

strategy and we agree wholeheartedly with this conclusion. It is, in fact, this conviction which has led us to give conservation a prominent position in our Report, even though it was not specifically mentioned in our terms of reference.

It is one thing to recognize and accept that conservation is of uppermost importance but it is quite another to suggest what specific steps should be taken to ensure that we exploit this resource. To undertake to do this in the context of this Committee's already complex report on alternative energy would, we feel, greatly understate the importance which this subject carries. Because conservation is not a concern of the Federal Government alone, it deserves and requires a detailed study which looks at this subject at all levels of jurisdiction.

RECOMMENDATION

The Committee recommends that a detailed study into all aspects of energy conservation, in all sectors of the economy, be undertaken immediately.

There have been many studies dealing with individual conservation technologies and studies of industrial, residential or commercial energy conservation. This wealth of information needs to be pulled together and the study we propose could well carry out this function. The study should be aimed at the needs of policymakers and should offer recommendations on specific policies and standards which could be implemented. Regional variations in the supply and demand for energy must also be accounted for as no single policy will be suitable for all regions of the country nor for all sectors of the economy. The study should also differentiate in some detail between capital and operational costs so that a clear picture of the payback from conservation initiatives is obtained.

While we have not undertaken a detailed examination of conservation, we have been exposed to a wide variety of concepts, proposals and opinions on this subject. We therefore present the following observations and comments as examples of the information we have received and the opinions we have formed, knowing full well that we have only touched briefly upon the subject.

To take complete advantage of the conservation resource, two approaches must be taken: wastefulness must be discouraged and the efficiency of all our energy-consuming activities must be improved. The first approach needs no explanation; the second requires us to begin thinking of our daily activities in terms of the amount of energy they consume. In short, we must build energy efficiency into products, processes and lifestyles. We have to develop a sense of energy responsibility.

Initially, progress in conservation may be slow because the market for energy and energy technologies is ineffective at signalling appropriate levels of investment in conservation — people do not have a feeling for the real costs of foregoing conservation measures. Homeowners, for example, may react negatively to the initial price of insulating their homes and fail to take into account the real savings such an investment could generate over a period of years. Programs are needed to prompt people to make the correct energy decisions. For instance, Hydro-Québec has recently introduced an innovative program to promote home insulation. It is designed to make the initial capital cost — a barrier in many cases — disappear. Under its terms, a homeowner obtains a loan from Hydro-Québec to insulate his home and repays the loan over five years by paying the difference between pre- and post-insulation heating bills. The customer is not faced with a large capital outlay and for five years simply continues to pay his heating bill as he would have otherwise without the added insulation. Thereafter, his billing drops to the new level reflecting his energy saving. We see no evident reason why a similar program could not be extended by the Federal Government to small businesses and industries with limited capital resources.

Unfortunately, there is not a well-organized conservation lobby in Canada and, as advertising is overwhelmingly directed towards convincing people to buy and consume most products, this message is reflected in our attitude towards energy. Thus leadership in promoting the conservation ethic must come from Governments, which have only recently begun funding and encouraging energy conservation efforts. The Federal initiative has begun well and the Committee recognizes that Canada's public education program in energy conservation has been widely applauded. Despite this, there remains room for improvement and greater public and governmental commitment to conservation is imperative. With these concepts in mind we now consider some of the conservation suggestions which the Committee received from various sources.

Electricity will contribute a larger share of end-use energy in Canada in the future, and this energy currency should be wisely managed and spent. Two measures which would help ensure that this is accomplished are listed here.

- The current practice of charging less for higher levels of electrical use should be discontinued.
- Utilities should consider rate structures which encourage the use of off-peak electricity.

The transportation sector is one of the largest consumers of energy in our economy and Canadian drivers seem as reluctant as ever to abandon the convenience of private automobiles. This is not surprising as our