



## **ADVICE TO COUNCIL NO: 04-05**

### **Re: Building the Renewable Energy Market in North America**

The Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) of North America;

IN ACCORDANCE with Article 16(4) of the North American Agreement on Environmental Cooperation (NAAEC), which states that JPAC “may provide advice to Council on any matter within the scope of this agreement [...] and on the implementation and further elaboration of this agreement, and may perform such other functions as the Council may direct”;

HAVING participated in a CEC workshop “Building the Renewable Energy Market in North America” on 28-29 October 2004 in Montréal, Canada;

JPAC provides the following recommendations for consideration by Council in planning the CEC’s work in support of meeting the challenges faced by the renewable energy market in the NAFTA region. To facilitate the work of Council, JPAC has organized its recommendations around the three new pillars of our institution.

#### **General**

- JPAC urges Council to aggressively promote the use of renewable energy and energy conservation to achieve our objectives for environmental protection and improved human health and the well-being of citizens of North America.

#### **Information for Decision-making**

- Promote the development of compatible information and information technology with a focus on making this information and the technology readily available to decision-makers and the public generally. Solar, wind and geothermal energy could be the priority areas for beginning such work. Building such databases would identify gaps and stimulate work to fill these gaps.
- Promote the standardization of methodologies for measuring the quality of different sources of energy. Harmonizing standards for renewable energy will assist in creating new markets. The CEC could establish a central, publicly available registry where the three countries would agree to report on production of renewable energy in a standardized manner.
- Stimulate research and analysis of the total costs of each fuel source, including ecological costs, beginning with fossil fuels. Some sources might be renewable but not necessarily sustainable or environmentally friendly in the broadest sense of the term. in the broadest sense of the term.

- An agency like the CEC could foster useful research on models of direct public participation-especially indigenous-in local renewable energy projects, particularly models accounting for 'sweat equity' participation by the local indigenous peoples. It would be interesting to quantify as a local "investment" in such models the value of traditional knowledge, as contemplated in Article 8(j) of the Biodiversity Convention. Equally challenging, and important, would be defining how to accommodate in such models the reality of uncertain indigenous land ownership, in the context of our various legal systems.

### **Capacity Building**

- The CEC could act as a broker for connecting parties with matching needs (e.g., mentorship and technology transfer) and connecting projects to sources of financial support (e.g., ethical funds and environmentally friendly investment pools).
- Promote the creation of a North American Fund for small projects to be resourced by large energy producers from a percentage of their projects. It is also very important that criteria for accessing these funds establish conditions for the sustainability of projects. The CEC could work with local communities to help them define the character of investment they want by establishing their own criteria for ethical environmental investments.
- It is important to understand the barriers to developing new market incentives for renewable energy so that efforts can be turned to increasing the capacity to overcome them. This effort should be directed at all levels of activity (e.g., individual and institutional).
- For each renewable energy source, promote the development of networks across the three countries as a first step to building partnerships to overcome barriers to market development.

### **Trade and Environment, including NAAEC Article 10(6)**

- There is a need for a coherent regulatory and policy framework to support the development of markets for renewable energy and technologies.
- To create favourable conditions for investment and to motivate both industry and consumers, the NAFTA countries should adopt mandatory targets and timeframes for the production of renewable energy.
- Create a forum where governments and stakeholders (e.g., industry, academia, NGOs) can begin negotiating North American-wide renewable portfolio standards.
- Create a coordinating body to ensure that renewable energy certificate markets in various jurisdictions are compatible.
- Council should continue all efforts to increase and maintain collaboration with their trade and energy counterparts.

**Approved by JPAC members**

29 November 2004