

Honourable Dalton McGuinty Premier of Ontario Room 281 Main Legislative Building, Queen's Park, Toronto, Ontario, M7A1A1

## Premier:

The introduction of the Green Energy and Green Economy Act (GEGEA) created a leadership role for Ontario in the global transition to renewable energy and conservation. The initial focus of the Act has been two-fold:

- 1. renewable electrical generation and
- 2. conservation measures to reduce customer's overall energy demand.

The Feed-in Tariff (FIT) program has stimulated significant growth in solar and wind power generation. However, these sources alone are not adequate to fill the capacity gap that will be left with the removal of coal.

Geothermal energy is an abundant renewable energy that can supplement gasfired power plants to fill the up-coming energy capacity gap. Although geothermal energy is included as a "renewable energy source" in the GEGEA, it was excluded from the FIT program. In addition, geothermal energy has not been recognized in Ontario's Long Term Energy Plan.

The Ontario Geothermal Association (OGA) made a presentation to the Pre-Budget Committee in January, 2011. We pointed out that Ontario's geology contains vast quantities of geothermal energy. This form of energy is currently being harnessed across the province to heat and air-condition homes, schools, hospitals, farms, residential towers, etc.

Research across Canada and the U.S. has shown that, compared to all other renewable energy sources, geothermal is the most reliable, sustainable and least expensive choice for heating and air-conditioning buildings. Geothermal energy is available beneath every building site in Ontario. Unlike the intermittent solar and wind energy supplies, geothermal is available all day, every day, year-round.

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Geothermal energy does not require any investment in new electrical transmission lines. Further, it provides a sustainable base-load energy source that can aid in reducing the size of gas-generation peaker plants and the amount of electricity Ontario imports from coal power plants in the U.S. Public concerns related to the aesthetics and adverse impacts on farmland are virtually non-existent with geothermal energy systems, which are buried out-of-sight beneath the ground.

The Ontario Geothermal Association has been meeting with the key Ministries that have responsibilities for the development of a Green Energy Economy in Ontario. Our message is simple: add geothermal energy to the Green Energy portfolio and include geothermal in the FIT program. Inclusion of geothermal in Ontario's mix of renewable energies will broaden public acceptance of Green Energy options from downtown Toronto to isolated communities in the far-north. The use of geothermal energy for heating and air-conditioning buildings across the province can eliminate fossil fuels in the winter and reduce the overall electrical demand in the summer.

Job creation in the renewable energy industry is an important component of the geothermal energy systems. They require local labour, accounting for over 85% of the installed cost. (In comparison, solar and wind installation labour only account for approximately 20% of the installed cost.) In a typical \$25,000 residential geothermal installation, approximately \$21,000 in economic activity is construction that benefits the local community- excavation, ductwork, plumbing and electrical design. These jobs are generally mid - level trade based occupations. The energy generated is local, offsetting imported/transported fossil fuels, and the return on investment remains local. The geothermal energy industry in Ontario already supports over 15,000 green jobs. This job market would be expanded exponentially if the Green Energy portfolio is opened to include geothermal energy.

We look forward to opening dialogue wit you on this most important issue.

Yours truly

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