

National Report on Policies Supporting Community Energy Plan Implementation

Executive Summary

The National Report on Policies Supporting Community Energy Plan Implementation is part of the *Community Energy Planning: Getting to Implementation in Canada* initiative.¹ This report identifies how provincial, territorial and local governments can work with communities to achieve their energy objectives.

Across Canada, provincial and territorial governments have established energy objectives related to:

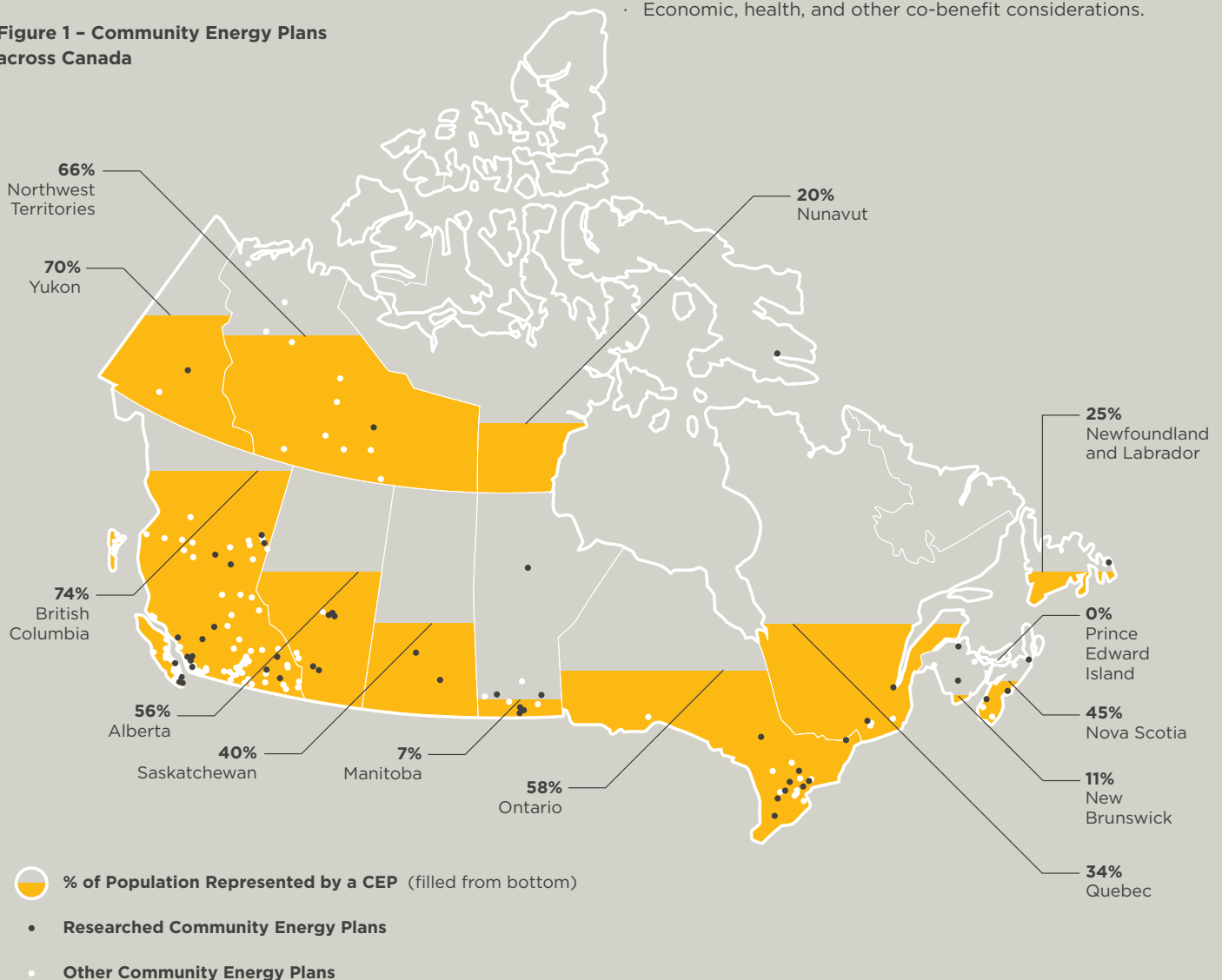
- Energy and greenhouse gas (GHG) emissions reductions;
- Economic development and diversification;
- Alternative energy development and local energy security and resilience, and
- Innovation and clean-technology development.

These energy objectives are directly influenced by the energy used in communities and cannot be fully achieved without an integrated approach to energy planning at the community level.

The implementation of Community Energy Plans (CEPs) provides a comprehensive approach to improving the way energy is used in communities, helping communities to become Smart Energy Communities.² Across Canada, more than 180 communities, representing over 50 percent of the population, have developed a CEP as illustrated in Figure 1. A CEP is a tool that helps define community priorities around energy with a view to improving efficiency, cutting emissions, and driving economic development. While there is no standard approach to developing CEPs, they often include:

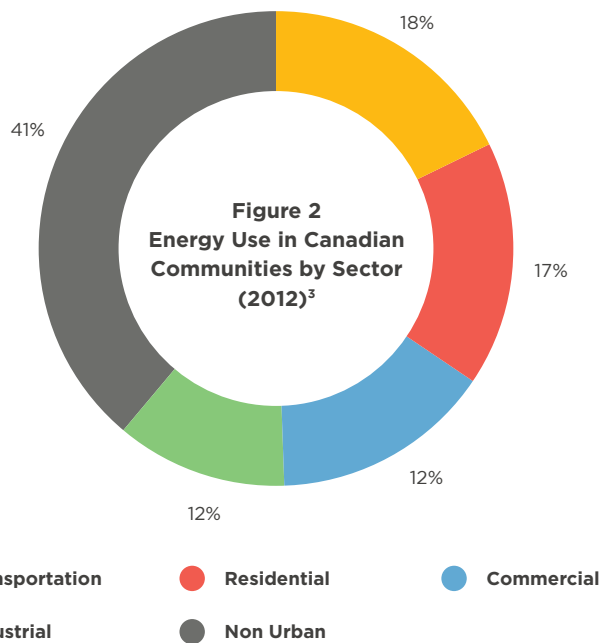
- Energy and GHG emissions data, models and targets;
- Sector-specific policies and actions, and
- Economic, health, and other co-benefit considerations.

Figure 1 – Community Energy Plans across Canada



Communities are central to enabling provincial and territorial governments to achieve their energy objectives through the implementation of CEPs.

Canadian cities, towns and villages have influence over approximately 60 percent of energy consumption and over half of all GHG emissions in Canada, as illustrated in Figure 2. As result, implementing actions to address the energy priorities of communities will go a long way towards achieving the energy objectives of provinces and territories.



Source: (Natural Resources Canada, 2012)

By supporting communities to address their energy challenges, provinces and territories also benefit by creating more competitive and affordable places to live. On average, community per capita spending on energy ranges from \$3,000 to \$4,000 (\$1 billion per year in total for an average-sized community). Table 1 outlines how these costs add up for small, mid-sized and large communities.

Table 1 – Energy Spending in Small, Mid-sized and Large Communities

Community Size	Average Spending on Energy in the Community
Small Communities (less than 20,000 people)	Up to \$80 million
Mid-sized Communities (20,000 to 100,000 people)	\$60 million to \$400 million
Large Communities (100,000 people to 2.5 million people)	\$300 million to \$10 billion

As a result, there is an opportunity to substantially reduce energy spending at the community level through a more integrated approach to energy planning, and to recirculate the savings within the local economy.

While many communities in Canada are advancing CEPs to define priorities around energy, all communities need help getting from plans and ideas to implementation.

¹ *Community Energy Planning: Getting to Implementation in Canada* is a national, multiyear initiative being led by The Community Energy Association, QUEST and Sustainable Prosperity. The objective of the initiative is to accelerate the development and implementation of CEPs in communities across Canada. Visit www.gettingtoimplementation.ca to learn more.

² Smart Energy Communities improve energy efficiency, enhance reliability, cut costs, and reduce greenhouse gas emissions. Smart Energy Communities integrate conventional energy networks (electricity, natural gas, district energy, and transportation fuel) in communities to better match energy needs with the most efficient energy source; integrate land use; and harnesses local energy opportunities. Smart Energy Communities can be characterized by 6 technical principles and 6 policy principles. Read the principles at <http://www.questcanada.org/principles-smart-energy-communities>

³ Energy use in urban areas includes residential, commercial, institutional and industrial lighting, heating and cooling, as well as transportation and industrial processes within municipal jurisdictions. Non-urban energy use includes agriculture, resource extraction, energy generation, federal facilities and large industrial operations beyond the jurisdiction of local government. Energy use varies from community to community.

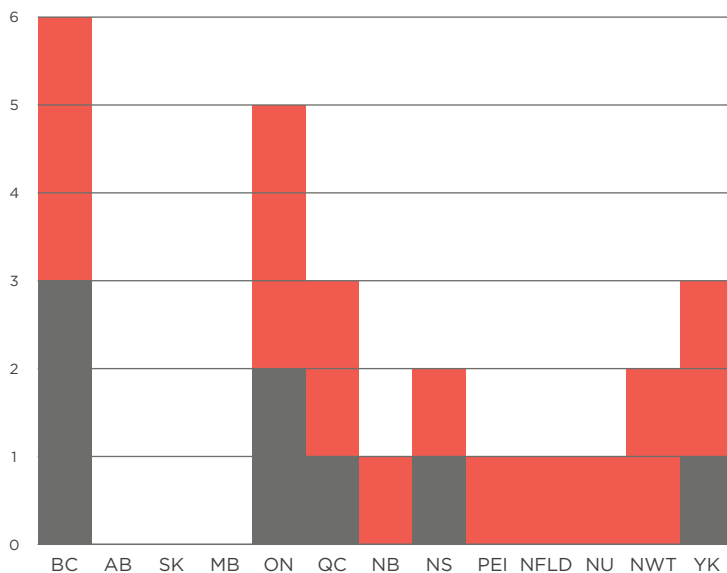
Provinces and territories have established some of the policy tools required to help communities overcome barriers and accelerate CEP implementation.

There are currently 640 provincial and territorial policies and programs in place supporting the development and implementation of CEPs across Canada, as illustrated in Figures 3 and 4 respectively.

Policies supporting CEP development include:

- Developing energy and GHG emission inventories for local governments
- Enabling municipalities to set targets, develop CEPs and monitor implementation progress

Figure 3 - Provincial and Territorial Policies Supporting CEP Development

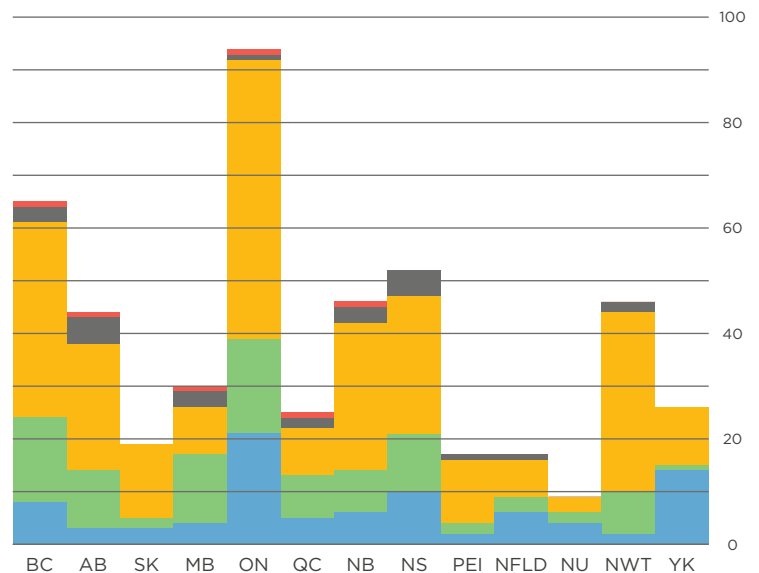


- Targets and CEP Development Support
- Inventories and Monitoring

Policies supporting CEP implementation incent or enable community energy actions. This includes:

- Energy efficiency in buildings
- Transportation and land use (including transit, active transportation and low carbon vehicles)
- Alternative energy solutions (including renewable energy, district energy or combined heat and power)
- Organic diversion and landfill gas capture
- Carbon pricing

Figure 4 - Provincial and Territorial Policies Supporting CEP Implementation



- Carbon Pricing
- Solid Waste
- Transportation and Land Use
- Energy Efficiency
- Alternative Energy

The policies identified indicate that there is no need to look beyond Canadian boundaries for good examples of community-focused policies to address provincial and territorial energy objectives.

While many provinces and territories have implemented at least one of the policy approaches listed, there is an opportunity to examine how each of the policies can work together to help communities enable provinces and territories to achieve their energy objectives. Figure 5 illustrates how the range of provincial and territorial policies can encourage the development and implementation of CEPs.

Figure 5 - A Comprehensive Approach to Supporting CEP Implementation



Actions that provincial and territorial policymakers can take to support CEP development and implementation include:

Provinces and territories are missing the opportunity to support CEP development with energy data.

- Energy inventories and providing community energy data is a critical first step for the development and implementation of CEPs.
- The use of policies to support CEP development, including inventories and monitoring, is low, and absent entirely in some provinces and territories.
- In jurisdictions such as British Columbia, Ontario and Northwest Territories, which have supported the development of energy and emissions inventories, local governments have advanced with both the development of CEPs and tracking implementation.

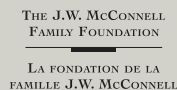
Provinces and territories need to better align policies and programs with local government needs to support CEP implementation.

- All provincial and territorial governments have policies and programs in place to support the implementation of community energy actions; however, approaches vary significantly from province and territory.
- The most common policy and program is for alternative energy projects followed by transportation and energy efficiency in buildings.
- There is an opportunity for provinces and territories to enhance the linkage between policies and energy used in communities. For example, transportation, which accounts for about 18 percent of energy used in communities, is inadequately reflected in policies and programs in some provinces and territories. Additionally, many provinces and territories have biomass strategies yet implementation of biomass district energy projects is still relatively rare. This type of discrepancy suggests that more integration between provincial/territorial policies and communities is needed.

Carbon pricing can drive CEP development and implementation.

- Carbon pricing, while used infrequently, is applied in British Columbia, Alberta and Québec as a mechanism to incent the implementation of more community energy actions.

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To learn more about this initiative and to sign up for our newsletter visit www.gettingtoimplementation.ca

Dale Littlejohn Executive Director, Community Energy Association 604-628-7076 dlittlejohn@communityenergy.bc.ca
Sarah Marchionda Manager, Research and Education, QUEST 416-804-1905 smarchionda@questcanada.org