

September 6, 2012

Dear Minister:

The Canadian Union of Public Employees represents 620,000 workers from coast to coast who provide public services to Canadians, including over 45,000 workers in the energy sector. CUPE members in the energy sector work for provincial and municipal energy corporations. CUPE members work in local electrical utilities and provide generation, transmission and distribution services in Alberta, Manitoba, Ontario, and Quebec. We are also administrative workers who provide office support services within the energy sector. In addition, we represent a smaller number of workers in non-utility locals from British Columbia to Newfoundland and Labrador whose work is also energy-related.

The Premiers are to be congratulated for continuing to build on the goals set out in the 2007 document entitled *A Shared Vision for Energy in Canada*. This vision for a national energy plan put climate change and renewable energy production front and centre and should form the foundation of any national strategy.

The mandate outlined for the 2012 Energy Working Group led by Premiers Redford, Dunderdale and Selinger is a step forward in identifying the key priorities for energy production in Canada. The Premiers' recognition of the "importance of socially and environmentally responsible development, transportation and use" and a commitment to "transition to lower-carbon alternatives and conservation to meet future energy needs" is another step in the right direction.

We urge you to take up the challenge set by the premiers in Halifax and fill the void left by the federal government.

The vast majority of Canadians support the move to a more sustainable energy infrastructure. A recent poll by Harris/Decima for Tides Canada indicates that Canadians support a national energy strategy (87%), want more green job creation (75%), investments in energy efficiency (82%) and the use of our oil wealth to fund the shift to clean energy (82%). These are important priorities.

Recommendations

A sustainable economy must be built on more than the direct export of our natural resources: our own energy security must be a priority. We must direct the wealth generated by our natural resources to investment in a public energy system that is sustainable both environmentally and economically.

To this end, in addition to the principles outlined at the Council of the Federation for a national energy strategy, CUPE has the following recommendations:

1. Adopt the principle that access to energy is a human right.
2. Recognize *electrical* energy production, transmission and distribution specifically.
3. Establish a core principle of public ownership of electrical infrastructure and production.

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4. Eliminate disincentives and bans on public utility investment and development of green and renewable energy infrastructure.
5. Establish clear processes to work with First Nations and local communities on energy development.
6. Work with labour on a workforce development strategy to train new energy workers to deal with the demographic challenges of an aging workforce and a changing workplace.
7. Develop plans to ensure a just transition for workers to move from non-renewable energy to green and renewable energy.

Energy Access

Access to energy is a fundamental human right and electricity production that is both public and renewable must be at the heart of Canada's energy policies. 2012 is the United Nations' *International Year of Sustainable Energy for All* which was set to raise awareness that barriers to access to energy are impediments to human, social and economic development. The quality of life of Canadians is dependent on reliable sources of electrical energy production, transmission and distribution whether they live in urban, rural or northern communities.

First Nations Involvement

Current discussions of a national energy strategy have excluded clear provisions for the inclusion for First Nations communities in developing energy resources. The right of access to affordable energy, to be part of the planning process of energy development and to share in the wealth generated by energy development projects must include First Nations peoples. Provinces and territories should establish a clear process to work with First Nations to ensure that a national energy strategy protects local control and treaty rights while also ensuring energy security for communities.

Sustainability

Sustainable green jobs are the key to building a 21st century energy infrastructure. 21st century energy for Canada means prioritizing east-west electricity transmission systems while respecting provincial jurisdiction and local and Aboriginal communities, sustainable development in energy production and investing in new technology for sustainable consumption.

It means building public energy infrastructure to support new technology and innovative ways of using energy that is already being created. One example of innovative ways to support green energy can be found in the projects which seek to use excess energy to support adoption of electric vehicles as is being discussed in Quebec and the Maritimes.

Public Ownership and Management

A recent Harris/Decima poll showed that Canadians are also skeptical about the federal government making the export of our energy resources a priority. It is absurd that Canada both exports and imports energy from the United States instead of the provinces and territories working together to meet all our energy needs. Greater cooperation and integration in the energy sector between, and among, provinces and territories would have a profoundly positive effect on energy security for Canadians, labour markets and job creation, as well as the ability to address climate change concerns within Canada.

The shift to an economically sustainable and environmentally conscious energy sector is necessary for energy security and equality of access for future generations. These principles of affordability, accessibility and sustainability can only be maximized through a publicly owned system that implements green and renewable energy production technologies. As such, provinces and territories should reject legislation that puts limits on public investment and ownership of new green energy infrastructure in an attempt to offload responsibility to the private sector.

Public electric utilities continue to offer lower rates with capacity for long-term planning to allow Canada to move quickly to adopt new technologies and solutions. In addition, securing fair access and a reliable overall system for all Canadians can be developed best through a system of public ownership of generation, transmission and distribution. Public enterprises are also the most effective way to direct energy resources for the public good.

Almost all the growth in alternative or green energy production is now owned or controlled by the private sector. This short-sighted view of investment and ownership of energy infrastructure will limit the adoption of green energy and reduce energy security and affordability over the long-term.

History has shown that the adoption of private energy production has led to larger increases in energy costs to consumers when compared to publicly owned energy production, transmission and distribution. Examples of energy liberalization leading to price increases are near ubiquitous from the US to Australia¹ to Europe².

Within Canada, according to Manitoba Hydro numbers, the two provinces with predominantly publicly owned energy utilities have the lowest rates while provinces with private electrical utilities have the highest electricity rates.³

The increasing private sector control of energy production also brings unnecessary increases to the public's cost of regulating complex networks of private actors in an attempt to bring rationality and security to the energy system.

These limits on public ownership and investment will not only hold back the implementation of innovative solutions, they skew the implementation of these new technologies away from the principles of accessibility, affordability and democratic control.

Workforce

A shift to a green economy will mean the growth of green jobs: our demographic analysis of the current workforce shows that there is a need to train new workers to replace retiring energy workers in a number of provinces.

The increased use of wind, solar, geothermal, tidal and small scale hydro or bio-fuel production from biomass will also present opportunities for new industries and sustainable employment. However, a rational, sustained and equitable development of green energy, production, transmission and distribution must be done through publicly owned and locally controlled and managed utilities.

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¹ Power Play: The fight for control of the world's electricity, Sharon Beder, The New Press, New York, August 2003

² <http://spectrum.ieee.org/energy/the-smarter-grid/technology-offers-solutions-to-the-current-power-crisis/2>
John A. Anderson, 'Electricity Restructuring: A Review of Efforts around the World and the Consumer Response', *The Electricity Journal*, Vol. 22, no. 3, April 2009, pp. 72-3

³ http://www.ontario-hydro.com/index.php?page=electricity_rates_by_province

It is important that this transition away from non-renewable forms of energy to new green energy solutions must be just, sustainable and participatory. It will require re-training and a just transition for these workers into new industries. A *just transition* means that decent jobs with pensions and benefits are maintained throughout the transformation so that workers can continue to fully contribute to the maintenance of their communities.

A sustainable economy requires the provinces and territories to work with labour to build a national strategy for this transition to support our communities and employment shifts to new areas.

Conclusions

I urge you to take a leadership role in developing a sustainable plan for Canada's energy sector in the absence of the federal government's willingness to do so. Through the facilitation of short-term profit-driven resource extraction, direct export of raw materials and the backing away from our international obligations on climate change, Prime Minister Stephen Harper's government has all but divested itself of responsibility for moving Canada toward green energy production. We believe that this unwillingness to act undermines a sustainable future for Canadians and the economy. We believe that Canada's energy ministers can provide guidance and leadership to meet the goals of a sustainable energy program.

While we were encouraged to see willingness to build a national energy strategy, disagreements on specific energy policy is holding back the implementation of a long-term vision that meets the needs of Canadians. It is our hope that the government will take an active role creating a space for all provinces and territories to participate in the national energy strategy discussion table.

On behalf of CUPE members I wish you a productive meeting in Charlottetown. Canadians and communities across the country are relying on you build a common Canadian vision for energy that prioritizes sustainable, accessible, reliable, public energy solutions for all.

Sincerely,



PAUL MOIST
National President

cc: C. Fleury; Members of the Executive Board; P. Beattie; S. Blanchette; D. Burke; M. Butler; P. Daley;
S. Marshall; G. Cox; A. Rampure; G. Selinger; J. Oliver; P. Julian