

This encouragement of renewable energy options, and conservation is echoed also in the policies of most of the provincial governments of Canada, and jointly funded demonstration projects exist across the country.

Currently, aside from the supply of conventional (ie. large scale) hydro-electricity, renewable energy (statistically) supplies about 3.0 - 3.5% of Canada's total energy needs - almost entirely from biomass. Under the National Energy Program (NEP) this contribution should double by the year 1990 to about 6.0% and triple by the end of the century - with a large proportion from biomass. (The true size of the renewable energy contribution is difficult to assess since a great deal does not enter conventional markets and thus is excluded from energy statistics).

The most important provision of the NEP specific to renewable energy is the establishment of Canertech, a new Canadian alternative energy corporation, with a mandate restricted to renewable energy and conservation technology. This crown corporation, with initial funding of \$20 million, will focus on supporting commercial production of these technologies, reinforcing the work of Canadian businesses in this field by joint ventures and equity investments and other assistance. It may also carry out research, development and demonstration.

In addition, the off-oil incentives of the NEP (Canadian Oil Substitution Program, COSP) are neutral as to the substituted energy form, and conversion to renewable energy will qualify. Under COSP, a grant is available to consumers (businesses and homeowners) for conversion from oil to gas, electricity (in some cases) renewable or other resources, of 50% of the cost to a maximum grant of \$800. This grant can be used for the installation of wood-burning appliances, or for solar heating, where they substitute for oil. Financial support is also promised for the expansion of distribution systems (gas, electricity in some cases) to facilitate off-oil conversion, and this will be applicable to special off-oil projects in remote communities and possibly some elements of wood supply infrastructure.

Another general, and very successful, program available across the country for the encouragement of renewable energy development is the joint federal-provincial program of agreements to demonstrate, on a cost-shared basis, a wide range of new technologies for renewable energy and conservation. Total expenditures are expected to be \$300 million over the period 1978-1983 (\$113 million federal share). It is hoped that these demonstrations will accelerate the introduction, on a commercial basis, of those technologies which are close to economic readiness. A number of