



Evaluation of the Canadian Oil Substitution Program (COSPP)

Barriers to innovation



COSP Overview

- Part of National Energy Policy
- Purpose was to reduce reliance on foreign oil
- Program active from 1980 to 1985
- Grants intended to encourage conversion from oil heating systems to other sources
- Evaluation study 1987



COSP Overview

- \$715 million in government grants funded 987,555 conversion projects
- Project costs amounted to over \$1.9 billion
- 90,000,000 GJ/yr of oil energy substituted
- 80,000,000 GJ/yr from other sources introduced



Program Eligibility

- Full conversion or partial - at least 50% reduction in heating oil

- Alternative energy choices:
 - Wood
 - Natural gas
 - Electricity



Participation Factors

- Anticipation of savings on energy bills
- Condition of existing heating systems
- Perceptions of fuel sources

- Without COSP, would have done the same thing?
 - Full conversion: 64%
 - Partial conversion: 45%



Barriers to Innovation

- Programs focus on oil reduction
- Unbounded substitution choices
- Stabilized energy prices
- Gaps in consumer awareness
- Regional differences prevent “one-size-fits all” solution



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THANK YOU