

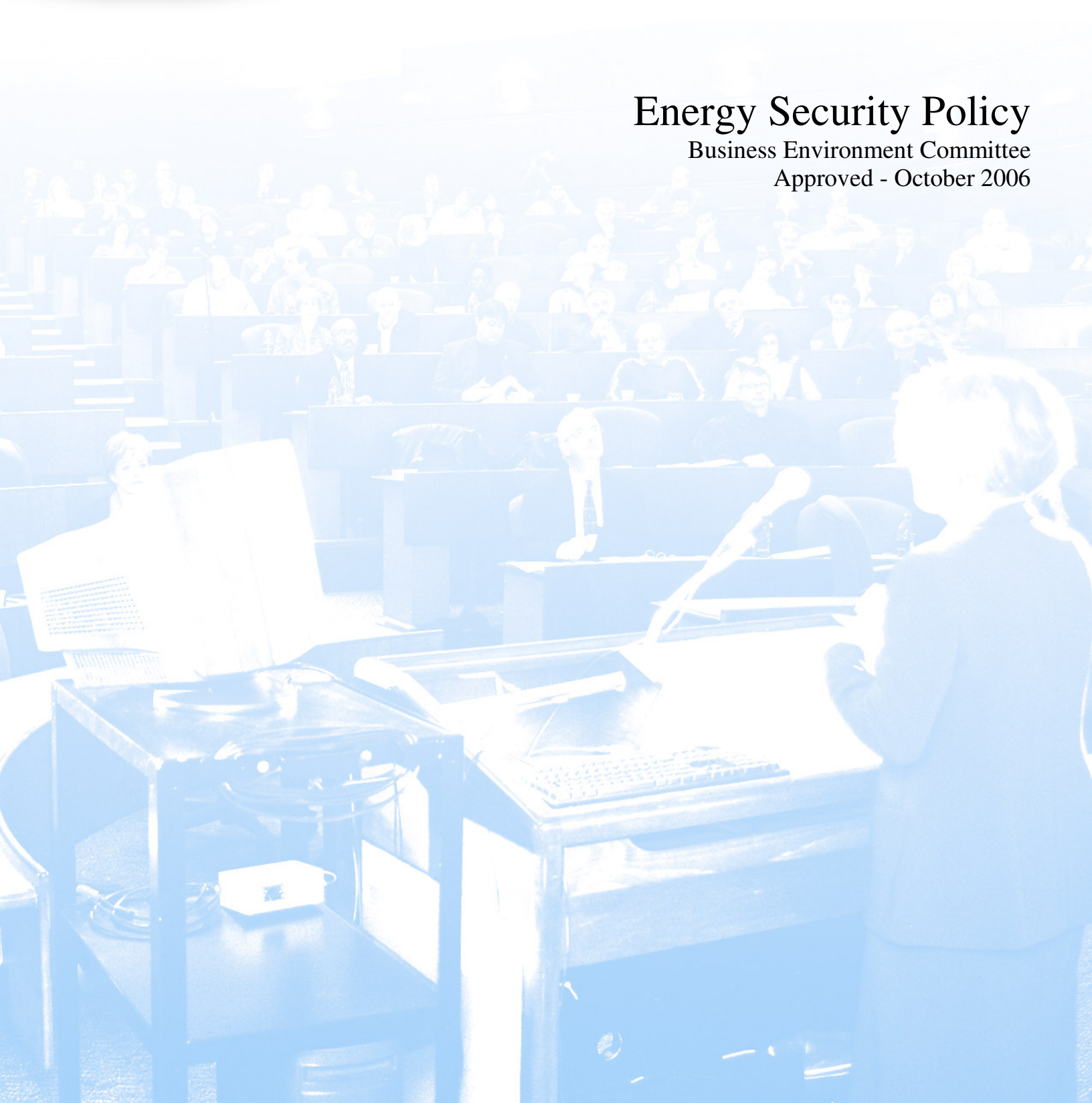


HALIFAX CHAMBER
OF COMMERCE

Energy Security Policy

Business Environment Committee

Approved - October 2006



INTRODUCTION

Energy security, the sustainable supply of reliable, secure, and affordable energy, is a necessary component of a thriving business environment. Worldwide, as energy prices increase, energy security is becoming a major issue. Rising energy prices are being driven by a number of factors, including the rapid industrialization of China and India, the decline in easily refinable light, sweet crude, extreme weather events, and the global dependence on politically unstable areas for petroleum.

Achieving energy security varies between countries and within countries, usually depending upon the state of development and the availability of indigenous supplies. For example, the World Bank's priorities for industrialized, net-energy importing jurisdictions such as Nova Scotia are:

- Avoid disruption of energy supplies;
- Diversification of energy supply sources;
- Security concerns for energy infrastructure;
- Technological solutions to reduce dependence on imported supplies.

Nova Scotia imports most of the energy it consumes: crude oil and refined petroleum products are imported to meet the needs of residential and commercial space heating, transportation, agriculture, and some industrial processes. Even electricity, almost all of which is generated in the province, for the most part still relies on imported coal and oil. Natural gas has only been available in the Province since 2000 and its utilization is very modest. According to Government of Canada statistics, nearly 90 percent of Nova Scotia's energy comes from outside the province and the striking majority of this energy originates outside of North America.

Nova Scotia's almost complete reliance on imported energy sources, notably refined

petroleum products and coal, demonstrates that Nova Scotia is particularly energy insecure, putting Nova Scotians and our business community in a vulnerable position.

Given the volatility of world energy markets, the Chamber believes that an energy security policy for the province must be implemented without delay. Considering the size and urgency of the problem, it is unrealistic to expect that market forces alone will be sufficient to drive the necessary changes. The province needs a combination of legislation, creative policies, and aggressive action to take the next steps towards energy security and sustainability.

RECOMMENDED ENERGY SECURITY ACTIONS

BUILD A COMPREHENSIVE LONG-TERM ENERGY SECURITY POLICY

Nova Scotia's energy future should be seen in the framework of sustainable development and climate change prevention. To guarantee security, stability and prosperity in HRM and Nova Scotia, an ambitious and coherent energy security policy is a crucial element. It should ensure security of energy supply, economic growth, sustainable development, employment, technological development and mitigate climate change. The deployment of renewable energy technologies in combination with energy conservation and efficiency has a positive effect on all of these goals. The Chamber will:

- support the development of a long-term energy security policy for HRM and Nova Scotia that promotes energy security: the supply of reliable, secure, and affordable energy in all sectors of the economy.

- leverage existing expertise in our universities, colleges, and private sector to develop the strategies and activities to support this policy.
- advocate for the development of comprehensive decision support tools to support this policy.

The Chamber is committed to act as a catalyst in bringing together experts and stakeholders to start this important process.

INCREASE ENERGY PRODUCTIVITY

Increasing energy productivity means maintaining or increasing a level of production or service using less energy. Increasing energy productivity is a fundamental tenet of energy security. The Chamber believes that businesses must manage energy as they do any other resource input, such as human resources or raw materials, to maximize their energy productivity.

Increasing energy productivity comes through two avenues:

- eliminating energy waste as a short-term action through simple day-to-day actions (such as turning out lights, setting back the thermostat when not needed or planning your day to minimize travel);
- reducing the amount of energy expended on a particular activity – as a long-term planning action (such as the energy required to heat a building or the fuel consumed in transporting people or goods) while achieving the same output.

Together, these measures improve energy productivity, make businesses more competitive and reduce their environmental impact.

The Chamber will promote increasing energy productivity of the business activities of the membership and the community at-large. Specifically, the Chamber will:

- encourage all members to begin measuring their energy use and challenge members to understand how their energy input is related to their output goods and services;
- support the development of effective programs to increase energy productivity in the residential and commercial sectors (space heating) and the transportation sector (modal shifts to rail for goods and public transportation for commuters).

TURN TO INDIGENOUS ENERGY SOURCES

Turning to indigenous energy sources, including coal, natural gas, tidal, solar, biomass, geothermal, and wind for the creation of energy for Nova Scotia is essential to achieve energy security. The Chamber believes this will create more business opportunities in Nova Scotia to develop and produce products and services for the growing global energy industry. The Chamber will:

- facilitate and support the best use of Nova Scotia's indigenous energy sources;
- support the development of a comprehensive energy atlas for the province, identifying and assessing the different energy sources available throughout the province to determine how they could be utilized optimally to meet our energy needs.

TRACK OUR SUCCESSES

The Chamber recommends that appropriate measures be established to monitor, manage

and communicate the progress being made. Specifically, the Chamber will:

- recognize member businesses that lead in these efforts and improve their energy productivity;
- encourage Chamber members to communicate and publicly promote their successes in energy productivity gains and use of indigenous energy sources;
- advocate that the provincial government to monitor and report, in a timely way, energy productivity and indigenous energy use data for all industry sectors in Nova Scotia.

CONCLUSION

Fundamentally the Chamber believes growth is good. However, without energy security, sustainable growth will be impossible. We must act now, on many fronts, to ensure an adequate, reliable and reasonably priced supply of energy into the future. By building a long-term energy security strategy, increasing our energy productivity, and increasing our reliance on indigenous energy sources we can improve the sustainability of our environment and strengthen our business community.

CHAMBER ADVOCACY WORK

More information about the Chamber and its advocacy work can be accessed by contacting the office or visiting the Chamber web site:

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