



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF
INTERNATIONAL AFFAIRS

Ms. Jane Gardner
JPAC Chair for 2005
c/o Secretariat of the Commission
for Environmental Cooperation
393 St. Jacques Street West, Suite 200
Montréal QC H2Y 1N9

Dear Ms. Gardner:

On behalf of the Council, the Alternate Representatives thank the Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) for its recent Advice to Council 04-05 on planning the CEC's work in support of meeting the challenges faced by the renewable energy market in the NAFTA region.

As you know, the CEC has been active in sharing information and collecting data on renewable energy for the past four years. The work has led to the identification of options for expanding the use of renewable energy. The Article 13 Report entitled *Environmental Challenges and Opportunities of the Evolving North American Electricity Market*, initiated in 2000 and published in 2002, provided the impetus for this work. Specifically, the CEC has:

- Catalogued various North American definitions of renewable energy and green power and renewable energy portfolios;
- Hosted workshops on green power marketing in Canada and Mexico;
- Developed a paper on market, policy, and financial mechanisms to expand the use of renewables;
- Conducted initial work to document the status of and to harmonize green certificates standards/tracking/definitions in North America;
- Hosted workshops on calculating the environmental benefits (air emissions reductions) of renewables;
- Developed a paper and produced a database on the existing and planned renewable energy capacity in North America. The CEC is now assessing the wind energy potential of one major area of Mexico;
- Suggested potential remedial action to reduce barriers to renewable energy trade that may exist in North America and;

- Identified types of biomass resources that could be used for low-impact renewable power generation, ethanol or hydrogen production, space heating and use as raw materials for industrial products, or for other uses, such as soil improvement.

The Council supports continued CEC work in the area of renewable energy. Indeed, in October 2004, the 10(6) Working Group agreed to include in the Strategic Plan a priority area related to renewable energy. And, in April 2005, the Council allocated \$250,000 of the CEC budget to renewable energy projects. The details of the CEC's 2005 renewable energy projects should be finalized shortly. At base, though, the Council believes that, through the targeted actions, the CEC can address some of the remaining informational and transactional barriers that add to the cost of renewable energy in an effort to inform policymakers as they implement policies to promote renewable energy.

We would like to take this opportunity to address some specific comments contained in your Advice 04-05:

Information for Decision-making: The Council views the role of information as critical to the promotion of renewable energy. The CEC's previous renewable energy work reflects this importance. The Council anticipates that the CEC's future work will continue in this vein, and thus, help to ensure that the public and decision makers have access to improved, compatible information and information technology on best methods for promoting the use and development of renewable energy.

Capacity Building: The Council recognizes the importance of understanding the barriers to developing new market incentives for renewable energy. Past CEC work has identified some of those barriers; future work will continue to identify such barriers and suggest means of overcoming them.

Some of the more active roles the JPAC has proposed for the CEC, such as establishing a North American Fund for small projects resourced from large energy producers, are activities that the Council sees as more suited to national or sub-national policy fora.

Trade and Environment: The Council plans to continue its efforts to increase and maintain collaboration with trade and energy counterparts through the CEC's renewable energy work. The development of regulatory and policy frameworks for renewable energy rests with the Parties and their national and sub-national governments, as does the establishment of fora to negotiate renewable portfolio standards. The CEC can assist in this area by documenting current programs that promote North American green power markets as well as identifying capacity building requirements to further this type of activity.

As we continue to work on renewable energy issues with the CEC, we will continue to carefully consider your recommendations, and look forward to continued solid and constructive advice from the JPAC as we move forward.

Sincerely,



Judith E. Ayres
Assistant Administrator

cc: José Manuel Bulás Montoro, Alternate Representative for Mexico
David McGovern, Alternate Representative for Canada
Mr. William Kennedy, CEC Secretariat Executive Director
JPAC Members