

Oil and Natural Gas

The Government of Canada will seek prompt resolution of regulatory issues so that construction of the natural gas pipeline extension through to Halifax begins as soon as possible, and western natural gas flows to Maritime consumers by 1983. Under new pricing policies, "city-gate" prices for natural gas in the Maritimes will be the same as in Ontario and Quebec. The Government will, if necessary, provide financial support to ensure pipeline construction.

The new Canada Oil and Gas Bill and new exploration incentives will accelerate exploration for and development of offshore oil and gas resources. Petro-Canada will cooperate with Canadian firms to ensure that offshore equipment and services are purchased locally.

Electricity

A \$175 million Government of Canada fund will finance up to 75 per cent of the cost of environmentally acceptable conversions of oil-fired power plants to coal. In addition, the federal government will continue to finance interprovincial electrical connections through loans covering 50 per cent of investment. It will also contribute up to \$200 million in equity financing, and provide credit support, for the development of the hydroelectric potential on the lower Churchill River in Labrador.

Coal

To speed the development of regional coal resources, the Government of Canada will provide: up to \$150 million in 1980-85 to support the commercialization of new, environmentally acceptable coal-use technology, including the demonstration of fluidized-bed combustion in a utility-scale generating station in Cape Breton; sufficient funds for exploratory tunnelling and assessment of the Donkin, N.S., coal mine; and \$4 million over four years for an expanded research and development program in mine safety, coal utilization and coal testing.

Conservation and Renewable Energy

An Industrial Conservation Program unique to the Atlantic provinces will provide \$30 million to fund up to 50 per cent of the cost of energy-efficiency improvements in the industrial sector. Such improvements may include upgrading of insulation, upgrading of industrial equipment and installation of waste-heat recovery and co-generation systems.

The Canada-Prince Edward Island Conservation and Renewable Energy Agreement will be extended by a further contribution from the Government of Canada of \$9 million over four years.