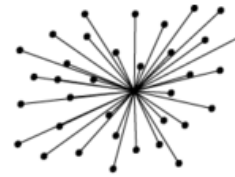




# 2009 PRESIDENT'S ANNUAL REPORT

## WADE CANADA

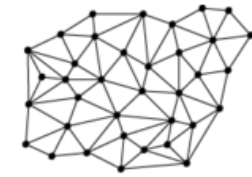
ANOUK KENDALL, PRESIDENT  
MAY 4, 2009



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## WELCOME

“Canada needs a revolution in thinking, building, sourcing, using and paying for energy if we want our society to be sustainable.”

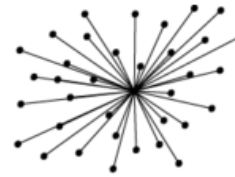
Welcome to WADE Canada’s inaugural AGM and Strategic Planning Session!

WADE Canada is a registered, national, not-for-profit industry association working to enhance the performance of Canada’s Decentralized Energy (DE) industry to strengthen its economy and global energy competitiveness.

We are the successor of New Energy Resources Alliance (NewERA). In 2008, NewERA became WADE Canada, a country chapter of the World Alliance for Decentralized Energy. We have retained the grass roots emphasis of NewERA but are benefiting from a direct link to global DE markets through other country chapters of WADE (e.g., India, China, Peru, USA and Europe).

After a successful transition, WADE Canada is actively reconnecting with our stakeholders and asking you to help us develop our 3-5 year plan of action. Before we get started, let’s take a glimpse at our early successes and how we have positioned ourselves for success.

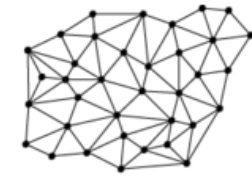
Today, we welcome some new faces to our growing network and we sincerely look forward to working with all of you. Together we can make great things happen in Canada’s DE industry!



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A great industry starts with strong leadership and a collaborative mindset. This year's strategic planning session has brought together a high-calibre group of Canada's key DE industry leaders to shape the way WADE Canada supports this industry.

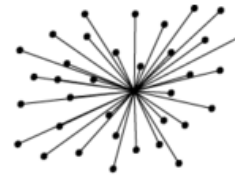
**SUCCESS**

What brings us together is our common interest in the production, management and storage of clean and green energy closer to the end user. What keeps us together are trusting relationships built on open and honest discussion and realistic expectations.

A successful industry association is measured by its service to its members and collaboration with other associations that are working towards our common goal.

“All new buildings are built as NetZeroEnergy buildings, our waste streams become a valuable commodity for heat and power generation, our electricity grid is supported by a balanced mixture of centralized and decentralised generators and our electrical grid operates as a smart, self-healing 'electrinet.'”

Anouk Kendall



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WADE Canada is committed to being the overarching industry voice and focal point for a traditionally fragmented industry. We support the efforts of the niche associations that focus on clean and green technology sectors such as solar, geothermal, urban energy systems, district energy and wind.

***COMMITMENT***

WADE Canada serves its members by:






- providing a platform to create and adopt progressive energy policies, and
- supporting the integration of the various DE technologies into Canada's energy supply model.

## WADE Canada Leadership

### Board of Directors

Ontario	Chair
<p>James C. Sidlofsky Partner Borden Ladner Gervais LLP Scotia Plaza, 40 King Street West Toronto, Ontario M5H 3Y4 e-mail: jsidlofsky [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>
Alberta	Vice Chair
<p>Brent Harris Director of Technology, Co-Founder Sustainable Energy Technologies Suite 500, Campana Place 609-14th St NW Calgary, AB T2N 2A1 e-mail: bharris [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>
Ontario	
<p>Jan M. Buijk Vice President &amp; General Manager, Jenbacher Gas Engines DDACE Power Systems 1 Moyal Court Concord, Ontario L4K 4R8 e-mail: jbuijk [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>
Alberta	
<p>H.G. (Bert) Dreyer Senior Electrical and Controls Engineer EMF Technical Services Inc. 70 Scenic Park Cres. NW Calgary, AB T3L 1R6 e-mail: hdreyer [ @ ] wadecanada.ca</p>	<a href="#">biography</a>
Washington DC	
<p>David Sweet Executive Director WADE International 1513 16th Street, NW Washington, DC, 20036 e-mail: dsweet [ @ ] localpower.org</p>	 <a href="#">biography</a>

## WADE Canada Management

Montreal, Canada	
<p>Anouk Kendall President of WADE Canada Tel:  +1 (514) 409 0433  e-mail: akendall [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>
Calgary, Canada	
<p>Geraldine Byrne, Vice President of WADE Canada e-mail: gbyrne [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>
Montreal, Canada	
<p>Kelsey Chegus, Program Coordinator for WADE Canada e-mail: kchegus [ @ ] wadecanada.ca</p>	 <a href="#">biography</a>

# GETTING STARTED

We have a strong Board of Directors to govern the activities of WADE Canada. After today, our Board stands even stronger with the addition of new Directors.

We have built a dedicated team that is working to ensure that we are listening to our members and addressing their needs.



## LAUNCH INITIATIVES

WADE Canada officially opened its Quebec office in Montreal. Our Calgary office remains the administrative headquarters for WADE Canada but the Quebec office has allowed us a closer connection to industry stakeholders in central and eastern Canada.

In 2008 we launched the inaugural edition of our Clean Energy Business Directory. This edition listed 163 small to medium sized businesses based in Western Canada. The work to produce the Directory was supported by NRC-IRAP. We are currently accepting entries into the 2009 Directory. Visit our website to get listed.

2008 Canadian Decentralized Energy Conference. Our most successful conference yet!

*"Very impressive line up of speakers; perfect variety of backgrounds and interests",* conference participant.

*"Very well run and organised",* conference participant.

## Policy to Promote DE

Every region in the world has unique culture, climate, legal heritage, market structure and development priorities, so not all policies are equally suited for every region. Nevertheless, regions have enough in common that, in all cases, it is a valuable exercise for area X to take a look at what area Y is doing in the process of determining its own regulatory framework. Invariably policy makers look at nearby neighbours and trading partners for inspiration in coming up with effective policy. Even though at first glance it may appear there is little in common, looking at other areas a little farther away may bring some unexpected inspiration.

Regulation is more than rules. Effective regulation can take many forms as shown in the table below.

### Types of Regulations

laws and legislation	renewable portfolio standards (RPS), cap and trade schemes, certificate trading schemes, emissions rules, disclosure labelling, feed-in laws, delegated accountability, legislated directives, etc.
standards	interconnection standards, procedural standards, building standards, product quality standards, etc.
voluntary guidelines	quality guidelines, DE targets, etc.
financial	tax schemes, accelerated depreciation, grant programs, system benefits charges, financing schemes, etc.
pricing mechanisms	locational pricing, dynamic pricing, etc.

### Best Practice

Almost every jurisdiction in the world has some basic energy policy. To date very few have policies that focus specifically on DE. Nevertheless there are various policies that can be pointed out around the world that can be considered "best practice" to the extent they address issues, directly or indirectly of direct relevance to DE. Important policies, studies and planning documents relevant to DE include:

Jurisdiction	Document
Canada	<a href="#">Distributed Generation Technical Interconnection Requirements</a>
Canada	<a href="#">Green Energy Act Introduced to Ontario's Provincial Parliament</a>
Canada	<a href="#">Quest White Paper English</a>
Canada	<a href="#">Quest White Paper French</a>
The European Union	<a href="#">The European Cogeneration Directive</a>
The European Union	<a href="#">The Internal Electricity Market Directive</a>
The United States	<a href="#">The Potential Benefits of Distributed Generation and Rate-Related Issues That May Impede Their Expansion</a>
The United States	<a href="#">The Energy Policy Act</a>
Brazil	<a href="#">Law 10,848 on the Commercialization of Electricity</a>
Brazil	<a href="#">Executive Decree 5,163/04</a>



World Alliance for Decentralized Energy  
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Info@localpower.org  
www.localpower.org

20 April 2009

The Honorable Mr. George Smitherman  
Deputy Premier, Minister of Energy and Infrastructure  
4<sup>th</sup> Floor, Hearst Block  
900 Bay Street  
Toronto, ON M7A 2E1

**Re: Ontario's Green Energy and Green Economy Act, 2009**

Dear Mr. Smitherman,

WADE Canada is a national, not-for-profit industry association and a country chapter of the World Alliance for Decentralized Energy (WADE), a global non-profit focused on clean and efficient decentralized energy solutions. We are a member-driven organization governed by a Board of Directors. WADE Canada is the overarching industry voice and focal point for Canada's traditionally fragmented decentralized energy industry.

First and foremost, we would like to take this opportunity to thank you for your efforts in developing the *Green Energy and Green Economy Act, 2009*. We applaud the Ontario Government for its bold action in launching an unprecedented program to promote the implementation of renewable energy projects and conservation measures.

There is no doubt that the implementation of Bill 150 will make Ontario the leading North-American jurisdiction for the implementation of clean and renewable energy projects and further the establishment of a culture of conservation in the province. WADE Canada is able to provide you with coordinated industry support and can help you realize the full benefits of enactment.


We respectfully suggest that an additional issue that merits consideration at this time is greater support for high efficiency combined heat and power (CHP) projects. Enormous potential exists in Ontario for the expansion of CHP capacity. CHP is the simultaneous generation of heat and power in a single process. In the CHP process the by-product heat which, is produced during power generation, is recovered and used to generate steam for industrial processes, domestic hot water, space heating, and cooling. Because CHP systems make extensive use of the heat produced during the electricity generation process, they can achieve overall efficiencies in excess of 85% at the point of use compared with power plant efficiencies of 38% in conventional coal-fired and 48% in gas-fired power stations.

Excellent examples of CHP applications in Ontario include the Great Northern Hydroponics facility in Kingsville and district energy projects, such as those being developed by Markham District Energy Inc.

In jurisdictions such as Denmark, Germany and the Netherlands, for example, there is an increasing awareness that the use of 'dispatchable', high efficiency CHP and district energy is helping maximize the implementation of renewables such as wind, water and solar power. Natural gas fuelled, on-site CHP and District Energy are the cleanest forms of dispatchable generation at system efficiencies that cannot be matched by other forms of generation. To maximize efficiency efforts and lower the overall use of fuel

We have been keeping abreast of new policies across Canada and endeavour to support members efforts by disseminating relevant policy work to our members. WADE Canada has recently submitted a formal response to Ontario's Minister Smitherman to provide feedback and support for the Green Energy and Green Economy Act, 2009.



 **WADE Canada**

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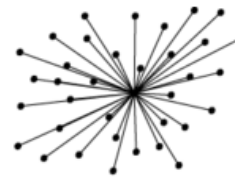
## Our New Website Launched in April!

The new website provides information on WADE Canada including the people who support the organisation and the objectives of our work.

You can also find information on Canada's DE industry including the benefits and challenges facing the various stakeholders in the value chain and the key policy actions happening across the country.

We hope you will enjoy surfing our site. We will continue to modify this site according to member needs. Your comments and suggestions are most welcome.

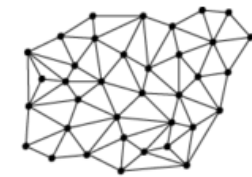
**[www.wadecanada.ca](http://www.wadecanada.ca)**



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You've shared your thoughts on the state of the DE industry. A summary of early results indicate that:

- Strong consideration by respondents of the importance of CHP and solar thermal to Canada's future energy supply.
- Belief that waste management solutions and controls/communications, perhaps more than others, are undervalued in terms of DE potential.
- Reliance on all government levels, particularly the federal government, to see the potential of DE fulfilled.
- Our industry cluster appears to lead with enthusiasm and passion for excellence -- albeit potentially trailing in experience with technologies, established industry players and a collaborative mindset.
- A sense that we have a long way to go in terms of education/awareness, particularly as it concerns the existing planning focus on centralized generation and the relationship between DE, EE and DSM.
- A sense that it is critical to pursue progressive energy policies.
- Canada may be well positioned in DE owing to restructured energy markets, innovative municipalities, quality workforce, entrepreneurial spirit and emission reduction policy.
- A key to economic success and fulfillment of DE potential is empowering municipalities.
- A number of activities are suggested for WADE Canada, including promoting incentive regulations, promoting codes and standards policy change, promoting net metering policy change, and business matching/grantmanship.

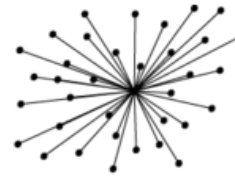
## 2009 INDUSTRY SURVEY

“ The system was never designed for significant localized generation; it was designed for large scale centralized generation that pushes power out across transmission and distribution lines into homes, schools, institutions and factories. ”

JoAnne Butler

“ If we attack efficiency, we do lots for reducing CO2 emissions. ”

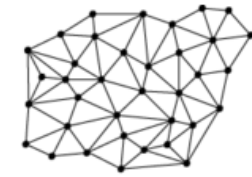
Gary Holden



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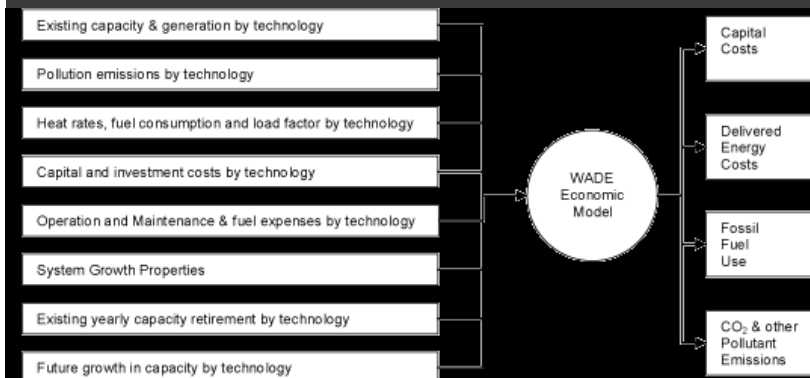


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## WELL POSITIONED

Five reasons why WADE Canada is the best source of support for our growing DE industry:

- We have over 3,500 contacts throughout Canada's DE industry and our network continues to grow.
- The WADE model is available for us to analyse, in economic and environmental terms, various supply mixes of central and decentralized energy.
- We have direct access to other country chapters of WADE.
- Our network encompasses all stakeholders throughout the value chain.
- We have the power of a collective voice to drive policy change.





## ***BRING IT ON!***

There's an exciting road ahead for WADE Canada and its members. Let's revisit our vision and come up with a strategy that:

- turns our enthusiasm into real change and real DE capacity development,
- gives a clear direction for the organization,
- adopts a sustainable business model that reflect the needs of our members and collaborates with other associations, and
- defines what success looks like and how we will measure it.

**IT'S TIME TO GO THE NEXT LEVEL!**