

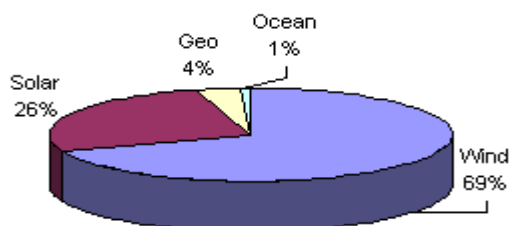


Renewable Energy

MARKET OVERVIEW

- Real GDP growth 2.7 % in 2007, estimated 1.8 % for 2008.
- Oil and Gas production growing 1 to 6% per year.
- Coal production, exports and consumption decreasing.
- Electricity production from primary sources: 66% hydro, 16% nuclear (52% in Ontario), fossil fuel production decreasing.
- Renewable energy production – double-digit annual growth.

Renewable Energy - 2007 Total Installed Power est. 2,660 MW



Wind Power

- Fastest growing renewable energy source in Canada.
- Current installed capacity is 1846 MW, 11th largest in the world.
- Programs to install 700 MW in 2008, reach 5,600 MW by 2012.
- 150 companies, one-third are technical consultants.
- Forecasted to yield in excess of 13,000 jobs by 2012.
- Expected \$1.8 billion in annual investment.

Solar Power

- Photovoltaic (PV) Technology - estimated capacity 28 MW. Over 50 companies, mostly designers / installers of residential systems
- Off-grid applications comprise close to 98 percent, compared to 32 percent within the global market.
- Annual industry revenues are estimated in excess of \$100 million.
- Past decade, average annual market growth was 24 percent.
- Air Heating Technology - total installed capacity from 45.6 MW in 2004 to 70 MW in 2007.
- Water Heating Technology - 2007 estimated capacity 600 MW.

Geothermal and Earth Energy

- Four geothermal heat pump manufacturers and approximately fifteen regional networks of distributors.
- 30,000 geothermal heat pumps installed for residential, commercial and industrial purposes. Total capacity estimated at 100 MW
- A 100 MW electricity geothermal plant in development in B.C.

OPPORTUNITIES

- Dynamic market – double-digit annual growth.
- \$18 billion market for 10 years.
- Wind industry - \$1.5 billion in investments in 2008, with \$8.5 billion through 2012.
- All large wind turbines and components imported.
- Large market for solar PV off-grid applications.
- 28% increase in ethanol-gas usage through 2010
- Federal government 10 year program Renewable Energy Deployment Initiative (REDI) with incentives for all sectors

U.S. Presence (Imports into Canada)

- Wind-powered electric generating systems exports to Canada reached \$83 million in 2006 (48% of total sector imports), but dropped to \$8 million in 2007 (7% of total sector imports).
- Solar cells and panels annual imports from the U.S. rose from \$16.8 million in 2004 to \$25.6 million at present.

Bioenergy

- Access to one of the largest biomass resources in the world; forest biomass only is over 26 billion dry tons
- Ethanol production 1.3 billion liters in 2007.
- Government sponsored biofuel programs to increase ratio of ethanol-gas users from 7% to 35% by 2010.
- Bio-diesel production currently yields 97 million liters per year; a new 275 million liters per year facility is under construction.

Ocean Energy

- The only tidal energy plant in North America at Annapolis Royal, NS, on the Bay of Fundy, installed 20 MW, largest straight-flow turbine in the world.
- Two projects in the same place currently in research
- BC Hydro 2002 study: technical potential to generate 2,224 MW from marine currents over 2.0 m/s.

Sources: Industry Canada, Statistics Canada

For further information, please contact U.S. Commercial Service.

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