

WiND

Energy Opportunities in Ontario



The demand for wind energy in North America is growing – and Ontario is in a prime position to meet that demand. Its strategic location in North America, long-term government supports for wind energy generation and advanced and diverse manufacturing capabilities position Ontario as a preferred location for manufacturers of wind turbines and related components, service providers and project developers.

The Future is in Ontario

As Canada's manufacturing heartland, Ontario has long appreciated the value of power generation and has over 100 years experience with hydroelectric power generation, starting with the first turbines at Niagara Falls. To date, Ontario has led Canada's implementation of large-scale wind energy projects, going from 15MW in 2003 to over 1,200MW in 2006 (including contracted projects), and has introduced a **Feed-in Tariff** for smaller projects. The future of the wind energy market in North America is impressive:

- Canada's wind power market is expected to grow nearly tenfold in less than 10 years, from 1,460 MW in 2006 to 14,100 MW by 2015.
- In the same period, the U.S. wind power market is expected to grow from 11,000 MW to nearly 50,000 MW.

Ontario offers:

- A diverse and growing economy
- Proximity to market and strong trade partnerships with North America, Europe and Asia
- A highly educated multicultural workforce with advanced manufacturing skills and international business experience
- An environment of innovation
- Competitive business costs



DMI Industries, based in the U.S., is a manufacturer of towers for wind turbines. From their new Ontario plant, DMI supplies customers throughout Canada and the northern United States.

Paul Smith, General Manager of DMI Canada says that, "All of North America will be a high growth area for wind power generation for many years to come. Canada in particular is an emerging market with huge wind power potential. We did our research and determined that Ontario is the best place to be in order to participate in this very fast-growing industry."

Ontario's manufacturing base

Ontario has a complete range of service and manufacturing industries and a development environment fuelled by the research of our many universities. Small innovative industries and the largest global corporations have chosen Ontario for their North American base. All the suppliers and partners that a manufacturer could want, including large steel and electrical industries, are located in Ontario.



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A Positive Investment Climate

- Ontario offers specific tax incentives focused on the deployment of renewable energy systems, as well as government funding for the commercialisation of new energy technologies. The **Feed-in Tariff program** (Renewable Energy Standard Offer Program¹), launched in 2006, offers generators of renewable energy 20-year power purchase contracts for projects as large as 10 MW, with no overall program cap.
- Ontario's R&D tax credits, available to all industries locating in Ontario, are among the most generous in the world. They can cut the after-tax cost of a \$100 R&D expenditure to less than \$41.
- Our \$500 million (Cdn) Advanced Manufacturing Investment Strategy provides interest-free loans for up to five years to help manufacturers who qualify for the program develop leading edge technologies and processes.
- Employee health care benefits cost Ontario manufacturers about half as much as their U.S. counterparts.
- Ontario's combined provincial and federal income tax rate is four percentage points below the average of the U.S. Great Lakes states – and our payroll taxes are the lowest of G7 nations.



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A Superior workforce

There are over 60,000 highly skilled people working in our advanced manufacturing and machinery industry. 58% of Ontario's population has a post-secondary education, the highest percentage in the G7. This well educated labour pool has provided Ontario with the second largest concentration of manufacturing workers in North America (only California is larger). Our manufacturing workers stay with a company an average of 9.5 years – significantly longer than in comparable jurisdictions.

Skilled workers are attracted to Ontario from all parts of the world, and for key workers not already located in Ontario there are temporary work permit categories that can facilitate staff transfers.

A Strategic Location

- Our transportation and telecom infrastructures are extensive, sophisticated and integrated with U.S. and global systems.
- Fifteen road, rail and marine border crossings provide access to the U.S. market.
- The Great Lakes St. Lawrence Seaway, accessed via 40 provincial and interstate highways and nearly 30 railway companies, provides passage for large ocean-going vessels.
- Toronto's Pearson International Airport offers non-stop service to 47 U.S. cities, and direct same plane service to 76 cities abroad.
- We're part of a huge (435 million people), affluent (\$14.6 trillion GDP) North America Free Trade region where products move freely across borders.

let us HELP you

Call:

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Email: info@2ontario.com

Or visit us at: www.investandtradeontario.com



¹For more details about renewable energy procurement processes in Ontario please visit www.powerauthority.on.ca.

All figures in US dollars unless otherwise noted.

Every effort has been taken to ensure accuracy of information in this publication at time of writing.

