

ENERGY COMPONENT OF CANADA'S ECONOMIC ACTION PLAN

Budget 2009 was tabled on Jan. 27, 2009 as Canada's plan to stimulate economic growth, restore confidence and support Canadians and their families during a synchronized global recession.

Canada's Economic Action Plan will provide almost \$30 billion in support to the Canadian economy this year. In total, this is equivalent to 1.9 per cent of the total economy. It includes new measures totaling almost \$2.4 billion to support a cleaner and more sustainable environment. This builds on a number of ecoEnergy initiatives that were earmarked by the Government of Canada in 2007, which have been tremendously successful. There are still significant funds to be committed as applications are still under revision.

Canada's Economic Action Plan fulfills Canada's commitments at the recent G-20 Special Leaders Summit to provide timely stimulus to domestic demand, while also maintaining long-run fiscal sustainability. It surpasses the International Monetary Fund suggestion that countries in a position to do so should inject fiscal stimulus of 2 per cent of GDP to reduce the effects of a damaging global recession.

*All numbers are in Canadian dollars.

INITIATIVE	DESCRIPTION OF INITIATIVE (BUDGET TEXT)
<p>EXPANDING THE ECOENERGY RETROFITS FOR HOMES PROGRAM</p> <p>\$ 300 M / 2 YRS</p>	<p>Provides an additional \$300 million over two years to ecoENERGY Retrofit program to support an estimated 200,000 additional home retrofits.</p> <p>In addition, the Budget provides a one-time federal investment of \$1B over the next two years to address the backlog in demand for renovation and energy retrofits to be administered by the Canada Mortgage and Housing Corporation (CMHC).</p>
<p>CLEAN ENERGY FUND</p> <p>\$ 1 B / 5 YRS</p>	<p>\$1 billion over five years to support clean energy technologies. This includes \$150 million over five years for research, and \$850 million over five years for the development and demonstration of promising technologies, including large-scale carbon capture and storage projects. This support is expected to generate a total investment in clean technologies of at least \$2.5 billion over the next 5 years.</p>

INITIATIVE	DESCRIPTION OF INITIATIVE (BUDGET TEXT)
<p>STRENGTHENING AND REFOCUSING ATOMIC ENERGY OF CANADA LTD.</p> <p>\$ 351 M IN 2009-10</p>	<p>Budget 2009 provides \$351 million on a cash basis to AECL in 2009-10 for its operations, including the development of the Advanced CANDU Reactor, and to maintain safe and reliable operations at the Chalk River Laboratories.</p>
<p>GREEN INFRASTRUCTURE FUND</p> <p>\$ 1 B / 5 YRS</p>	<p>\$1billion will be provided over five years for the Green Infrastructure Fund to support projects such as sustainable energy. Funding will be allocated based on merit to support green infrastructure projects on a cost-shared basis. Sustainable energy infrastructure, such as modern energy transmission lines, will contribute to improved air quality and lower carbon emissions.</p>
<p>ACCA RATE FOR CARBON CAPTURE AND STORAGE ASSETS</p>	<p>The Government will also consult with stakeholders to identify specific assets used in carbon capture and storage with a view to providing accelerated capital cost allowance (CCA) in respect of such investments.</p>
<p>MACKENZIE GAS PROJECT</p> <p>\$37.6 M IN 2009-10</p>	<p>Budget 2009 provides \$37.6 million in 2009-10 to departments and agencies in support of environmental assessments, regulatory coordination, science, and Aboriginal consultations related to the Mackenzie Gas Project .</p>
<p>TARIFF RELIEF FOR MACHINERY AND EQUIPMENT</p>	<p>Budget 2009 permanently eliminates tariffs on a range of machinery and equipment to lower costs for Canadian producers in a variety of sectors, including forestry and energy. This measure will affect close to \$2 billion in annual imports of machinery and equipment and provide over \$440 million in savings for Canadian industry.</p>