

Presentation on Bill 100 by the Toronto Environmental Alliance

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- Toronto Environmental Alliance, a non-profit environmental group... member of Low Income Energy Network and Ontario Electricity Coalition
- Ph.D. dissertation on environmental policy in Ontario which gave me an abiding interest in electricity policy in this province
- Just finished co-writing a book with Jamie Swift on the Decline and Fall of Ontario's Electric Empire that will be published in the Fall – well before second reading of this legislation.
- Looking back provides some interesting lessons for the future. Are we about to make the same mistakes, or can we re-capture some of the energy and initiative that drove the creation of our electricity system as we re-create it in the coming decade.

As Ontario looks back to last year's blackout and this committee starts a fresh debate over the future of the provincial electricity system, it is worth remembering that this is not the first time an Ontario government has come to power promising to fix the electricity system and end Ontario's reliance on coal-fired power.

The year was 1905. Ontario had been relying on American coal and an unregulated market to deliver the novelty that was electricity. As a result, few people had it.

The new Conservative Premier James Whitney had the people cheering and the big banks sputtering when he promised electricity "should not in the future be made the sport and prey of capitalists and shall not be treated as anything else but a valuable asset of the people of Ontario." He had been driven to this very un-Tory rhetoric by one of his own

new Ministers: cigar box manufacturer and political renegade Adam Beck, longtime mayor of London.

Beck went on to achieve Ontario's first coal phase-out by launching a populist campaign for Power for the People that educated, exhorted and organized in the face of opposition from what he called the Big Interests (banks and private power speculators) and even some within his own party. He sought to spread the benefits of "white coal"— the province's abundant hydro power -- to everyone.

Beck ensured that Ontario farmers got the benefits of affordable electricity well before their counterparts elsewhere in North America. We got off coal, albeit temporarily. Along the way, Ontario built a powerful instrument of public policy. Turning aside the attempt to privatize the electricity grid in 2002, Justice Arthur Gans described "Hydro" – as it is still known – as "one of the defining characteristics of the Province."

Adam Beck was Knighted for his efforts. His statue still scowls up at us from University Avenue and Queen Street, watching what we do today. If he has been keeping abreast of recent developments with his beloved system, he'd no doubt be spinning in his grave fast enough to generate a little electricity of his own.

Ontario's public power system was eroded by a nuclear gigantism that plunged the old Hydro into debt and a turning away from the democratic impulse that gave it birth. Then came the more recent attempt to hand the electricity system back to the Big Interests' that Beck so often decried. Privatization has been temporarily turned back in the face of public outrage and the collapse of free-market energy swindlers like Enron. But it still lurks, waiting in the wings.

Today, we stand at a watershed moment.

Where we go depends on whether we take a public spirited, thoughtful approach or continue with the nuclear gigantism and ecological arrogance that got us into our current fix.

The new electricity legislation before us today will re-introduce planning into the system, which is a real plus since the 'invisible hand' of market forces produced only chaos.

But we should be asking what *kind* of planning we will have. Are we planning for the needs of the whole system, or just the big power companies or industrial consumers?

Planning for the whole system would mean ensuring that everyone has access to sufficient safe, reliable, and affordable power generated by a new system that neither cooks the planet nor leaves our great- great- great-grandchildren a multi-billion dollar legacy of poisonous nuclear waste.

In the past, Ontario's power planning hierarchy was straightforward. 1) build as many really big power plants as possible 2) launch sales campaigns to sell more power and 3) maybe do a little conservation on the side to keep the eco-types quiet.

One hundred years after Beck, we need to invert this hierarchy and defend the interests of the most vulnerable. This will require addressing a number of gaps in the proposed legislation:

The first priority must be to wean planners away from the big-is-better world of nuclear power and giant coal plants by establishing a planning hierarchy that will guide the Ontario Power Authority – or as I'd like to think of it, the Ontario Conservation Authority with a New Generation secretariat within it.

The first priority must be to maximize the contribution of efficiency and conservation. A recent study by the Pembina Institute showed that Ontario can cut power consumption by 40% by 2020 – and do so affordably (\$18 billion invested in conservation does the same job as \$32 billion spent on nuclear, and you don't have to pay for fuel or retubing while consumers make 96% of the investment back through lower bills). The second priority must be to maximize the contribution of renewable power from run-of-the-river hydro, wind, solar and geothermal sources. The recent Request for Proposals for 300 MW of

green power resulted in offers to build 4,400 MW, suggesting that there is huge potential. And to truly tap it, we have to get the public involved through European-style renewable tariffs, which you heard about yesterday from the Ontario Sustainable Energy Association. And if, as we ramp up the contributions of conservation and green power, we still need additional power during the transition, then we should meet the remaining demand through the least-cost (and this means including environmental and health costs) non-renewable sources such as natural gas – used as efficiently as possible.

A second gap in the legislation relates to the stated purposes of the Act. To protect today's smog-scarred lungs and future generations from both climate change and nuclear waste, we should include the protection of public health and the environment as one of the purposes of the legislation. This purpose must, in turn, be integrated into the mandates and activities of all of the Agencies created to run the system.

Thirdly, we must ensure universal access to adequate energy as a basic necessity, while minimizing the impacts on health and on the local and global environment of meeting the essential energy and conservation needs of all Ontarians. Too many families in this province are having to choose between eating and heating, yet traditional conservation programs almost never touch low-income consumers and we have no long term plan to ensure that poor people have access to this basic necessity. Low-income consumers – especially tenants – must have access to both the conservation programs that will sustainably reduce their bills, and measures which ensure them an adequate supply. This should not be an option – it should be a provincially-mandated requirement for all of our electrical utilities and related agencies and be integrated with the changes to the legislation governing both tenant protection and social assistance. You will hear more on this later today from the Advocacy Centre for Tenants of Ontario and in the future from the Low Income Energy Network.

Fourth, we should take advantage of the opportunities to create new green jobs in the province by making long-term commitments to both conservation and renewables. But we must also develop “Just Transition” programs for workers affected by changes in the

electricity system, such as the closure of the coal plants and the phase-out of our nuclear plants so that workers don't bear a disproportionate share of the costs of these changes.

And finally, we must ensure that the rules we develop to promote conservation and green power are NAFTA-proof by keeping the system under public control. We don't want the big transnational energy companies using Chapter 11 of NAFTA to sue Ontario for lost profits due to energy conservation programs – and if you reduce demand by the equivalent of \$5 billion dollars per year, you can bet they'll use every tool at their disposal if you've allowed them in the door. You heard from John Wilson yesterday on this point, and I look forward to the government's response to the questions he put to you.

Thank you for your time, and I would be happy to answer any questions you may have.

