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VISION**Theresa McClenaghan**

From: "Ontario Clean Air Alliance" <info@cleanair.web.ca>
To: <cleanair-l@list.web.ca>
Sent: Tuesday, July 19, 2005 11:14 AM
Subject: [cleanair-l] Power demand reduction -- better for our health, better for our environment

Let's tell Ontario to buy demand reductions

According to the Toronto Star, Ontario's electricity consumption peaked at 25,857 megawatts (MW) yesterday and we imported 3,400 MW of power from outside the province to keep the lights on. In addition, the Star reported that Ontario's Independent Electricity System Operator (IESO) paid electricity generators up to 39 cents per kilowatt-hour for power supplies yesterday.

Instead of purchasing high-priced dirty coal-fired electricity imports from the U.S. on peak days, the IESO should be paying Ontario's industries, large commercial customers and municipal electric utilities to reduce their demand during such periods. Our municipal electric utilities, in turn, could establish programs to reduce the demands of their residential and small commercial customers on peak days. Purchasing Made-in-Ontario demand reductions will be better for our health, better for our environment and it keeps our money in Ontario.

In 2004, the IESO agreed to purchase a limited amount of demand reductions from large power consumers on peak demand days. However, the IESO's current program is weak and fundamentally flawed.

- First, it will only purchase an aggregate total of 100 MW of demand reductions on peak days. This means, that at a maximum the IESO's program will only reduce peak day demand by 4/100ths of 1%.
- Second, the IESO's program has a multitude of irrational bureaucratic restrictions that discourage participation.

In Connecticut, CoolSentry has developed a residential air-conditioner management program to reduce the demand for electricity on peak days. To see a short video about this program, please visit <http://www.coolsentry.com> and click on "Flash Video". (If your computer does not have audio, click on "FAQ's".)

Please contact Ontario's Energy Minister at Dwight.Duncan@energy.gov.on.ca, and ask him to order the IESO to purchase all the demand reductions that Ontario's industries, large commercial consumers and municipal electric utilities are willing to supply on peak demand days.

Please pass this message on to your friends.

Thank you

Jessica Fracassi
Communications & Membership Coordinator
Ontario Clean Air Alliance
402-625 Church St, Toronto M4Y 2G1
Phone: 416-926-1907 ext. 245
Fax: 416-926-1601
Email: info@cleanair.web.ca

7/19/2005

Website: www.cleanairalliance.org

The Ontario Clean Air Alliance is a coalition of health, environmental and consumer organizations, faith communities, unions, utilities, municipalities and individuals working for cleaner air through strict emission limits and a phase-out of coal in the electricity sector. Our partner organizations represent more than six million Ontarians.

To subscribe or unsubscribe to this list please visit www.cleanair.web.ca/getin.

For more on how you can contribute to clearing Ontario's air through your electricity purchases, please see our consumer-advice website: www.electricitychoices.org.



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CANADIAN ENVIRONMENTAL LAW ASSOCIATION
L'ASSOCIATION CANADIENNE DU DROIT DE L'ENVIRONNEMENT

July 13, 2005

The Honourable Dwight Duncan
Minister of Energy
4th Floor, Hearst Block, 900 Bay Street
Toronto, ON M7A 2E1

Fax: 416-325-2201

Dear Minister Duncan,

We are encouraged by your initiatives to ensure that small and medium-sized renewable energy projects have a chance to compete as we continue to bring on cleaner sources of energy. To truly provide an opportunity for community scale renewable energy projects, we support the Ontario Sustainable Energy Association in its call urging you to announce today a pilot program of Standard Offer Contracts (SOC) for projects up to 10MW. An immediate announcement will allow Ontario to reap the benefits of community power and celebrate successful projects by 2007.

Standard Offer Contracts deliver valuable social, economic and environmental returns. While SOC target areas with sufficient wind resources, the SOC mechanism is also concerned with targeting sites near high load areas, willing host communities and areas in need of economic revitalization. These other factors are as important as price to establishing a successful and useful instrument for renewable community power generation.

Encouraging Distributed Generation - SOC supports distributed generation by providing different prices for different wind regimes. The maximum cost to Ontario ratepayers is expected to be \$.00050 per kWh from 1000 MW of wind generating capacity in year 20. Currently, line losses constitute approximately \$.01 per kWh to the system and 9% of our electricity generation.

Public Support for Renewable Energy - By providing a means for wind and other renewable energy technologies to be developed where people want them, not just where the highest resource availability is found, greater public support for renewable energy technologies will be fostered.

Rural Revitalization - Farmers, rural landowners and rural businesses are poised and eager to take advantage of the opportunities that green power development holds for their communities, their economies, the environment and their own bottom lines. A recent study by Teresa Welch for the Iowa Policy Project found that 5 times more money stayed in the local community when

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the project was owned by local investors, rather than an out of state company. To ensure access to SOC's it is important that projects up to at least 10MW be eligible and there be no cap on the amount of capacity contracted.

We are pleased that the Ontario Government recognizes the value and importance of community-scale renewable energy projects. A SOC market mechanism will encourage rural revitalization, distributed generation and public acceptance of renewable energy.

We eagerly await the announcement of a SOC pilot program for renewable energy that follows the recommendations of the Ontario Sustainable Energy Association to help meet the government's goals of a cleaner and more sustainable energy future. We look forward to a response from your office upon the delivery of a clear directive to the OPA and/or announcement of SOC's.

Sincerely,

CANADIAN ENVIRONMENTAL LAW ASSOCIATION



Theresa McClenaghan
Counsel