

Let me spend a few minutes evaluating the CHIP program. A major evaluation of the CHIP program, completed in August, 1983, showed that the program increased over-all conservation activity by approximately 30 per cent. Other findings were that about 37 per cent of CHIP users would have done nothing without the grant, and that the activity in each house had been cost effective, with an average of 17 per cent decrease in fuel consumption.

Unlike the COSP program, CHIP was used mostly by those who needed it most, that is, the poor, elderly and those heating with oil. The majority of those people have been reached by this program.

This evaluation also identified several operational problems in the computer system, monitoring and the application process for consumers. Those were subsequently corrected.

The volume of CHIP take-up varied sharply over its six and a half years of life. Many of the factors accounting for those changes included sharp fluctuations in international energy prices and public perceptions of both supply and price trends, the Government's deliberate changes in eligibility dates, program funding, the contribution formula and program criteria, as well as related moves by insulation contractors to promote CHIP, extending in some cases to excessively aggressive sales.

CHIP was approved by Cabinet in April of 1977 as an expansion of the earlier Home Insulation Program. The HIP program had been initiated in January of that year in the Provinces of Prince Edward Island and Nova Scotia to encourage home owners to reduce oil consumption for space heating as one means of offsetting the impact of higher electricity prices in those two areas. In October of 1980, the CHIP termination date was extended from 1984 to the end of 1987. Of course, on November 8 of last year, as part of the Government's deficit reduction exercise, CHIP's termination date was changed to March 31 of next year. CHIP and HIP were both delivered by CMHC since their inception. On April 1, 1981, full responsibility for finance, policy, promotion and monitoring was transferred to the Department of Energy, Mines and Resources. CMHC continued to process the applications, issue the cheques, provide inspection services for both quality and compliance control, and provide Energy, Mines and Resources with management information.

The delivery system includes a network of nine regional offices and a central management and application processing centre in Montreal. Energy Mines and Resources has been concerned with ensuring high quality work under CHIP and energy savings that will continue over the life of the dwellings in which conservation measures had been undertaken.

Programs of research, technology transfer, industry support, education and quality assurance were directed by the CHIP program within Energy Mines and Resources.

In 1983 and 1984, CHIP developed and implemented a new quality and program compliance assurance system. That included a new sampling plan in which inspections could be directed toward problem contractors, specific types of work and regions of the country along with new reports that allowed

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managers to review program performance. All inspectors doing CHIP work have been trained and tested to a recognized standard, and various inter agency management committees were created to oversee the performance of the quality assurance system.

I have mentioned that there were some requirements and needs in the commercial and industrial areas. One of the important vehicles of testing energy efficiency has been the energy bus program which has been performing in many of our provinces. In my Province of Alberta, for example, some 460 companies were surveyed and found to have some kind of insulation and conservation problems. However, the unfortunate gap is that they were not told how to correct these problems. There is a communication problem in this respect because these industries are very aware that their energy costs keep rising. However, they would like to have better information from government agencies precisely with respect to how those savings can be realized.

There is a program called the Consultant Advice Assistance Program. If that program were doing its job fully it would probably give some proper advice on how conservation could be carried out.

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The momentum of which I spoke earlier is now behind the private sector to get busy and provide conservation measures in the commercial, industrial and residential areas. Private energy conservation consultant firms with extensive expertise in design, application and marketing of complete retrofit packages could have the proper input to formulate and guide the implementation of such programs after completing a study of the many and varied incentive programs currently producing positive results in other jurisdictions.

There are probably not a great many energy conservation consultants in the country. One argument often heard against the use of such consultants is: "We already know a lot more ways of saving energy at this plant than we have people or money to do something about". That argument is very real to many people—why heap up more money-saving ideas until something gets done about the ones we already know of?

The fact is that this argument really points out a pressing need for assistance. Priorities must be established and a defensible coherent program with clearly defined benefits needs to be sold to management of various private firms. Many plants and facilities need help, lots of help, in formulating energy conservation programs and expediting their implementation. The energy conservation consultant adds his special talents and qualifications to the abilities and skills of the people who have been working with the energy systems, processes and equipment for an extended time on a day to day basis. The energy conservation consultant is a professional and a specialist in the field of practical energy technology. He has participated in many plant energy studies and has developed unique and demanding skills. A good energy conservation consultant is also a good teacher. He will have no trade secrets. He will do his best to impart as much of his skills and