years ago.

I am very pleased to provide you with an update on Canada's activities since we gathered in Seattle in the spring. This is the second meeting of the Policy and Implementation Committee that Canada has participated in since becoming the 7th member of the Partnership.

When we last met, I described the Canadian government's efforts to provide strong support for industry and other jurisdictional governments to develop and deploy more energy-efficient and climate-friendly technologies and industrial processes. Since the last meeting, we have moved forward in a number of areas. I will outline our

current APP initiatives and activities, but I would like to first describe a number of notable results-oriented actions that the we are taking in Canada to address the climate change challenge.

In the spring, Canada issued a $140M funding call under the ecoENERGY Technology Initiative (ecoETI), for projects in two areas: Clean Coal and Carbon Capture and Storage (CCS); and Cleaner Fossil Fuels, with a focus on environmental aspects of oil sands operations. The results of the Full Project Proposals will be ready by the end of November 2008.

In July, 2008, the Premier of the province of Alberta announced that his government will set aside $4 billion of its oil and gas revenues for projects to reduce greenhouse gas emissions. A Call for Expression of Interest has been issued by the province of Alberta for $2B in CCS projects. In August 2008 Alberta Energy Research Institute issued $155.9 million Call for Expressions of Interest (EOI) under the Clean Air and Climate Change Technology and Innovation Initiative. The funds will support initiatives that will result in direct reductions in greenhouse gas emissions and air pollutants within a reasonable timeframe.

Implementing CCS demonstration projects will figure prominently in effectively addressing global climate change and in international energy meetings leading up to the 2010 G8, which will be hosted by Canada. Prominent meetings include the G8

Ministerial Energy Forum meeting in Tokyo (November 15-16, 2008) and the London Energy Meeting of the international oil producers and consumers (December 18-19, 2008).

In the area of renewables, the federal government has both announced a mandate for increased renewable fuels use in Canada as well as put in place a number of program elements to facilitate an orderly transition. The Renewable Fuels Strategy calls for 5% threshold levels of ethanol in all ground transportation fuels in Canada (by volume) by 2010 and 2% biodiesel in all ground transportation fuels and heating oil by 2012. Federal policies are also being put in place to go beyond increasing biofuel production to establishing a sustainable bio-based economy. Other support programs include: a $145 million Agricultural Bio-products Innovation Program (ABIP) being put in place to mobilize research networks to develop effective, efficient technologies for agricultural biomass conversion; and a $134 million Agri-Opportunities Program over 5 years to accelerate commercialization of agricultural products.

To further support commercialization, Canada announced a $500 million NextGen Biofuels Fund which will fund up to 40% of project costs to establish first-of-a-kind large demonstration- scale facilities producing next-generation biofuels. This fund would promote biofuels from many Canadian land and water-based feedstocks such as wheat straw, corn stover, wood residue and switch grass. No funds are available for the

2nd or later plants.

Recently, in the area of energy efficiency, the first Canada-Japan Net Zero Energy house was officially opened on September 20, 2008 in Sapporo Japan. The project demonstrates a concrete example of how Canada's leadership in net zero energy concepts can attract interest from other countries. The Canada-Japan net zero energy home project provides a platform for the Canada through the BATF to facilitate further engagement with industry to advance net zero energy concepts among other APP member countries.

These are just a few examples of the work underway to put Canada on a path to a low carbon economy. Since 1998, the Government of Canada has contributed over $3B to advance climate change mitigation technologies and today, the Asia-Pacific Partnership is an important part of our international cooperation on climate change.

Our federal Minister of the Environment wrote to his ministerial counterparts to reinforce our commitment to the Partnership and to show that Canada will invest a further $20M over three years in projects and activities under the APP. This investment will be focused on private sector activities that advance the objectives of the APP's task forces, and make significant contributions to the Partnerships' goals of reducing the GHG intensities of our economies in a way that supports sustainable development.

Canada is well positioned to make a significant contribution to a number of the Partnership's clean technology areas. Together with our Oil and Gas industry, we have conducted leading-edge work on carbon capture and storage, gas flaring, venting, and methane capture, much of which is germane to the work of the Cleaner Fossil Energy Task Force. Public and private sector expertise in hydrogen fuel cells, hydroelectric power generation, renewable energies, and green buildings can also serve to advance the work of the APP's task forces. Certainly, Canada's private sector has already contributed through participation in the Steel, Buildings and Appliances, Cement and Aluminium task forces, and other sectors are ramping up their engagement.

Task force meetings provide an opportunity to share information and seek new opportunities for collaboration. Engaging industry in task force meetings is crucial to the success of the partnership as well as trying to organize these meetings in conjunction with industry-related events . For example, the 6th Building and Appliances Task Force meeting in Melbourne (September 23, 2008) was organized on the margins of Sustainable Buildings 2008 an international conference which drew hundreds of participants from all around the world. As part of the 6th Building and Appliances Task Force meeting , Canada organized and facilitated a half-day Net Zero Energy Session. The highly successful session was used as an opportunity to engage industry and

brainstorm opportunities for collaboration by task force members. Industry speakers from Canada, Japan, Korea, USA and Australia provided examples of NZE projects and/or programs and offered recommendations to the BATF. The session dialogue identified several areas of mutual interest and generated multiple project ideas. Canada looks forward to what will result from this industry informed dialogue.

Canada will soon launch a funding process to solicit proposals from the Canadian private sector, academic institutions, and other organizations, to undertake collaborative activities with Member countries that advance the objectives of the Partnership's eight Task Forces. We have been working with our colleagues in the federal government to identify funding opportunities from the eight sectoral areas which could be supported immediately and we are also preparing to issue a comprehensive Request for Proposals funding call to seek innovative and creative public-private partnerships for clean technologies.

I'm also pleased to confirm that in Autumn 2009, Canada will host the 7th Steel Task Force meeting which is our first opportunity to organize these proceedings as a full members of the Partnership. In collaboration with our private sector partners, we are in the process of planning a meeting which will build on important issues that

will be addressed at the December 2008 gathering in Beijing: data collection; common methodology for target setting; performance diagnosis; and technology deployment.

Canada is also moving ahead in its communication strategy for the APP. We are planning outreach sessions for private sector stakeholders during the fall and winter. From past experience, these sessions are an effective tool for providing information on our domestic APP process and to solicit input for future initiatives and activities.

To aid outreach efforts, we are launching a new Canadian APP website. This website will allow the public to gain access to general information concerning Canada's involvement in the Partnership, information on upcoming and past APP meetings and events, as well as links to related to climate change and technologies and strategies to reduce greenhouse gas emissions. The website will also allow the industry to get more information about APP, the Task Forces, their existing projects and the existing mechanisms to apply for funding. We expect the site to be operational in the weeks following the PIC meeting.

In closing, let me say how much I look forward to our discussions over the next two days, and to contributing to the ongoing success of the Partnership.

Thank you.