

## **CANADIAN GOVERNMENT REVENUES FROM WIND FARMS MORE THAN OFFSET FEDERAL FINANCIAL INCENTIVE, GE STUDY ESTIMATES**

**OTTAWA, Canada, Jan. 14, 2010** – GE Energy Financial Services, a unit of GE (NYSE: GE), unveiled today a study estimating that renewing a Canadian federal financial incentive that has now allocated virtually all of its funding for wind energy projects would more than pay for itself through tax revenues from the projects' income, vendors' profits and individual workers' wages. The study estimated that injecting an additional \$1.5 billion CDN into Canada's ecoENERGY for Renewable Power program could spawn 5.2 gigawatts of new wind projects and carry a net present value benefit to Canada's governments of \$287 million CDN.

This analysis concludes that the ecoENERGY for Renewable Power program is a government investment that yields a financial return as well as encourages development of wind farms that provide a source of carbon-free electricity and help create thousands of Canadian jobs in manufacturing, construction and operations.

"Governments worldwide are rolling out ways to encourage the deployment of green renewable energy generation," said Mark Tonner, Managing Director for Canada at GE Energy Financial Services. "Canadians want to be leaders in green energy. It's high on the social agenda as the right thing to do. In Canada, the ecoENERGY initiative has been effective in stimulating renewable energy deployment, and as our study shows, it's time to view the program not as a cost but a net contributor to Canada's treasury. EcoENERGY helps Canada compete globally for renewable energy investment, at a time when such competition is becoming more intense. "

To encourage the production of renewable energy by closing the economic gap with conventional electricity generation, the Canadian government established the ecoENERGY for Renewable Power program in 2007 and committed \$1.48 billion CDN to it. Renewable energy projects receive 1 cent (before tax) per kilowatt-hour for the first 10 years of power production. EcoENERGY for Renewable Power payments provide an important part of the developers' return on investment while reducing the price that utilities and their customers pay for the energy. Under the current rules, applications must have been submitted by Dec. 31, 2009, and projects must be constructed before March 31, 2011.

The ecoENERGY for Renewable Power program has been so successful that funding requests far exceeded the program's \$1.48 billion CDN budget. Nearly 10,924 megawatts of projects

have registered to receive funds and the program has now signed contribution agreements with 4,154 MW of projects – meeting its target well ahead of schedule. To make up for the shortfall and expand Canada’s use of wind energy, GE and the Canadian Wind Energy Association are calling for the federal government to provide the funds required in the 2010 Federal Budget to renew and extend their support for renewable energy deployment to March 2013..

“GE’s new study makes crystal clear that Canada’s ecoENERGY for Renewable Power program is good for the environment, good for the economy, and even good for the Treasury,” said Robert Hornung, President of CanWEA. “Unless the government acts quickly, Canada’s wind energy industry and – as this new GE study shows -- the broader economy will suffer a major setback, leading to delays and cancellations of planned wind projects as investors seek more competitive investment opportunities south of the border, in the United States.”

Projects receiving ecoENERGY payments pay taxes on their profits, and people and corporations employed directly in building and operating those projects pay taxes on their income. Indirect economic benefits are even greater. For example, individuals employed directly by the projects buy goods and services from other companies that employ more people, all of whom pay taxes on their income. And beyond boosting government revenues, these new wind projects provide a source of carbon-free electricity and help create thousands of Canadian jobs in manufacturing, construction and operations.

If \$1.5 billion CDN were added to the ecoENERGY program for Renewable Power, GE Energy Financial Services estimates that over a 25-year life, 5.2 gigawatts of new wind farms could generate:

- \$1.12 billion CDN net present value of ecoENERGY payments over 10 years
- \$684 million CDN in net present value of taxes on project income
- \$601 million CDN in NPV of income tax on individuals’ wages
- \$82 million CDN in NPV of income tax on vendors’ profits
- \$43 million CDN in NPV of income tax on lease payments and royalties to landowners

The total NPV to the Canadian government would be \$1.41 billion CDN, greater than the \$1.12 billion CDN NPV of the ecoENERGY payments – resulting in a net inflow to the Canadian Treasury of \$287 million CDN.

In addition to these financial benefits, 5.2 gigawatts of wind capacity would directly or indirectly create 49,000 jobs during construction and more than 1,800 permanent jobs. The study, conducted by Steven Taub of GE Energy Financial Services, did not include property taxes or sales taxes, which generate additional revenues for provincial and local governments.

In keeping with GE's ecomagination program to help customers meet their environmental challenges, GE Energy Financial Services is partnering with Plutonic Power Corp. (PCC: TSX) on two British Columbia renewable energy projects benefitting from ecoEnergy: The 144-megawatt Dokie Wind Farm and 196-megawatt East Toba-Montrose hydroelectric power projects.

Wind makes up 80 percent of GE Energy Financial Services' more than US \$4 billion renewable energy portfolio. The company plans to invest US \$6 billion in renewable energy projects worldwide by the end of 2010, including wind, solar, biomass, hydroelectric and geothermal power generation.

For the full study, visit:

[http://www.geenergyfinancialservices.com/press\\_room/press\\_releases/2010/ecoENERGYStudyFINAL.pdf](http://www.geenergyfinancialservices.com/press_room/press_releases/2010/ecoENERGYStudyFINAL.pdf)

For CanWEA's position on ecoENERGY, see

[http://www.canwea.ca/about/ecoenergy\\_e.php](http://www.canwea.ca/about/ecoenergy_e.php)

### **About GE Energy Financial Services**

GE Energy Financial Services' experts invest globally with a long-term view, backed by the best of GE's technical know-how, financial strength and rigorous risk management, across the capital spectrum, in one of the world's most capital-intensive industries, energy. GE Energy Financial Services helps its customers and GE grow through new investments, strong partnerships and optimization of its more than US\$22 billion in assets. In renewable energy, GE Energy Financial Services is growing its portfolio of more than US\$4 billion in assets in wind, solar, biomass, hydro and geothermal power. GE Energy Financial Services is based in Stamford, Connecticut. For more information, visit [www.geenergyfinancialservices.com](http://www.geenergyfinancialservices.com).

### **About GE**

GE (NYSE: GE) is a diversified global infrastructure, finance and media company that is built to meet essential world needs. From energy, water, transportation and health to access to money and information, GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at <http://www.ge.com>. GE is Imagination at Work.

### **Editor's Note:**

TV news B-roll of a wind farm, from general archives, is available at:

<http://www.geenergyfinancialservices.com/digitalRoom.asp>

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