

Lower Energy Bills and a Strong Economy: A Six Point Plan

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1. Put our money-losing coal plants on standby reserve and only operate them if they are absolutely needed to keep the lights on.

Since January 2009 the Ontario Electricity Financial Corporation (an agency of the Government of Ontario) has paid Ontario Power Generation \$929 million to compensate it for the operating losses of its coal plants. Ontario's coal-free generation capacity now exceeds our forecast peak demand in the summer of 2012 by 29%. Coal plants have provided less than 3% of Ontario's electricity in the last nine months.

2. Direct the Ontario Energy Board and the Ontario Power Authority (OPA) to eliminate their red tape and perverse financial incentives that are limiting the ability – and motivation – for our electric and gas utilities to promote energy conservation and efficiency.

Utility-driven home energy retrofit financial incentives, equipment rental programs and on-bill financing can reduce consumers' bills and create jobs at no cost to Ontario's taxpayers. Utilities are the most trusted source of energy advice for consumers, but are hamstrung by OEB rules that severely limit their activities. To meet Ontario's greenhouse gas emission reduction targets, we must give utilities greater flexibility and stronger incentives to deliver efficiency assistance to consumers and businesses.

3. Direct the OPA to pay large commercial and industrial customers up to the same price to save energy as they pay electricity generating companies to produce electricity.

Currently, the OPA's payments for saving electricity are 76-94% less than the cost of electricity from new nuclear units. We must stop underpaying for efficiency and overpaying for nuclear.

4. Direct the OPA to negotiate a long-term contract with Hydro Quebec for low-cost water power imports.

In 2010 Vermont signed a 26 year deal with Hydro Quebec to import water power for 5.8 cents per kWh. Quebec hydro is an excellent fit for Ontario's summer peaking demand and a flexible and clean source of back-up power for intermittent sources like wind.

5. Mandate that all new natural gas-fired electricity supply must be combined heat and power (CHP) to squeeze every drop of energy out of the natural gas we use.

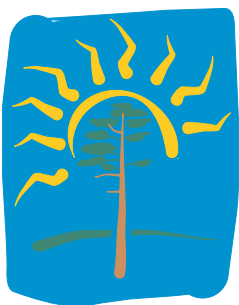
CHP plants use the same molecules of natural gas to simultaneously produce heat and electricity. As a result they can have energy efficiencies of 80-90% versus the approximately 50% efficiencies of the cancelled Oakville and Mississauga projects and the approximately 30% efficiency of the proposed Nanticoke conversion project. There are numerous small-scale CHP plants located across Ontario (e.g., University of Toronto, Pearson Airport, Kingston General Hospital, London Health Sciences Centre, Sudbury Regional Hospital, Queensway-Carleton Hospital). These distributed systems also reduce pressure on the electricity grid and can supply emergency power to critical facilities. In the face of climate change, we can no longer justify wasting half the energy in the natural gas we consume in large gas plants.

6. Require Ontario Power Generation to obtain all-in fixed price contracts from a third party (e.g., Candu Energy Inc., Areva, General Electric) to extend the service life of its Pickering Nuclear Station and re-build its Darlington Nuclear Station.

Ontario's nuclear industry has a tradition of low balling its cost estimates for nuclear projects in order to obtain political approval to proceed. However, every nuclear project in the province's history has gone massively over budget – on average by 2.5 times. And the cost overruns are passed on to Ontario's electricity consumers and taxpayers. It is time to protect consumers and taxpayers from future nuclear bailouts by requiring “all-in fixed price” contracts that are already the norm for all other types of generation.

For more information please download the following reports from www.CleanAirAlliance.org:

1. *Finishing the coal phase out: An historic opportunity for climate leadership;*
2. *An Energy Efficiency Strategy For Ontario's Homes, Buildings and Industries;*
3. *The Darlington Re-Build Consumer Protection Plan;* and
4. *Higher Profits and Lower Bills: A New Electricity Strategy for Hydro Quebec.*



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