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**CANADA – CERTAIN MEASURES AFFECTING THE RENEWABLE
ENERGY GENERATION SECTOR**

COMMUNICATION FROM CANADA

The following communication, dated 5 June 2014, from the delegation of Canada to the delegations of Japan and the European Union and to the Chairperson of the Dispute Settlement Body, is circulated at the request of Canada.

On 24 May 2013, the Dispute Settlement Body ("DSB") adopted recommendations and rulings in *Canada – Certain Measures Affecting the Renewable Energy Sector* (WT/DS412) and *Canada – Measures Relating to the Feed-in-Tariff Program* (WT/DS426).

Canada, Japan and the European Union mutually agreed that the reasonable period of time (RPT) for Canada to implement the recommendations and rulings of the DSB would end on 24 March 2014.¹ On 24 March 2014, Canada, Japan and the European Union mutually agreed to modify the RPT to expire on 5 June 2014 and agreed on procedures under Articles 21 and 22 of the Dispute Settlement Understanding to reduce the scope for procedural disputes.²

I write to inform you that the Government of Ontario has complied with the recommendations and rulings of the DSB in these disputes by:

- No longer subjecting large renewable electricity procurements to domestic content requirements.³
- Significantly lowering the domestic content requirements for small and microFIT procurement of wind and solar electricity under the FIT Program.⁴

In addition to the above measures of compliance, out of an abundance of caution, the Government of Ontario introduced a bill to amend the governing legislation of the FIT Program. As a result of the dissolution of the 40th Parliament of Ontario for General Elections to be held on 12 June 2014, this bill was terminated. Canada does not consider this development to affect the status of its compliance.

¹ See *Canada - Certain Measures Affecting the Renewable Energy Generation Sector* - Agreement under article 21.3(b) of the DSU, WT/DS412/16, July 31, 2013 and *Canada – Measures Relating to the Feed-in Tariff Program* – Agreement under article 21.3(b) of the DSU, WT/DS426/16, July 31, 2013.

² See *Canada – Certain Measures affecting the Renewable Energy Generation Sector* - Modification of the Agreement under Article 21.3(B) of the DSU and Understanding between Japan and Canada Regarding Procedures under Articles 21 and 22 of the DSU, WT/DS412/18, March 26, 2014 and *Canada – Measures Relating to the Feed-In Tariff Program* - Modification of the Agreement under Article 21.3(B) of the DSU and Understanding Between Canada and the European Union Regarding Procedures under Articles 21 and 22 of the DSU, WT/DS426/18, March 26, 2014.

³ As a result of a Direction of the Minister of Energy of the Province of Ontario, dated 12 June 2013.

⁴ See Direction of the Minister of Energy of the Province of Ontario, dated 16 August 2013.

On the basis of the measures taken by the Government of Ontario, Canada considers that it has complied with the recommendations and rulings of the DSB in these disputes.

I am providing a copy of this communication to the Chair of the DSB so that it may be circulated to all Members.
