

# Electricity: A Strategic Asset for a More Prosperous Future

*Remarks by*

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## Introduction

Good afternoon, and thank you for that warm welcome.

I'd also like to extend my thanks to the organizers of the Canadian Climate Forum for enabling this timely discussion.

I know time is tight and we want to get to the discussion, so I will briefly touch on what I believe are **three** key issues that I hope will help set the stage for a lively debate.

## #1: Environmental Performance

Clean energy is clearly the future, and what is equally clear for me is the **criticality** of electricity in getting us to that future. It is a force for balancing our green energy ambitions with our economic necessities.

In this regard, Canada's electricity sector is already among the cleanest in the world. We have reduced emissions by nearly 30% since 2005. That's more than any other industrial sector. And we will likely do the same again by 2030. Today, some 83% of our electricity comes from non-GHG emitting sources.

By comparison, Germany generates just 41% of its electricity emissions-free. The United States? 31%. Japan? 15%.

That being said, we must always remember that electricity is the "great enabler" of modern society. It has become indispensable to the quality of our lives, and to the competitiveness of our economy. Both our social and economic prosperity depend on it.

Simply put, it is a national **Strategic Asset**. And like any asset, it must be thoughtfully nurtured.

The bottom line is that we need to provide customers --- our partners --- with the energy services they expect, with the reliability they require, at a price they can afford, and at a price that ensures we maintain a quality system today and into the future.

If we do this, electricity usage will increase, leading to greater economic and environmental performance of the national economy.

Today electricity powers only 20% of our industrial, commercial, residential and transportation activities. As a society, we must find a strategy to grow that number.

Now, I'm not saying full electrification of Canada's economy is going to happen overnight. And nor should it. After all, we must pursue reasonable economic evolution and not an ideological revolution.

An incremental shift will allow electricity companies to better understand the impacts on the system and make the appropriate adjustments. It will also allow more time to find innovative solutions to the complex technical issues that will undoubtedly arise.

But we must build the case for electrification now if we are to achieve Canada's emission reduction targets down the road.

## **#2: Political Will**

If clean energy is the future and our environmental imperative, then how does that interface with the political narrative?

Governments – the one in Ottawa and the 13 in provincial and territorial capitals – are pursuing major, transformational policy objectives.

If you consider some of the major goals they are trying to achieve as a country, whether it's:

- Increasing innovation;
- Developing green sources of energy;
- Reducing GHG emissions across the economy;
- Sustainably developing our natural resources; or
- Growing the middle class, and building a more prosperous life for all Canadians, including our Indigenous Peoples.

All of these are major files and heavy political lifts. They will also require a shared vision for the future, one that is supported by all three levels of government.

But when that energy vision is set --- if it is to mean anything and be successful --- it must also guide how we find the appropriate balance between national and local sentiments, between environmental and economic considerations, between keeping the lights on today and building the modernized grid of tomorrow.

Not an easy task. Finding the right balance is tough.

Former Israeli President, Shimon Peres, a very wise man who I was fortunate to have met on a couple of occasions, said it well when he said:

*“Leaders must go ahead even when moving ahead is controversial. You must be ahead of time, because if you want to represent the status quo, what do you need leaders for?”*

## **#3: Cross Border Partnership**

We not only need to get our own house in order as we build for that sustainable future, but we need to do this continentally.

On June 29<sup>th</sup>, Canadian Prime Minister Trudeau, American President Obama, and Mexican President Pena Nieto, met in Ottawa to commit to their ongoing partnership (or “bromance”) and with it, a deepening of our region’s solidarity and stability.

It was a good day for multilateral progress, at a time when the world seems to be trending in the opposite direction.

It was also a good day for the environment.

The Leaders noted that our highly integrated economies and energy systems afford a tremendous opportunity to harness growth in our continuing transition to a clean energy economy.

Canadian clean electricity is the catalyst to this vision.

The North American Climate, Clean Energy and Environment Partnership commits to increasing clean power generation from 37% to 50% by 2025. There is also the US Clean Power Plan, which has set new targets for US States.

These two landmark commitments will help fuel more clean Canadian electricity exports to the US, where we already enjoy an annual surplus of more than \$3B.

As noted earlier in my remarks, Canada’s generating mix already stands at some 83% GHG free, which far exceeds the figures of 32% for the United States and 25% for Mexico.

At the risk of contradicting our DNA as Canadians, where we don’t engage in self-promotion, our electricity sector is Canada’s good news climate story, and we aim to extend that to a North American basis.

Mexico is also going through a very extensive reform of their electrical power and energy systems. And they must be more deeply integrated into the North American Electricity Reliability Corporation, which is a great example of cross border collaboration and standards setting.

Reducing our carbon foot print regionally makes imminent sense.

Moreover, through our energy and environmental cooperation, this will serve to deepen the bonds between our three countries and peoples. And help transition us from a North American Free Trade Area to a North American *Community* --- a community underpinned by increasingly shared values and ambitions.

## **Conclusion**

In closing, the sustainability of the electricity sector is being driven by environmental and political imperatives. We need a national and continental vision to bring coherence and

cohesion.

With the right mix of foresight, innovation, investment, and engagement, we will find opportunities to bring new value to our citizens and to our economy.

We are at a transformational moment. A moment to build something important. Something enduring.

And if we do it right - and if we do it together - we will build that brighter, greener, and better tomorrow.

Thank you.