

Calgary, March 23, 2011

2011 Federal Budget invests in new clean energy technology initiatives says the Canadian Geothermal Energy Association

The Canadian clean energy technology sector will benefit from the inclusion of new clean energy technology initiatives in the 2011 Federal Budget released yesterday.

"Some of the elements of yesterday's federal budget are positive for development of geothermal energy projects in the country, and we were encouraged by the allocation of funds to research environmentally-friendly energy technologies. CanGEO urges the federal government to go one step further and establish a national program for geothermal energy that could unlock more than 5,000 MW of geothermal power potential in Canada, which would provide Canadians clean and renewable energy that is available around the clock," commented Alexander Richter, Director of CanGEO.

In the 2011 federal budget, the Government of Canada included the following commitments that have implications for geothermal energy projects in the country:

- Renewed funding of \$97 million for technology and innovation in the areas of clean energy and energy efficiency
- \$8 million in funding for the promotion of deployment of clean energy technologies in Aboriginal and Northern communities
- \$40 million allocated as part of the Sustainable Development Technology Canada (SDTC) program to support the development and demonstration of new clean technology projects on a not-for-profit basis.
- Expansion of tax support for clean energy generation through the provision of an accelerated capital cost allowance rate.

The SDTC program's 'new technology' requirement limits the eligibility of the majority of geothermal projects today, but could help some projects to get off the ground. CanGEO members are currently developing 8 geothermal projects in British Columbia, Alberta, the Northwest Territories and Saskatchewan that could benefit from funds made available in this budget.

Geothermal energy, as a renewable energy source, not only provides a clean and renewable option for electricity generation around the clock, but also efficient and competitive heating options for Canadians all over Canada.

With the expected resource potential of Canada, electricity generated by geothermal energy could replace approximately 10 nuclear power plants and provide up to 10% of Canada's total electricity generation as of today. It could provide more than 9,000 permanent jobs and approximately 30,000 temporary manufacturing and construction employment.

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About the Canadian Geothermal Energy Association (CanGEO)

CanGEO is the collective voice of Canada's geothermal energy industry. As a non-profit industry association, CanGEO represents the interests of our member companies with the primary goal of unlocking the country's tremendous geothermal energy potential. Geothermal energy can provide competitively priced, renewable, round-the-clock energy to the Canadian and U.S. markets.