

Ministry of Energy

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News Release

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McGuinty Government Delivers A Balanced Plan For Ontario's Electricity Future

Securing Reliability For Ontario's Long-Term Electricity Supply

QUEEN'S PARK — Energy Minister Dwight Duncan directed the Ontario Power Authority (OPA) today to proceed with its recommended 20-year electricity supply mix plan, with some revisions.

The plan achieves a healthy balance by moving away from coal in favour of new nuclear power and renewable energy. The government has set targets that will double energy efficiency through conservation and double the amount of energy from renewables by 2025.

The government has directed Ontario Power Generation (OPG) to undertake feasibility studies for refurbishing units at the Pickering and Darlington sites. OPG has also been directed to begin the work needed for an environmental assessment for the construction of new units at an existing nuclear facility. Nuclear is expected to continue to be the single-largest source for Ontario's electricity in 2025.

The government has accepted the advice of the Independent Electricity System Operator in their June 9 report that indicates a need for 2,500 – 3,000 megawatts of additional capacity to maintain system reliability. Therefore, further delays will be necessary in the government's plan to replace coal-fired generation completely with cleaner sources of energy.

The government is referring the question of how to best replace coal in the earliest practical time frame to the OPA. The OPA is also being asked to recommend options for cost-effective measures to reduce air emissions from coal-fired generation.

The government will continue with the plan announced in its 2006 Budget to establish a bio-energy research facility associated with the Atikokan station.

The government has also accepted the advice of the OPA that natural gas should only be used to meet peak demand in high-efficiency applications and to meet local reliability need when no alternative is available.

Since the government received the OPA recommendations in December 2005, it has consulted extensively with the public, stakeholders, the electricity industry, the IESO and the OPA itself.

The government is acting on the advice of the OPA, the agency that studies Ontario's long-term energy needs and is responsible for carrying out the government's electricity plan.

“We are taking action to secure the electricity supply Ontarians need today and have set a balanced

plan for meeting growing demand in the years ahead," Duncan said. Other features of the government's plan include: *EA*

- Planning to ensure adequate baseload electricity supply while limiting the future use of nuclear power to today's installed capacity level of 14,000 megawatts.
- Directing OPG to begin a federal approvals process, including an environmental assessment, for new units at an existing facility. *not new* Although the government prefers to use Canadian companies and technology, its first obligation is to the people of Ontario. Decisions will be made based on the best technology offered at the best price to Ontario ratepayers.
- Directing OPG to begin a feasibility study on refurbishing its existing nuclear facilities that will include a review of the economic, technological and environmental aspects of refurbishment. As part of this initiative, OPG will begin an environmental assessment on the refurbishment of the four existing units at Pickering B. *new?*
- Doubling the amount of electricity drawn from renewable sources, bringing the total to 15,700 megawatts by 2025.
- Doubling the conservation efforts suggested in the OPA's report, to reduce electricity demand by 6,300 megawatts by 2025.
- Expanding the transmission capacity from Bruce County and surrounding area to facilitate the transmission of electricity from several new wind farms and the Bruce facility to Ontario homes and businesses.

"We remain committed to replacing coal-fired generation in Ontario," Duncan said. "We have made significant progress in reducing greenhouse gas emissions and ensuring cleaner air to improve the standard of living and quality of life for all Ontarians."

In setting out a balanced plan for ensuring Ontario's energy needs now and into the future, the government considered the advice of the OPA, and was guided by a number of core principles:

- Ensuring reliability of energy in Ontario over the long term
- Ensuring stable energy prices for Ontarians
- Supporting Ontario businesses and creating a climate for future investment
- Increasing the use of green, renewable energy
- Integrating greater energy efficiency through conservation into Ontario's long-term energy planning
- A commitment to replacing coal-fired generation

The government is confident the directive to the OPA meets both the core principles and the long-term energy requirements of the province to enhance the standard of living and the quality of life for all Ontarians. The directive is the basis of the Integrated Power System Plan. This 20-year plan, revised every three years, will be submitted to the independent Ontario Energy Board for review and approval.

"We are building a new energy future for Ontario," Duncan said. "Our vision is of an Ontario with a safe, clean, reliable and affordable supply of electricity that will power our communities, our businesses and our homes. It is a balanced approach to power the continued growth and prosperity of our province."

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