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Environmental
Alliance**

WWF-Canada

June 22, 2006

The Honourable Dalton McGuinty
Premier of Ontario
Legislative Assembly Building
Queen's Park
Toronto, Ontario

Dear Mr. Premier

We are writing to express our concerns regarding the Government of Ontario's supply mix directive to the Ontario Power Authority (OPA), issued on June 13, 2006, and a number of related decisions.

Our concerns relate to four aspects of the government's actions:

- The overwhelming emphasis on nuclear power in the government's supply mix directive to the Ontario Power Authority (OPA), despite the long history of poor performance, delays, cost overruns in Ontario, severe environmental impacts of uranium mining and milling, unresolved waste fuel management issues, and unique security and accident risks associated with nuclear power.
- The withdrawal from the government's 2003 commitment to phase out coal-fired electricity generation in Ontario. This is despite the findings of the government's own cost-benefit study regarding the health impacts of coal-fired electricity in Ontario. The government's action has undermined its own efforts to obtain commitments from the US federal government and state governments to reduce their electricity related emissions affecting air quality in Ontario. The decision has also damaged efforts to establish a Canada-Wide Standard for emissions of mercury from coal-fired power plants under the auspices of the Canadian Council of Ministers of the Environment.
- The exemption from Ontario's *Environmental Assessment Act* of the Integrated Power System Plan (IPSP) to be developed by the OPA on the basis of the government's June 13 directive. A provincial environmental assessment offered the best opportunity for Ontarians to understand the risks and costs associated with the OPA's proposed plan, and the viability of alternatives to it. Federal environmental assessments of individual facilities, and the modifications to the Ontario Energy Board's (OEB) mandate announced on June 13, are no substitute for an assessment of the entire plan under the Ontario *Environmental Assessment Act*.
- The failure to provide opportunity for public notice and comment on the regulations exempting the IPSP from environmental assessment or modifying the mandates of the OEB and OPA under the *Environmental Bill of Rights*.

We are particularly disappointed in these actions, given your government's previously strong record on environmental issues, as evidenced by the Greenbelt initiative, land-use planning reforms, the Spills Bill, and the proposed source water protection legislation.

We are writing to request that the following steps be taken to address the situation with respect to electricity policy:

- The government commit to a full provincial environmental assessment of the Integrated Power System Plan to be developed by the Ontario Power Authority.
- The government take immediate action to implement its 2003 election promise to phase out coal-fired electricity in Ontario, specifically proceeding with the conversion of the Thunder Bay and Nanticoke facilities to natural gas fired combustion.
- The government direct the Independent Electricity System Operator (IESO) to adopt a more effective approach to demand response, including paying market rates for load reductions from electricity consumers during critical peaks, and encouraging utilities to implement programs like Toronto Hydro's PeakSaver. Such measures will be essential to managing summer peak demand over the next few years.
- The government ensure that the price of electricity reflects its full costs (environmental and commercial), including long-term liabilities associated with facility decommissioning and nuclear fuel waste management.
- The government implement a quick start energy efficient strategy for Ontario, as outlined by the Pembina Institute, including the establishment of the Conservation Bureau as an independent agency, outside of the OPA, to lay the groundwork for immediate and long-term electricity savings.
- The government take immediate action to secure additional electricity supplies from low-impact renewable and high efficiency cogeneration sources, including the use of aggressive standard offer contract mechanisms.
- The government establish a commission of inquiry to clarify and resolve the institutional roles and responsibilities of the Independent Electricity System Operator, the Ontario Power Authority, Hydro One Networks, Ontario Power Generation, local distribution utilities, the Ontario Energy Board and the Ministry of Energy.

We believe these steps are essential to placing Ontario onto a path towards an environmentally and economically sustainable and reliable electricity system.

We would welcome the opportunity to discuss these proposals with you or your ministers, staff and officials.

Yours sincerely,



Rick Lindgren,
Counsel
Canadian Environmental Law Association.



Morag Carter
Director, Climate Change Program
David Suzuki Foundation



Rick Smith
Executive Director
Environmental Defence



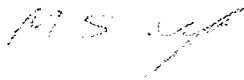
Shawn-Patrick Stensil
Energy Campaigner
Greenpeace Canada



Mark Mattson
President
Lake Ontario Waterkeeper



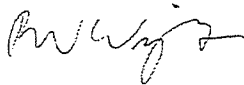
Jack Gibbons *per med.*
Chair
Ontario Clean Air Alliance



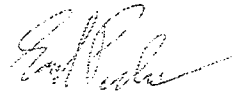
Mark Winfield
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The Pembina Institute



John Bennett *per KF*
Senior Policy Advisor, Energy
Sierra Club of Canada



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Sierra Legal Defence Fund



Gord Perks
Senior Campaigner
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Julia Langer
Director, Global Threats
WWF-Canada

cc. Minister of Environment Laurel Broten
Minister of Energy Dwight Duncan
Gord Miller, Environmental Commissioner of Ontario
Peter Tabuns, NDP Environment Critic
Laurie Scott, Progressive Conservative Environment Critic