



EXECUTIVE SUMMARY

Peace Energy Cooperative

The Peace Energy Cooperative was incorporated in October 2003 to promote the development and adoption of renewable energy resources in the Peace River region of northern British Columbia. The Directors involved in Peace Energy were among the very first to recognize the tremendous opportunities that exist for the region in renewable energy resources, given:

- The significant environmental benefits associated with the development of renewable energy sources, including reduced pollution and the need to halt climate change;
- The need to improve our energy security by diversifying our energy sources;
- The potential economic impacts in terms of investment and job creation;
- The attractiveness of the Peace as an area rich in wind and solar; and
- The priority placed by government on renewable energy.

Since that time, we have built a strong membership base (as of January 2017, the Cooperative has 476 paid members) and elected a series of strong Boards of Directors.

Our Mission, Vision

Our Mission

To promote renewable energy development for the direct benefit of our members and the Peace Region.

Our Vision

By 2020, the Peace Energy Co-operative will be widely recognized for its role in enabling the Peace Region to:

- Effectively meet its energy needs through renewable energy sources;
- Capture investment, economic development, and employment opportunities in renewable energy resources for the benefit of local residents;
- Contribute to reductions in green-house-gases (GHG) and other pollutants; and
- Lead by example in awareness and education programs related to the benefits of energy conservation and efficiency.

BACKGROUND

A. Renewable Energy Represents A Tremendous Opportunity For The Peace

The Peace is an attractive area for wind and solar power.

A BC Hydro study put Bear Mountain on the top of a list of potential sites for wind energy production in British Columbia, inspiring Peace Energy Cooperative to aggressively and successfully pursue the development of Bear Mountain Wind Park. Generally, the Peace is considered to have at least 10,000 megawatts (MW) of easily developable “world class wind.” (at this time, about 500 MW of this resource has been tapped, 100 MW from Bear Mountain). For farmers and ranchers, wind power can provide a much needed source of additional, passive income, diversifying and enlivening the rural economy.

Likewise, the sunny Peace has a good to excellent solar resource. At our northern latitude the very long hours of summer daylight more than compensate for the short daylight hours of winter, making the area ideal for grid-tied solar: extra power generated in the summer is “stored” in the grid as a credit to be withdrawn as needed in the winter.

There are significant environmental benefits associated with renewable energy.

Electricity from renewable sources such as the wind and sun is clean, renewable, and inexhaustible. Nothing is burned or “used up” to produce electricity from wind or sunlight. Using wind power in place of coal, natural gas, or oil avoids the environmental impacts of mining, drilling, transporting and burning these fuels. Furthermore, wind and solar power do not pollute the air or water, do not create hazardous waste, and do not produce carbon dioxide or other greenhouse gases. Yet dollar for dollar, renewable energy generates significantly more jobs, especially long-term secure jobs, than does investment in fossil fuel infrastructure.

We need to complement our existing sources of energy.

The importance of renewable energy is growing as it becomes increasingly evident that fossil fuel supplies are finite and politically vulnerable. Although renewable energy sources cannot yet replace all existing energy sources, some day soon they will, as evidenced by the 100 percent renewable goals now being set by many jurisdictions (California, Germany, Denmark, Vancouver, and many more). In the meantime, renewables can supplement power generated by utilities and increase the diversity and therefore the security of our energy supply.

There are significant economic impacts associated with the development of renewable energy.

The development of renewable energy sources can provide significant economic benefits through job creation, investment, export potential, innovation, supply diversification, price stability and decentralized generation. For example, the building and maintaining of wind farms creates jobs and revenue for landowners, farmers, and local communities. The American Wind Energy Association states that, watt-for-watt, wind power creates more jobs than any other energy technology. In addition to jobs directly related to power generation and transmission, renewable energy can create jobs in construction, tourism, and other industries.

Renewable energy sources are becoming increasingly cost-competitive.

On a dollar-per-kilowatt-hour basis, renewable energy is still generally more expensive than fossil fuels, although its cost is decreasing quickly. In some energy markets, new wind turbines are already less expensive than new conventional power plants. The recent rapid expansion of solar power worldwide indicates that solar electricity has already reached grid parity in much of the world and may soon become one of the least expensive energy sources available. As the renewable energy technologies continue to improve and fossil fuels become scarcer in the future, renewable energy will only become increasingly cost-competitive.

There is an opportunity for the region to retain ownership in resources as they develop.

As the fastest-growing energy sources in the world, abundant, safe, renewable wind and solar power are promising investment opportunities. Energy analysts remain bullish on wind and solar energy and expect it to continue to expand quickly in the coming decades, both domestically and abroad. Those who become involved now will be in at the grass roots of the quickly emerging, sustainable energy industry. By acting now, residents of the Peace have an opportunity to share in the ownership of the resources as they develop.

Government is committed to the development of renewable energy sources.

In November 2002, the Government of Canada released The Climate Change Plan for Canada. This Plan is the result of intensive consultation with the provinces and territories, as well as with stakeholders and individual Canadians. It reflects the Government's commitment to action on climate change while maintaining economic competitiveness and growth. The development of renewable energy sources is an important component of the measures proposed to reduce Greenhouse Gas emissions. The recently elected Liberal government is expected to pick up this ball and run with it (a ball dropped for almost a decade by the previous government) to announce this year incentives to encourage the growth of the renewable energy industry in Canada.

B. Peace Energy was incorporated in 2003

The basic concept for the Peace Energy Cooperative was conceived in early 2002, when members of the eventual Board of Directors realized the potential for wind energy in the Peace River Country. While the Peace region is rich in fossil fuels, those resources have been extracted by a handful of giant and mostly multi-national companies. The Board members argued that, as a cooperative, Peace Energy could pool resources and expertise from local people and enable local residents to participate in the renewable energy industry as it develops in the Peace.

Peace Energy started taking memberships in May 2002. With about 80 members signed up, Peace



Energy incorporated as a cooperative on October 21, 2003. Peace Energy is now governed by the Rules of the Peace Energy Renewable Energy Cooperative. The Rules address the requirements for and obligations of membership, the staging of meetings, the election of directors, and other matters and processes required for the Cooperative's governance.

Peace Energy believes there are significant advantages to the cooperative structure. Research indicates that cooperatives are playing an increasingly important role worldwide in facilitating job creation, economic growth and social development. Cooperative development of wind and solar power plants has proven successful in many countries and this model of alternative energy development is gaining attention worldwide. Some of the advantages of the cooperative model include:

- o Cooperatives are owned and governed by those they serve and are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.
- o Ownership of resources stays with local people.
- o There is a close connection between the success of the co-op and of the member: if one does well, the other shares in the success.
- o Each member has an equal voice regardless of amount invested.
- o The tradition of co-ops is well established in the BC and Alberta Peace region.

C. These Are Our Guiding Principles

1. **Open Membership:** Membership in Peace Energy Co-op is open to all, regardless of religion, race, gender, political convictions or origin. All members agree to accept existing regulations and guiding principles.
2. **Democratic Membership:** All members are equal and have equal rights within Peace Energy, a democratic organization: "one person, one vote." Each vote carries the same weight, regardless of seniority, position, professional category, capital invested, etc.
3. **Social Transformation:** Peace Energy helps Renewable Energy become more widely available and affordable. It re-invests the majority of its profits regionally thus supporting regional development initiatives.
4. **Education:** The realization of these basic principles is possible only with sufficient attention paid to the education of our members and of our management team. This initiative is supported by the necessary human and economic resources, for both cooperative and professional training. Our young people will receive preference for capacity building, as it is on their shoulders that economic

democracy and future development in the renewable energy sector rests. Public education about renewable energy and the community-based cooperative ownership model is of first importance.

5. ***Building Alliances:*** Peace Energy actively seeks to build alliances with other cooperatives, private sector corporations and potential government allies. Efforts are directed to expanding the sphere of influence of the co-op and to building capacity to undertake economic and social-initiatives in the renewable energy sector.
6. ***Ownership in renewable energy assets:*** The co-op is committed to developing opportunities for ownership in renewable energy producing assets, through a variety of partnering arrangements.
7. ***Business Operations:*** Peace Energy is managed as a sound business operation, maintaining updated, evolving plans and development strategies. Competent, experienced people are hired for key management positions. Directors are dedicated, focused and skilled in their portfolio. The latest, proven technology is used to enhance our collaboration and communications, and to streamline our processes. Our objective is to achieve ongoing economic and social dividends for members and profit for our cooperative.
8. ***Participation in Management:*** Because the cooperative is democratic, all members are considered to be active in management. The development of appropriate channels for participation and input requires professional and social training for members. Transparent information policies and internal promotion of active participation and collaboration by our members are common practices. It is understood that management positions are filled by those with professional capability and the ability to collaborate effectively.
9. ***Work Opportunities:*** Work enables people to transform their situations, families and communities. Peace Energy is committed to creating jobs and management capacity in our region as a benefit from our initiatives in the renewable energy sector.
10. ***Wage Solidarity:*** Wages paid are comparable to other salaried workers in the Peace Region, while keeping within the means of the cooperative. There is a smaller difference between the top and bottom of the pay scale (-5:1 ratio) than is commonly seen in the private sector.
11. ***Instrumental and subordinate nature of capital:*** The value of capital is acknowledged and is indeed considered necessary for the development of Peace Energy as a business. However, it is always considered a tool for, and subordinate to: 1. Creating ownership opportunities in green energy producing assets, and 2. Creating new jobs in our region. The return on capital invested is the amount necessary to ensure the accumulation of the necessary capital for any particular initiative or project undertaken by Peace Energy Co-op.