



Canadian Solar Industries Association
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The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
L'Esplanade Laurier
170 O'Connor Street, 21st Floor
Ottawa, Ontario
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Dear Minister Flaherty:

Recognizing that you are now in the process of considering the final elements of the upcoming federal budget, the Canadian Solar Industries Association (CanSIA) would like to take this opportunity to put forward our recommendations. We believe that our proposals will assist your government to ensure it meets its goals of fostering economic growth and environmental sustainability for the 2010-2011 fiscal year.

CanSIA is the national trade association representing almost 500 solar energy companies operating across Canada. Our mission is to develop a strong, efficient, ethical and professional Canadian solar industry that is able to provide innovative solar energy solutions and play a major role as the world transitions to a sustainable future.

Canada experienced a challenging year in 2009 as the world began the process of coming out of the global fiscal crisis. While your government has responded to the concerns of Canadians with very stable economic leadership, poll after poll suggests that our fellow citizens continue to view the environment as a key concern.

Through the suite of EcoENERGY programs administered by Natural Resources Canada, your government has displayed environmental leadership. From our perspective, in particular those elements focused on solar thermal water and air have been significant. This was confirmed in a 2009 report by the C.D. Howe Institute ("*Going Green for Less: Cost Effective Alternative Energy Sources*") which notes that solar thermal technologies provide the most cost effective way to reduce green house gas (GHG) emissions. In addition, since these programs have been delivered to Canadians by over 250 companies from across Canada involved in the manufacture and installation of these solar thermal technologies, your government has actually successfully met two objectives: establishing a sustainable environment while creating jobs in local communities across Canada.

The ecoENERGY programs are slated to sunset on March 31, 2011. In fact, the impact will be felt much sooner as the ecoENERGY for Renewable Heat program will not accept applications, through its Commercial Deployment Incentive, past October 31, 2010. This will essentially signal the end of the program.

Given Canada's recent commitments following the United Nation's Climate Change Conference in Copenhagen as well as your government's desire to continue to create jobs, CanSIA is recommending the following:

1. Extend the ecoENERGY for Renewable Heat Program

Due to the quickly approaching sun setting of this program, CanSIA recommends that this program be extended for a period of one year. Over this period CanSIA would welcome the opportunity to work closely with the government to research and develop longer term programs that are tailored to meet Canada's evolving climate change needs going forward.

2. Provide incentives for "New Homes" within the ecoENERGY Program

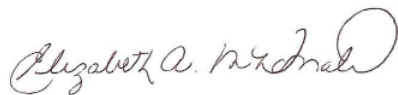
The installation of residential solar hot water (SHW) systems currently resides in the ecoENERGY Retrofit Program. Unfortunately this program misses a key opportunity to encourage the installation of SHW during the building of new homes. Installation of SHW systems during the building process is very practical while these homes are also expected to be around for many years.

3. Re-design ecoENERGY for Renewable Power Program

The ecoENERGY for Renewable Power program has actually already run out of funding. CanSIA's believes that there should be programs to encourage the deployment of electrical power. However, we propose that this program be re-designed in a manner that expands the opportunities for all renewable technologies. This will lead to the development of innovative projects that reflect Canada's uniqueness.

CanSIA feels that it is important for the solar industry and the federal government to continue working closely to ensure that all government departments are up to date on solar energy and how it can contribute to the Government of Canada's economic and environmental sustainability objectives. Our board of Directors and our members would be happy to meet with you and other members of your government to discuss our proposals and to share information.

Sincerely,



Elizabeth A. McDonald
CanSIA President

c.c.

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