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Ontario: Less Talk, More Action Needed on Energy Efficiency

Toronto - A new study released today concludes that the Government of Ontario's failure to work aggressively to improve the province's energy efficiency is placing the province's environment and economic prosperity at serious risk.

Towards a Sustainable Electricity System for Ontario? A Provincial Progress Report (Progress Report), was released today by the Pembina Institute and the Canadian Environmental Law Association (CELA). The study evaluates Ontario's progress in the areas of:

- energy efficiency,
- renewable energy supplies, and
- replacing coal fired generation.

Today's report compares Ontario's progress against 20 recommendations to the provincial government made by Pembina and CELA in *Power for the Future: Towards a Sustainable Electricity System for Ontario*, published in 2004.

Power for the Future demonstrated a large, cost-effective potential to reduce Ontario's future electricity demand via investments in energy efficiency. In combination with a rapid but feasible expansion of renewable energy, these improvements in energy efficiency would make a phase-out of coal fired generation no later than 2010 and of nuclear power by 2020 possible.

Today's Progress Report finds that despite the provincial government's repeated statements about the need to create a 'conservation culture' in Ontario, the focus of Ontario's actions have been overwhelmingly on securing new supplies of electricity. The province has committed \$10.5 billion on electricity supply compared to approximately \$163 million on conservation and demand management - a ratio of commitments of 64:1.

Only one demand-side action has been fully implemented to date – the provision of financial incentives to local distribution utilities to deliver energy efficiency programs.

Movement by the Province on other key energy efficiency tools identified in *Power for the Future*, and successfully employed in other jurisdictions, including:

- labeling energy efficiency appliances,
- energy efficiency standards,
- building code revisions, and
- financing mechanisms

has been extremely slow or virtually non-existent.

The widespread adoption of more energy efficient appliances, equipment and buildings offers the greatest potential to reduce future electricity consumption. Yet, the government's demand-side efforts to date have focused almost exclusively on load shifting measures, particularly the residential 'smart metering' initiative. Such measures have the potential to reduce peak demand by 10 per cent. In contrast, a 40 per cent reduction is possible through the adoption of more energy efficient technologies.

The Progress Report finds an improving situation for renewable energy sources. Contracts are now in place for 1348 megawatts (MW) of low impact renewable generating capacity. However, significant gaps remain, particularly with respect to the development of Standard Offer Contracts for small generators, and the resolution of various technical and capacity issues.

Progress Report author Mark Winfield notes that “The Government of Ontario must accelerate its efforts on energy efficiency and renewable energy. Failure to do so will leave few options but the pursuit of expensive and unsustainable conventional sources of supply”.

“The recent Bruce Power Agreement demonstrates the risks for Ontario electricity ratepayers and taxpayers of a supply-focused energy path. A more environmentally and economically sustainable vision is possible. The province needs to move aggressively to achieve it” added Theresa McClenaghan, Counsel with the Canadian Environmental Law Association and *Power for the Future* co-author.

Towards a Sustainable Electricity System for Ontario? A Provincial Progress Report and Power for the Future are available at www.pembina.org and www.cela.ca.

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