

Province gives \$15 million to green projects

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But critics say funding will do little to address Ontario's environmental problems in short term

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The province will award \$15 million in grants today to six "transformative" clean energy projects aimed at establishing Ontario as a leader in solar, hydrogen and conservation technologies.

Industry observers say the projects and the relatively small size of the grants are a "nice have," but will do little to address the province's energy and environmental problems in the near term.

One project, the Toronto Star has learned, is a \$6 million initiative involving the use of a high-temperature fuel cell system – called a solid-oxide fuel cell – that will supply low-emission power to a large building.

Kingston-based Acumentics Canada, a U.S.-owned company comprised of employees from now-defunct Fuel Cell Technologies, will lead the project as part of a consortium of academic institutions, including Queen's University.

Another project led by Waterloo-based solar company Arise Technologies Inc. will aim to develop more efficient solar cells. Arise will work with McMaster University, and collaborate with the University of Waterloo and the University of Toronto, on highly efficient "multi-junction" solar cells that could dramatically lower the cost of deploying solar technologies.

John Wilkinson, minister of research and innovation, and David McFadden, chair of the province's Ontario Centres of Excellence, will announce the projects this morning at an event in Waterloo.

Observers questioned whether the government is overselling the event by touting the projects as "groundbreaking" and promising to have a "significant impact" on the Ontario energy landscape.

"We definitely need to have research happening in 21st-century energy systems, so this is a wonderful thing," said Keith Stewart, an energy analyst with WWF-Canada. "But the amounts being talked about are still small potatoes compared to subsidies going into conventional fossil fuels and nuclear."

Stewart said the government, if serious, would shift those subsidies to the wide-scale deployment of clean-energy technologies that exist today. "Then we would actually have transformation happening as opposed to really neat research projects."

The centre of excellence put out a call last summer for clean-energy projects, and by its application deadline on Sept. 4 it had received 105 expressions of interest representing project proposals totalling \$118 million.

A technology's "wow" or "disruptive" factor was a main criteria for selection, as well as how quickly it could transform Ontario's energy market and benefit its economy by creating local jobs and attracting foreign investment.

On Friday, the government also announced it was investing \$8.7 million to support development of next-generation "green" vehicles.

Meanwhile, a group called the Clean Air Renewable Energy Coalition is pushing the federal government to extend incentives under its EcoEnergy for Renewable Power program until 2015 to accommodate a flood of proposed wind, biomass, geothermal and hydroelectric projects. Only one year into the four-year EcoEnergy program, which earmarked enough incentives for 4,000 megawatts of clean power, the government has already received applications for projects totalling 10,000 megawatts.

The coalition, which wants to see the extension in the upcoming federal budget, says the cost would be about \$2.2 billion – or \$150 million a year until 2022 – and the certainty and industry stability resulting from the commitment would spark foreign investment in local manufacturing. "To maintain the success of this program and build further momentum for the 'green power' industry, extending the program makes both economic and environmental sense," argued the coalition in its budget submission.