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**PRESENTATION/SUBMISSION TO
THE STANDING COMMITTEE ON GENERAL
GOVERNMENT**

Bill 150, Green Energy and Green Economy Act, 2009

Wednesday, April 8, 2009

CAE ALLIANCE ADVOCATES FOR:
Cleaner Air
Affordable Energy Rates
Energy Supply Reliability
Responsible Management of Energy Resources
Preserving Economic Sustainability

The CAE (Clean, Affordable Energy) Alliance is a volunteer organization representing the interests of Ontario's energy ratepayers. Our members have followed, and have actively participated in, the evolving energy policy and the significant changes that have taken place in the electricity sector over the past five years.

The CAE Alliance believes that there are major flaws in this proposed legislation which will undermine the economy and the environmental potential of the province. In Ontario we have historically enjoyed reliable, secure power supply at best cost to consumers and have built our livelihood and quality of life on that. There are safeguards in place to ensure that. The proposed Act represents a major shift away from this in pursuit of "green energy" irregardless of cost or system impacts. Potential gains are overshadowed by losses - economic losses, civil rights losses, and loss of cost and environmental safeguards.

The Act is a very poorly constructed piece of legislation that has frightening implications for the people of Ontario.

1. The Act will not enhance economic activity. It will result in far more job losses than it creates. The cost implications of this Act will be too much for Ontario to bear.

2. The Act removes economic safeguards legislated for the protection of Ontario energy consumers and provincial economic health. This includes an undermining of the powers of the Ontario Energy Board.

3. The Act will not reduce our impact on the climate. It has the potential to cause greater harm, not less to our environment.

4. The Act contravenes the existing mandate of the Ontario Ministry of Energy and Infrastructure according to its Statement of Environmental Values, under the Environmental Bill of Rights.

5. The Act includes measures which will erode the civil rights of Ontarians.

6. The Act is extremely vague in far too many aspects. It is too open ended and allows for destructive policies. The Act fails to anticipate the negative consequences and implications of the many "yet to be prescribed" details.

7. The Act grants sweeping powers and authority to the Minister of Energy and Infrastructure (Minister) which are far too extensive. Authority granted to the Minister removes safeguards for Ontarians.

8. The Act amends many existing pieces of legislation, which will remove necessary "checks and balances" in place to protect the people of Ontario, and to ensure quality of life.

9. The Act impairs the development of the integrated power system plan and halts the process which has cost tax and ratepayers hundreds of millions of dollars to date.

10. Appendix "A" - Cost Impact Information

GAINS

- Up to 50,000 jobs

- Inducements to encourage investment in green energy in Ontario

Environmental

- purported reduction in greenhouse gases

LOSSES

Jobs

- Uncertain assessment of job gains
- Based on false assumptions, exaggerated claims
- Many of the jobs add little value to the economy, result in higher costs overall
- Unnecessary jobs - i.e. energy auditors, appliance/product testers and labelers, inspectors

Costs

- Higher electricity costs - commodity (3-20 times current resource costs), transmission, administration
- Energy audits for real estate sale/lease
- 1.6 Billion to roll out the Smart Grid
- Energy efficiency plans and updates for municipalities and other government agencies- hospitals, schools, universities, the costs of which will be passed to Ontario ratepayers and taxpayers
- Costs associated with line losses and conventional power to "shadow" the intermittent renewables

Price Protection

- Decreased public assets
- Price setting via contract and tariff - removes competitive factor - public assumes some of risk that should fall to private generators
- Amending the Mandate of OEB to protect consumers re: price and reliability - to include promotion and accommodation of renewable energy regardless of cost

- 20 year contracts for technologies that will decrease in price and increase in advancement

- Solar power still emits 130 kg CO₂ eq./MWh
- Increased reliance on natural gas-fired generation
- Transmission facilities, wind turbines, solar panels, natural gas pipelines on public lands
- Less input from other Ministries & experts in those areas, i.e. Ministry of the Environment - removes necessary "checks and balances"

Reliability

- Will be impacted if renewable energy outpaces backup resources
- Destabilize the grid

GAINS

- Streamlined processes for approvals

Energy Reduction

- Energy efficiency and conservation/ demand management measures will reduce energy consumption

LOSSES

"Civil Rights"

- Shuts down public input
- Exemption from municipal planning removes decision making from local representatives
- Public has only 15 day window for appeal - limited information as most info will be deemed "confidential"
- misapplication of the Freedom of Information Act

- Mandatory energy audit on sale/lease of property
- No sale or lease of "unprescribed" appliances or products
- Investigators will be granted entry to homes and businesses in order to verify compliance - may use any investigative techniques - huge fines for non-compliance

Excessive Powers to Minister of Energy

- Minister may make sweeping changes without cabinet approval - denies the right of input from other elected officials
- Nebulous wording of the Act allows for much future interpretation and regulation solely at the discretion of the Minister of Energy
- Raises a number of questions re: how and when policies will be implemented and to whom they will apply - see pages 12-13
- Direct and controlling influence on all energy decisions in spite of, and above, experts in the OEB, OPA, IESO, Hydro One, OPG

1. The Act will not enhance economic activity.

It will result in far more job losses than it creates. The cost implications of this Act will be too much for the Ontario public to bear. Our economy is in peril and we've barely begun paying for the electricity changes made during the past few years.

(i) According to the Ministry of Energy information, "*The proposed Green Energy Act is a bold series of coordinated actions to enhance economic activity*". The Ministry is quoted as saying that the Act will create up to 50,000 jobs province wide.

- No concrete information has been provided to demonstrate how or when these jobs will be created.

- According to a recent study by the University of Illinois , a "*team of researchers from universities across the nation surveyed this green jobs literature, analyzed its assumptions, and found that the special interest groups promoting the idea of green jobs have embedded dubious assumptions and techniques within their analyses.*" These researchers conclude that "*Green jobs estimates ... include huge numbers of clerical, bureaucratic, and administrative positions that do not produce goods and services for consumption. ... Much of the promised boost in green employment turns out to be in non-productive - and expensive - positions that raise costs for consumers.*"

Promises of green energy jobs are based on studies that made "*estimates using poor economic models based on dubious assumptions.*" and, "*when examined closely the green jobs literature is rife with internal contradictions, vague terminology, dubious science, and a disregard of basic economic principles.*"

They "*conclude by suggesting that deep skepticism is the most appropriate response to the hyperbolic claims of the green jobs literature, and recommend continuing the debate with the facts – not the myths.*"¹

- Green energy jobs that could involve manufacturing, such as wind turbines will not provide significant job increases. Power producers are more likely to rely on expertise already in abundance in Japan and European countries. Why would power producers choose to "grow an industry" in Ontario when they can purchase their products in a timely way from a proven market? How many wind turbines will be erected in the province before saturation point and the manufacturing shrivels?

- "*In Germany, they claim hundreds of thousands of green jobs have been built up in the country, erecting and maintaining money-losing windmill farms and solar industries. Such jobs, however, are actually drains on the economy, stolen from other potentially profit-making sectors to produce inefficient solar power. If it takes five people to produce a million kWh of solar electricity, then the same amount of electricity could be produced by perhaps two people using gas or coal.*"²

- Certain jobs will result from this Act. They could include "*persons or organizations to test and label appliances and products*" (yes, this is in the Act); persons to "*govern the keeping of information, records and documents by persons who manufacture sell or lease appliances or products*", energy auditors, inspectors, lawyers, administrators, (even rickshaws are encouraged in one green economy report as an alternative mode of transportation) - but these all lead to

increased costs to the consumers and ratepayers of Ontario without adding value to the economy. *"Many jobs created in response to government mandates are not a benefit of environmental measures but a cost of such programs. Such costs may be worth incurring for the benefits a program produces, but they must be counted as costs not benefits."* ³

- Many green jobs included in the accounting are merely substitutes for job losses, i.e. the thousands of jobs lost in the coal and nuclear power industries.

- Germany has used a feed-in tariff to attract solar power investment in much the same way as Ontario is proposing. A report on Germany's solar success concludes that *"Given the substantial cost associated with the promotion of PV, one would expect significantly positive impacts on climate and employment. Unfortunately, Germany's way of promoting PV does not entail any such benefits. ... the promotion of renewable energy technologies is often justified by the argument that it would create jobs. ... Yet, apart from direct crowding-out effects on conventional energy production and indirect negative impacts on upstream sectors, supporting renewable energy technologies ultimately raises the price of electricity. The resulting drain of purchasing power and investment capital of private and industrial electricity consumers causes negative employment effects in other sectors ..."* ⁴

(ii) The promise of positive employment increases does not consider the impact of higher energy costs on existing businesses and industries. In addition, *"The studies also generally ignore the ... jobs that will be destroyed by the restrictions imposed by governments on disfavored products and technologies."* ⁵

* Appendix "A", attached demonstrates the significant cost increases that can be anticipated in all categories - generation, transmission, distribution, administration, etc. - that combine to form the overall cost to consumers.

- In the past 4 years Ontario has lost 272,300 jobs in the manufacturing sector. That number is escalating. That number does not include the supporting service sector jobs. (For every \$1 in the manufacturing sector there is \$3.05 spin off in the economy.) In that 4 years the industrial, mining, manufacturing, chemical, forestry and agricultural sectors have issued warnings and pleas - backed by reports and statistics - to the government regarding flawed energy policy. These concerns of the primary employers in this province - the backbone of our economy - have been largely ignored.

- *"Today's increased globalization means that Ontario faces a more challenging and competitive environment than ever before. Ontario's future prosperity depends largely on its ability to continue to adapt, innovate and strengthen its competitive advantage. ... Reliable electricity supply and price stability, which keep Ontario's economy competitive and benefit all consumers, are central to the government's plan."* (Ministry of Finance, "2006 Ontario Economic Outlook and Fiscal Review")

(iii) There are numerous costs included in the Act that will hit consumers and taxpayers when we can least afford it. They include:

- Cost implications of the transmission components of the Act are enormous and will burden the Ontario ratepayers. Mr. Smitherman states that he *"envisions hundreds of thousands of points of generation"* under the new Green Energy Act. (London Free Press, April 4, 2009) As a result,

there will be miles upon miles of new transmission lines through all sorts of terrain to connect these hundreds of thousands of small scale generators and larger, remote supply to the provincial grid. Cost evaluations are presently discussed in the \$5 billion range. Hydro One is currently over taxed with transmission upgrades and extensions. The right to connect to the grid guaranteed in this Act will necessitate private transmission participation and the public will be required to pay whatever it takes.

- The Act "*allows wind developers to stake out the province, including remote parts of the province, and demand that the power from their wind turbines be transported to distant markets via massive transmission corridors all at public expense.*" ⁶ These costs were deemed too high for development at this time by the Ontario Power Authority (OPA).

- Costs associated with transmission line losses and the conventional power to "shadow" the intermittent renewable resources has not been considered.

- Audit fees will be paid on the sale of every "prescribed" property. Mr. Smitherman notes that "*we will be subsidizing home energy audits*", so what doesn't fall to the homeowner selling his residence will fall to the taxpayer to help cover the cost. (According to a Toronto Star poll, 86% of respondents opposed this measure.)

This is little more than a new tax.

- The Smart Grid Forum estimates that \$1.6 billion could be spent to initiate the "smart grid" as planned in the Act. (\$2 billion has already been spent on the installation of smart meters.)

- Municipalities and other government agencies - hospitals, schools, universities, etc. - as well as other "prescribed consumers" - will be required to prepare energy efficiency plans and updates. The costs of these will be passed to Ontario ratepayers and taxpayers.

- These plans, updates and annual reports will be filed with the Ministry. The administration required to track all this information will cost consumers more than the power it will save.

(iv) The Act directs that a feed-in tariff regime will be introduced to guarantee rates for new renewable generation. This removes any sense of competition that has long been promoted as a means of reducing cost to consumers.

- "*A solar power producer can sell a kWh of solar power into the grid and receive 42¢ when the going wholesale rate for power is 5.5¢. That means a subsidy of 36.5¢, which is spread out among all power users as add-on charges. Currently, Ontario power users already pay 20% more for power to cover such added costs.*" ⁷

- Compare the above subsidy information with information provided in a recent Toronto Star article. "*The Ontario Power Authority has proposed European-style "feed-in tariffs" that would see it pay, as part of a 20-year contract, 80.2 cents for every kilowatt-hour of power that comes from a residential rooftop solar photovoltaic system. As systems grow larger the feed-in tariff declines. ... 71.3 cents for rooftop systems up to 100 kilowatts, dropping to 63.5 cents for systems up to 500 kilowatts and 53.9 cents for anything above that. Such systems would likely be found on the rooftops of schools, commercial buildings and big-box stores. The lowest tariff, 44.3 cents, applies to "ground mount" systems that don't exceed 10 megawatts. This would apply to the massive solar farms that sprawl across acres of empty fields.*" ⁸

- A competitive marketplace promoted by the government promised a shift of risk away from the Ontario taxpayer to the private sector. This Act will guarantee private developers rates and revenues regardless of what or where they build, or when they operate it and Ontarians are required to pay the tab.

- *“Rather than push ahead with fundamental electricity market reforms, the Government of Ontario has opted to focus its efforts on contracting directly with the private sector to build new generating capacity. This approach entails potentially significant financial risks for the province and, ultimately, for the electricity ratepayers and taxpayers of Ontario, as the province is providing investment guarantees to private-sector electricity generators in an effort to attract investments.”*⁹

(v) The Act promotes the use of green energy at any cost which is a huge disservice to the people of Ontario. For example, a recent news release describes the U.S. company Recurrent Energy as having *“direct access to project opportunities in development ... including a number of large solar photovoltaic (PV) plants planned throughout the province of Ontario.”*¹⁰ However, *“current technical analyses suggest that the costs of current solar PV installations so far exceeds its benefits. Indeed, no reasonable valuation of the benefits of greenhouse gas reductions would result in positive estimates for the total net benefits from solar PV.”*¹¹

It must be noted here, that the OPA has indicated that *“The most cost-effective applications of solar photovoltaic technologies will be in the remote north where the cost of conventional electricity is very high. Utility interactive photovoltaic systems are expected to be smaller decentralized installations as opposed to large stations...Cost is still the critical factor limiting application of photovoltaics. ... For planning purposes, we assess that solar has a near-term potential of 50 MW rising to 100 MW towards the end of the planning period.”* (OPA - Discussion Paper - Supply)

Costs are decreasing for solar energy. The technology is improving. Yet, the government is entering into 20 year contracts at guaranteed rates.

The Green Energy Act will allow far more solar than is prudent, cost effective, or valid in reducing greenhouse gas emissions. In fact, the OPA notes that, contrary to popular thinking, there are greenhouse gas emissions associated with solar - 130 kg CO₂ eq./MWh. (OPA - Discussion Paper, Integration - Normalized Greenhouse Gas Emissions).

(vi) If price were not an object - and emissions reduction was really the goal, we wonder why the government has not contracted with Quebec for 1,200 + MW of hydroelectric power, particularly as the transmission infrastructure is in process.

Summary

This Act is designed to "turbo charge" the renewable energy supply in the province regardless of cost, and regardless of the overall impact on the Ontario economy. This is clearly opposite to public concerns that place the economy far above environmental issues at this time. Those promoting this Act as a melding of the two, i.e. that this "green" Act will spur economic growth, are presenting a skewed and misinformed perspective.

2. The Act removes economic safeguards legislated for the protection of Ontario energy consumers and provincial economic health.

(i) The pricing protection currently ensured to Ontario consumers by the legislated powers and responsibilities of the Ontario Energy Board (Board) will be totally undermined by the amendments to the Ontario Energy Board Act whereby the Board must promote conservation, renewable energy, and all supporting infrastructure regardless of cost to the ratepayers.

Currently the Board is guided by the responsibility to *"protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service; and the promotion of economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and the facilitation of the maintenance of a financially viable electricity industry."* The Green Energy Act would amend the OEB Act to make the Board responsible to *"facilitate the implementation of a smart grid in Ontario; and to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities."*

There is a clear contradiction here. The Board will be required to promote renewable energy in spite of price, guarantee transmission connection regardless of whether it will create reduction of quality of power service, and accommodate grid connection of renewables irregardless of economic efficiency and cost effectiveness in transmission and distribution.

The role of the Board as economic regulator will be compromised. In fact, the changes in mandate placed upon the OEB undermine its very purpose.

The OEB will go from "watchdog" to "facilitator" and from the role of "checking" expansion to becoming a "catalyst" for expansion. ¹²

(ii) Presently, under the Environmental Assessment Act *"environment means: ... social, economic and cultural conditions that influence the life of man or a community"* and *"Negative environmental effects include the negative effects that a project has, or could potentially have, directly or indirectly on the environment at any stage in the project life cycle. ... Negative environmental effects may also include the displacement, impairment, conflict or interference with existing land uses, approved land use plans, business or economic enterprises, ... social conditions or economic structure."*

And elsewhere, *"... neighbourhood or community character, local businesses, institutions, increases in the demands on community services and infrastructure, negative effects on the economic base of a municipality or community, negative effects on local employment"*.

The proposed Act will restrict opposition of a renewable energy project, compelling an appellant to demonstrate that the project would *"cause serious and irreversible harm to plant life, animal life, human health or safety or the natural environment"*.

This removes another safeguard of economic and social consequences of renewable energy projects.

(iii) The Act grants the Minister the right to direct the OPA to undertake any request for proposal, whether it be competitive or non-competitive; grants him/her the right to determine what economic factors are to be used by the OPA; as well as the right to direct the OPA to

facilitate participation of native peoples, including funding. In other words, the Minister can direct energy policy in terms of cost, in spite of cost, irregardless of cost. (see also Point # 7)

Summary

"The new act is not about energy as a supply resource; it is about energy as a contributor to environmental and social outcomes. Economic efficiency, cost effectiveness and sound business practices go out the window. Reducing carbon is the prime objective, regardless of cost." ¹³

3. The Act will not reduce our impact on the climate, or the environment in general.

(i) Significant increases in intermittent resources of wind and solar require companion continuous resources. This will include either retaining and cleaning up the coal-fired power plants, or using significantly more natural gas-fired generation. The government is proceeding with the latter. The result - no decrease in greenhouse gas emissions.

- A 2008 study published in the journal Energy Policy by Jim Oswald of Coventry University in the U.K. concluded: *"not only is wind power far more expensive and unreliable than previously thought; it cannot avoid using high levels of natural gas, which not only will increase costs but in turn will mean far less of a reduction in carbon dioxide emissions than has been claimed."* ¹⁴

- *"Denmark, the world's most wind-intensive nation with more than 6,000 turbines generating 19 per cent of its electricity, has yet to close a single fossil-fuel power plant. It requires 50 per cent more coal-generated electricity to cover wind's failings; pollution and carbon dioxide emissions have risen (by 36 per cent in 2006 alone); and its electricity generation costs are the highest in Europe (15 cents per kilowatt-hour compared to Ontario's current rate of about 6 cents)."* ¹⁵

- The use of renewable energy in Europe has not decreased greenhouse gas emissions, nor has it reduced the need for conventional power production. *"Germany must press on with building up conventional power generation alongside its push for a renewable energy expansion to avoid supply shortfalls and rising prices, German energy agency Dena said on Tuesday. Demand increases and supply volatility arising from a growing share of erratic production from renewable sources still make new coal and gas-fired power stations necessary, Dena Managing Director Stephan Kohler said during a trade fair. ... This is also to avoid rising power prices and to ensure Germany's role as a base for industry is safeguarded."* ¹⁶

(ii) Air quality concerns in Ontario will not be reduced to any appreciable degree. The government (Mr. McGuinty and Mr. Smitherman) have acknowledged that increased use of natural gas will be required, particularly in the GTA to offset the inconsistencies of renewable energy. A recent government study concluded that, *"...due to the trade-off in emissions from a more remote source versus one potentially in closer proximity to residential areas, ambient concentration levels of NO_x and CO due to gas-firing may increase relative the coal-firing case, while SO₂ may decrease. Therefore, there may be a "trade-off" in ambient air quality with respect to various contaminants."* ¹⁷

The report is based on 2004 data and includes Lakeview GS, which was already scheduled for closure in 2005. By including Lakeview GS in this recent study, the baseline emissions are artificially high and therefore so are the resulting credits for closing the coal-fired generating plants. In other words, the Government is saying, we are going to take back some of the "green benefits" we created by closing Lakeview and use them to off-set the emissions from the proposed natural gas-fired plant.

It should also be noted that since 2004 several new natural gas-fired power plants have commenced operation upstream of the two proposed GTA plants, the emissions of which are not included in the above-noted report, nor were the emissions assessed and included for the additional natural gas fired power plants which are in process in the area.

The average annual results show that there is almost no air quality improvement from shutting down OPG except for SO₂. Most of the improvement is likely due to including nearby Lakeview emissions in the study. The remaining SO₂ emissions could be scrubbed out by installing existing technology at the coal-fired plants.

The bottom line here is that the GTA, representing 45% of Ontario's population, will be impacted by increased natural-gas fired generation, whose emissions are more localized, more detrimental to health (smaller particulate matter), and more costly overall.

(iii) In order to accommodate the necessary attendant gas-fired generation, pipelines will be permitted and mandated regardless of environmental impact, including greenhouse gases.

(iv) The Act will allow for transmission facilities, wind turbines and solar panels to be installed on public lands, potentially in areas such as Algonquin Park, Niagara Escarpment, etc. In fact, the amendments to the Niagara Escarpment Planning and Development Act redefine "utility" to include "*gas or oil pipeline; the generation, transmission, and distribution of electric power, including renewable energy projects ... commercial or otherwise, and all associated infrastructure ... telegraph and telephone lines and other cabled services; a public transportation system ...*".

(v) Transmission facilities will be allowed through forests, homes, agricultural lands, cities and recreational areas without any public recourse. Ministries currently overseeing the environmental impacts of projects and infrastructure will have a severely diminished voice.

(vi) A surplus of baseload energy, as a result of increased renewable supply, would necessitate the shut down of nuclear units. According to the OPA, natural gas-fired generation would provide service until nuclear units are brought back into service (72 hours), resulting in increased emissions.

4. The Act contravenes the existing mandate of the Ontario Ministry of Energy and Infrastructure. The express mandate is "*to ensure that Ontarians have access to safe, reliable and environmentally sustainable energy supplies at competitive prices*". Reliability and security of electricity supply to Ontarians will be compromised if this Act is passed. Measures are included in the Act which negate any concept of competitively priced power. Ontario is a goods producing province. Massive amounts for transmission and distribution, high costs for both renewable generation and conservation programs will price industry, agriculture and manufacturing out of the province.

Reliability will be impacted if renewable energy outpaces backup resources. The system operator will face difficult situations maintaining balance on the grid.

Have feasibility studies been completed or updated by the Independent Electricity System Operator (IESO) to address where and how much renewable energy can be accommodated?

5. The Act includes measures which erode the civil rights of Ontarians.

The Act tramples on individual rights and is designed to stifle public input. It will further discourage business and industrial investment in Ontario.

(i) This Act takes away civil rights to protest any “renewable energy” or infrastructure project. Onus to demonstrate harm to the environment will be on the person(s) appealing approval for a project. It must be pointed out that the process of procuring approval is Proponent driven. Merchant power generators - many of them multinationals - see projects as investments only. Legitimate concerns raised by the public are even now too easily dismissed as "nimbyism". The small recourse currently open to the public for cautionary input will be smothered by this Act.

(ii) Exemption is granted to renewable energy projects from municipal zoning by-laws, site plan control by-laws, official plans and other provisions of the Planning Act, effectively taking all decision making from the municipalities on projects within their geographic location.

(iii) This Act unnecessarily supercedes the Freedom of Information Act (FIA). For purposes of the FIA, information collected is "*deemed to be a trade secret or scientific, technical, commercial, financial or labour relations information supplied by the proponent to the Facilitator in confidence*" (Act). Project data will be "confidential or secret", that is, outside the review of the public or public access. The location of a wind farm, the technology used in a solar farm, a hydro dam - all of these would be kept secret from the public eye. We do not believe that this is the purpose and intent of this section of the Freedom of Information Act. It has been "stretched" as a barrier to public disclosure, thereby removing public opposition.

(iv) The public is granted a 15 day window for appeal of any project approval. However, if the projects data is, by virtue of this Act, kept confidential, what information will even be available for the public to view in order to make a case, particularly as it will be incumbent on the appellant to prove that the project "*will cause serious and irreversible harm to plant life, animal life, human health or safety or the natural environment*".

(v) New inspectors ("any person" may be designated an inspector) will be hired to go anywhere they deem necessary to enforce the Act, invading people's homes and businesses, with the ability to remove property and copy documents, carrying with them the threat of huge fines.

"Information or evidence relating to the contravention ... may be obtained through the use of an investigative technique or procedure or the doing of anything described in the warrant." (Act)

The inspector may use persons who have "*special, expert or professional knowledge*" to assist. This gives persons the right to investigate any other person or business on the basis of alleged sale or lease of property or goods that do not meet unspecified criteria!

(vi) Allowing the Minister of Energy and Infrastructure to make sweeping changes without cabinet approval denies the right for elected officials who represent Ontarians to provide input into the vital workings of the energy sector.

6. The Act is extremely vague in far too many aspects. Many of the sections set out requirements or responsibilities that are "yet to be prescribed". It is so open ended as to allow for destructive policies. The Act fails to anticipate the negative consequences and implications of the "yet to be prescribed" details.

(i) Future regulations, at the discretion of the Minister, without Cabinet approval or any discussion or input will fill in the many blanks. For example, "*A regulation made under this Act may define any word or expression used in this Act that is not defined in this Act.*" (Act)

(ii) Another example of vague - Part V, Section 17 (1): "*The Lieutenant Governor in Council may make regulations prescribing anything that is required or permitted to be prescribed or that is required or permitted to be done in accordance with the regulations or as provided in the regulations.*" (Act)

(iii) There are 88 uses of the word "prescribed" in the Act, denoting much of the content has yet to be determined. For example:

2. (1) *No person shall offer to sell or to lease, for a term in excess of the prescribed period, an interest in real property unless the person provides, at a cost as determined in the prescribed manner, such information, reports or ratings as are prescribed,*

(a) relating to energy consumption and efficiency with respect to a prescribed residence or the building on the property or a class of prescribed residences or other buildings on the property; and

(b) in such circumstances and at such times as are prescribed and in such manner as is prescribed

(iv) These statements raise considerable concerns. For example:

- Will all landlords be required to do an energy audit prior to renting apartments, stores and shops, cottages, etc.?

- A person is permitted to use designated goods, services and technologies/undertake activities to promote energy conservation or renewable energy regardless of any by-law restricting use. Does this mean that homeowners can erect windmills on their rooftops? (The Seattle City Council will consider allowing windmills 15 feet above the height limit on commercial buildings. Later this spring, the council will consider allowing 10-foot-tall windmills on multifamily homes.)¹⁸

Will apartment dwellers begin hanging their laundry on their balconies?

- Public agencies and "other prescribed consumers" will be required to prepare energy efficiency plans. Will these other consumers include business owners, industries, hotels, farmers, etc.? What will be the cost impacts?

The Minister will determine what will be included and cost will not be a factor. There will be no one and no agency to challenge decisions.

- No one can sell an appliance or product that is not "prescribed". What products will be included - used cars, furnace blowers, air conditioners? Landfills will be stocked with goods that have plenty of life and which will not in the long run reduce energy consumption a great deal. Businesses that deal in used goods and consumers unable to pay for new will be impacted.

- The Act includes "water efficiency" as well as "energy efficiency" when describing sale or lease of "products". This could include such things as size of bathtub, toilet, water heater, etc.
- Will land be expropriated, or easement or right of way created across persons' property, public parks and farmland in order to facilitate transmission or pipeline?

These are but a few of the questions and concerns resulting from the nebulous wording of the Act.

7. The sweeping powers and authority granted to the Minister of Energy and Infrastructure (Minister) in this Act are far too extensive.

(i) There are 77 instances in the Act where the Minister is said to have the power or authority to "enter into; designate; direct; issue; establish; require; specify", etc. The Minister is unconstrained by the energy Board, or by any other public regulation.

(ii) The government has previously stated (Minister Dwight Duncan), that the intent was to reduce political intervention. This Act increases - significantly - the powers and authority of the Minister over every aspect of energy - regulation, production, distribution and consumption.

(iii) An oft repeated concern raised by stakeholders in submissions to the OEB regarding the proposed Integrated Power System Plan (IPSP) was the overinvolvement of the government in energy issues. This Act goes far beyond that.

(iv) In 2008, the energy experts employed in the OPA and the OEB earned in excess of \$20 million. (This includes only those employees who earned over \$100,000.00/year). This does not include those working in the IESO, Hydro One or Ontario Power Generation. These "experts" have years and years of combined experience in the electricity industry.

The current Energy Minister is the 4th in 3 years. He has been in this role about 9 months, with absolutely no background in the electricity industry - one that is highly complex and scientific. Is it prudent to allow an energy neophyte to control and direct this industry that is such an integral part of our economic sustainability and quality of life? This would be equally true of any Energy Minister regardless of Party if they were without expertise in the energy sector.

Lack of understanding leaves a Minister vulnerable to the lobbying efforts of environmental activists and project developers with much to gain financially.

In spite of this, the Minister of Energy and Infrastructure will have a direct and controlling impact on all energy related issues and decisions in the Province. He will be able to control all energy planning and development and direct the true energy experts currently employed in the Ontario Power Authority, the Ontario Energy Board, the Independent Electricity System Operator (IESO), and Ontario Power Generation.

(v) The Minister will be entitled to make grants and loans to whomever to facilitate the principles of the Act.

8. The amendments to other legislation, created in this Act, remove necessary "checks and balances", which are in place to protect the people of Ontario, and to ensure quality of life.

This includes the undermining of the powers of the Ontario Energy Board (OEB), noted earlier.

(i) The Act streamlines the approval process for renewable energy projects, consolidating approvals required, leading to a single "renewable energy approval". This involves changes to legislation administered by the Ministry of Natural Resources Act (including Conservation Authorities), Niagara Escarpment Planning and Development Act, Provincial Parks and Conservation Reserves Act; Clean Water Act; Ontario Water Resources Act; and the Environmental Protection Act. These changes in effect cancel out the checks and balances in place between ministries and devalues the expertise of individuals within those ministries.

The implications are far reaching. For example, under the changes, *"if a person requests permission ... for development related to a renewable energy project ... a conservation authority ... is not allowed to refuse the permission or impose conditions ..."*

(ii) Under the changes to the Public Lands Act, *"a person who has entered into an agreement, including a lease, a licence or an easement with the Crown under the Act ... is required to comply with the agreement ... It is an offense to contravene the requirement..."* There is the potential for the "Crown" to put "enter into an agreement" for an easement to allow for a transmission line or tower. With all the renewable energy proposed and the transmission guaranteed in the Act, this takes away any public opposition to transmission infrastructure on their lands.

(iii) Changes to the Electricity Act provide for mandatory connection to the power grid and this right supersedes *"an order or code issued by the Board"*, or *"a market rule or licence issued by the Board"*, although the Board's mandate is the *"promotion of economic efficiency and cost effectiveness in transmission and distribution"*.

(iv) There is a vague but rather disturbing section of Schedule D which sets out the changes to the Ontario Energy Board Act. The wording is as follows:

26.1 (1) Subject to the regulations, the Board shall assess the following persons or classes of persons, as prescribed by regulation, with respect to the expenses incurred and expenditures made by the Ministry of Energy and Infrastructure in respect of its energy conservation programs or renewable energy programs provided under this Act, the Green Energy Act, 2009, the Ministry of Energy and Infrastructure Act or any other Act:

- 1. In respect of consumers in their service areas, gas distributors and licensed distributors.*
- 2. The IESO.*
- 3. Any other person prescribed by regulation.*

... Every person assessed ... shall pay the amount assessed ... by remitting the amount to the Minister of Finance. ...

(2) The following are the special purposes for which amounts collected under section 26.1 relating to assessments are paid to Ontario:

- 1. To fund conservation or renewable energy programs aimed at decreasing the consumption of two or more of the following fuels:*

- i. natural gas,*
- ii. electricity,*
- iii. propane,*
- iv. oil,*
- v. coal, and*
- vi. wood.*

2. To fund conservation or renewable energy programs aimed at causing consumers of fuel to change from one or more of the fuels listed in paragraph 1 to any other fuel or fuels listed in that paragraph.

3. To fund conservation or renewable energy programs aimed at decreasing peak electricity demand, while increasing or decreasing the consumption of another type of fuel.

4. To fund research and development or other engineering or scientific activities aimed at furthering the conservation or the efficient use of fuels.

5. To fund conservation or renewable energy programs aimed at a specific geographical, social, income or other sector of Ontario.

6. To reimburse the Province for expenditures it incurs for any of the above purposes.

This essentially tells the Board that Ontario consumers must pay for all conservation, renewable energy decisions and the switch from coal to natural gas - all and every decision that the Minister makes in respect of energy supply and distribution - without regulation by the Board of any of those costs.

9. The Act impairs the development of the integrated power system plan and halts the process which has cost tax and ratepayers hundreds of millions of dollars to date.

The OEB no longer has a clear mandate for addressing the IPSP which has been years in the making and has cost hundreds of millions of dollars. Stakeholder input - which incurred much time and expense - is wiped away by this Act. Where the IPSP goes from here is anyone's guess.

The issues of costs arising from this Act and the huge impact this will have on the economic future of this province are nowhere discussed but in many places alluded to within the Act. The provincial safeguards for consumer cost are swept away in this legislation.

That cost is measured in dollars from ratepayers, from continued job losses as energy costs rise, but more importantly the cost of loss of rights of all Ontarians. The Act tramples on individual rights and is designed to stifle public input.

Conclusion

The Act is poorly constructed and is being rushed through without sufficient dialogue or investigation. It is an inefficient, ill thought out patchwork of ad-hoc projects, driven, we believe, by powerful lobbyists that do not consider the optimum way to achieve Ontario's "green objectives". The IPSP, a multi million/billion dollar comprehensive plan developed from the input of many, many professionals and stakeholders has been thrown through the window in favor of vesting the power to one man. This is totally irrational. This is frightening. The CAE Alliance requests that this Act be rejected and that the proper process allow energy experts to bring a reasoned and reasonable energy plan to fruition.

Respectfully submitted,
Carol Chudy, Co-Chair, CAE Alliance

Notes

1. University of Illinois Law and Economics Working Paper No. LE09-007, "7 Myths About Green Jobs", March 11, 2009
2. Terence Corcoran: Ontario's green energy plan sneaks in feed-in taxes, March 03, 2009
3. University of Illinois Law and Economics Working Paper No. LE09-007, "7 Myths About Green Jobs", March 11, 2009
4. Germany's Solar Cell Promotion: Dark Clouds on the Horizon, Ruhr-Universität Bochum (RUB), Department of Economics, Bochum, Germany, March, 2008
5. University of Illinois Law and Economics Working Paper No. LE09-007, "7 Myths About Green Jobs", March 11, 2009
6. Lawrence Solomon: Gangreen Energy Act, March 7, 2009, National Post
7. Terence Corcoran: Ontario's green energy plan sneaks in feed-in taxes, March 03, 2009
8. Tyler Hamilton: Solar Energy Giants Discovering Ontario, March 19, 2009, Toronto Star
9. Parliamentary Information and Research Service – "Ontario's Electricity System, September 22, 2005
10. "Recurrent Energy Acquires 350 MW Solar Project Pipeline", March 18, 2009, www.recurrentenergy.com
11. Germany's Solar Cell Promotion: Dark Clouds on the Horizon, Ruhr-Universität Bochum (RUB), Department of Economics, Bochum, Germany, March, 2008
12. George Vegh, The Green Energy and Green Economy Act: Green Energy Unbounded, February 24, 2009
13. as above
14. as quoted in Bill 150: Is it green? Is it democratic? By Keith Stelling BA (Hons), MA (McMaster), MNIMH, Dip. Phyt., MCPP (England)
15. Michael Trebilcock, Professor of Law and Economics, University of Toronto Faculty of Law, "Province should seek an objective appraisal of wind turbines' generating potential", Toronto Star, March 24, 2009
16. "German State Agency Calls for New Power Stations", Windwatch - Industrial Wind Energy News, www.wind-watch.org, February 10, 2009
17. "The Local Effects of the Displacement of Coal with Gas-Fired Generation", Jacques Whitford, prepared for the Ontario Power Authority, January 31, 2009
18. "Seattle council poised to approve rooftop wind-energy generators", The Seattle Times, March 14, 2009

APPENDIX "A"

Rising Cost of Power

Regulated Price Plan - Ontario's competitive electricity market opened on May 1, 2002. On December 9, 2002, the government passed the *Electricity Pricing, Conservation and Supply Act, 2002*, that set the commodity price of electricity at 4.3 cents per kilowatt hour for residential, low volume consumers and other designated consumers.

Regulated Price Plan Prices: Historical Snapshot

The following chart provides a brief description of electricity commodity prices since 2002. The chart also shows the changes to the residential threshold between summer and winter seasons.

Set By	Effective Date	Lower Tier Price (per kWh)	Residential Threshold for Lower Tier Price (per month)	Higher Tier Price (per kWh)
Ontario Energy Board	Nov 1, 2008	5.6¢	1,000 kWh	6.5¢
	May 1, 2008	5.0¢	600 kWh	5.9¢
	Nov 1, 2007	5.0¢	1,000 kWh	5.9¢
	May 1, 2007	5.3¢	600 kWh	6.2¢
	Nov 1, 2006	5.5¢	1,000 kWh	6.4¢
	May 1, 2006	5.8¢	600 kWh	6.7¢
	Nov 1, 2005	5.0¢	1,000 kWh	5.8¢
	Apr 1, 2005	5.0¢	750 kWh	5.8¢
Government Regulation	Apr 1, 2004	4.7¢	750 kWh	5.5¢
	Dec 9, 2002		4.3 ¢ per kWh/mo.	

The current price represents an increase of **30%** for lower threshold use, **50%** increase for higher use, since market opening, 5 years ago. This is for the commodity cost of power alone. (See page 18 for a breakdown of costs included in overall consumer pricing.)

The Regulated Price Plan currently covers residential consumers, small businesses and other consumers designated by the Ontario government, such as municipalities, schools, universities and hospitals. It does not, however, apply to large commercial or industrial consumers who use over 250,000 kWh per year.

On May 1, 2009, Ontario's public sector including municipalities, universities, schools, hospitals and other designated customers will move from paying the Regulated Price Plan (RPP) to a market-based, or hourly, price for electricity. See page 26 for impact.

Green Energy Act - Factors Impacting the Price of Power

The Chart on the following page shows the breakdown of costs included in the overall consumer bill. The Green Energy Act will impact each of these categories of cost, as follows:

1. Commodity Cost -

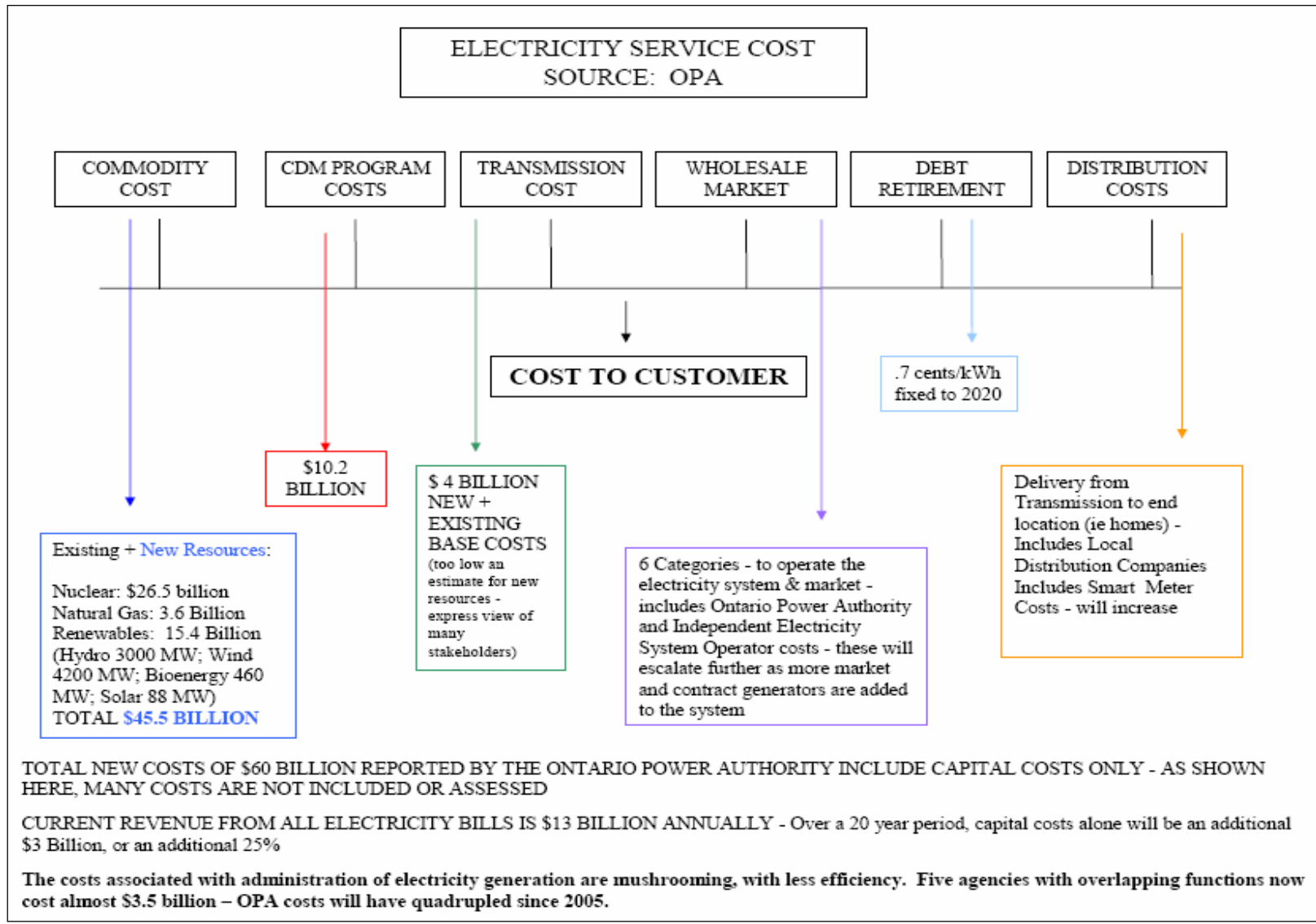
Proposed Feed-in Tariff Pricing

Draft: March 13, 2009

Proposed Feed-In Tariff Prices for Renewable Energy Projects in Ontario			
Technology	Proposed size tranches	Proposed ¢/kWh	Adjustments
Biomass*			
	Any size	12.2	
Biogas*			
	≤ 5 MW	14.7	
	> 5 MW	10.4	
Waterpower*			
	≤ 50 MW	12.9	
Community Based or Aboriginal	≤ 2 MW	13.4	
Landfill gas*			
	≤ 5MW	11.1	
	> 5 MW	10.3	
Solar PV			
Rooftop	≤10 kW	80.2	
	10 – 100 kW	71.3	
	100 – 500 kW	63.5	
	> 500 kW	53.9	
Ground Mounted	≤ 10 MW	44.3	9% price reduction triggered when 100 MW contracted
Wind			
Onshore	Any size	13.5	
Offshore	Any size	19.0	
Community Based or Aboriginal	≤ 10 MW	14.4	

*on/off peak pricing applies: 35% higher from 11am to 7pm on business days, and a 10% lower price during off-peak hours.

Compare with existing costs for hydroelectric 3.3 cents/kwh; coal 4.7 cents/kwh; existing nuclear 4.95 - 6.5 cents/kwh



Note: Assessment of Costs for new renewables, Conservation/Demand Management (CDM) and transmission were calculated prior to Green Energy Act

Commodity Costs will also be impacted by inclusion of natural gas-fired power to augment and balance the intermittent renewable generation.

2. Conservation/Demand Management Costs:

- Energy Audits - real estate sale or lease
- Energy Efficiency Plans and Updates - Municipalities, government agencies, and other, yet to be prescribed
- Inspectors
- Product coding, labeling
- Removal of used products from the market
- Potential to impact businesses that currently use products that will be disallowed, i.e. fridges, freezers in variety stores; ovens, older air conditioning units in restaurants, etc.

3. Transmission

- Billions of dollars developing miles upon miles of new transmission lines through all sorts of terrain to connect these hundreds of thousands of small scale generators and larger, remote supply to the provincial grid

4. Wholesale Market Charges

These includes OPA, IESO, charges and other costs to operate the electricity system and market. These will all increase as a result of more administration, more juggling of power supply due to intermittent resources, etc.

5. Distribution Charges

These charges will increase as a result of implementing the "Smart Grid", smart meters and the multiple new infrastructure required to provide delivery of power.

Samples of "Average" Residential Bill

1. Local Distribution Company Customer - Jan. 2009.

Electricity up to 1000 Kw. @ 0.56 =	\$56.00	
Electricity over 1000 Kw. @ 0.65 =	\$ 4.33	
total electricity =	\$ 60.33	47.46% of overall bill
Delivery ----- =	\$ 52.86	41.58% of overall bill
Regulatory charges----- =	\$ 6.86	5.4% of overall bill
Debt Retirement Charge----- =	\$ 7.07	5.56% of overall bill

Jan. 2009 total electric = \$ 127.12

2. Hydro One Customer

Electricity:	42.17	43.5% of overall bill
Delivery	44.74	46.17% of overall bill
Regulatory Charges	5.04	5.2% of overall bill
Debt Retirement Charge	4.96	5.12 % of overall bill
TOTAL	\$96.91	

The above statement amounts show the portion of the bill representing the transmission and distribution charges, which will increase significantly under the Green Energy Act.

"Delivery: These re the costs of delivering electricity from generating stations across the Province to Hydro One then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers, and poles and operate provincial and local electricity systems. A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

Regulatory Charge: Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid."
(Hydro One)

INDUSTRIAL IMPACT

Table 6 Ontario and US Wholesale Charge Rates by Category

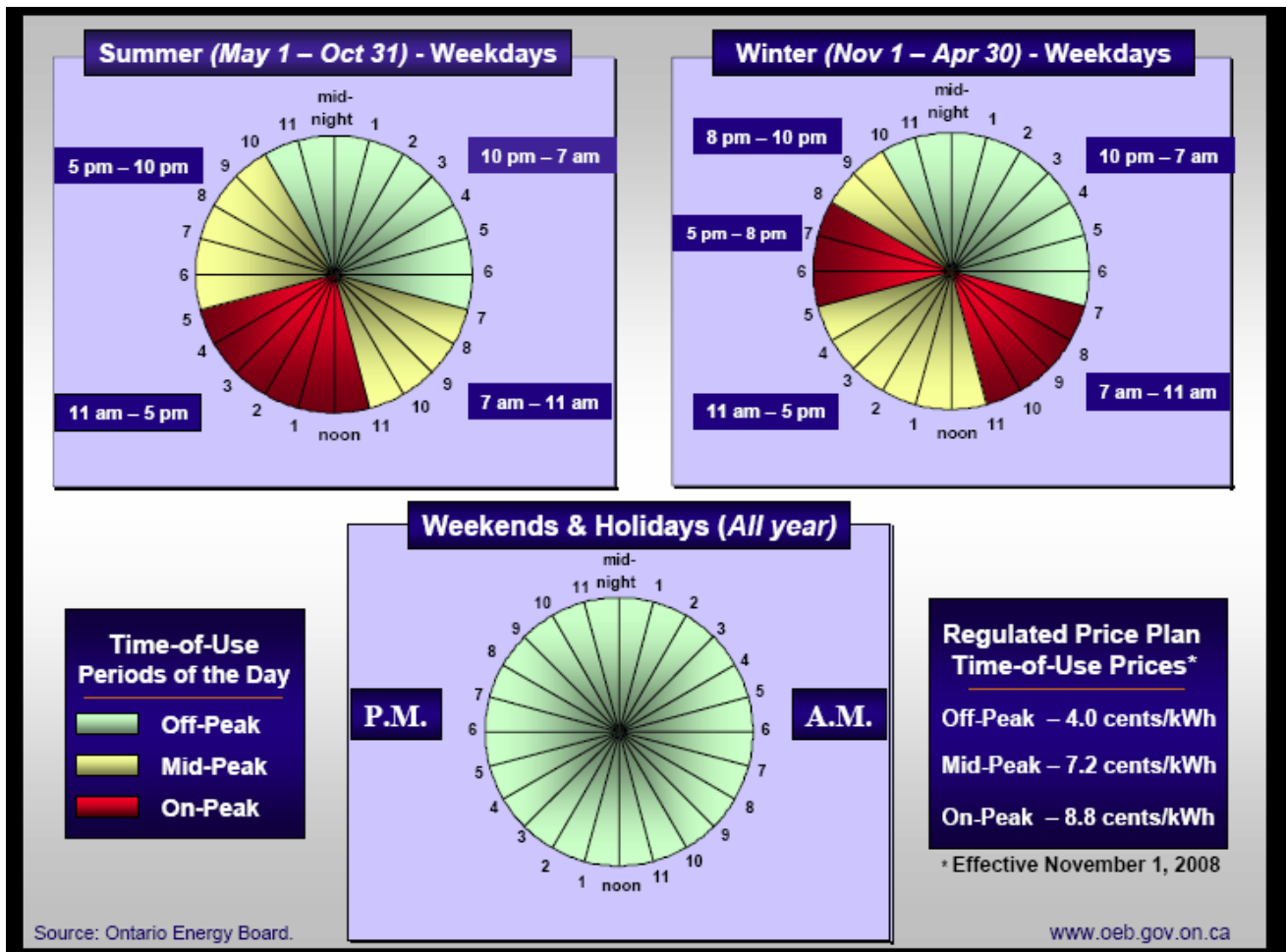
Year	Charge Category	MISO	PJM	IESO	NEPOOL	NYISO
2006	Energy Price ⁴	51.03	60.50	52.46	72.32	80.88
	Transmission Charge	2.97	3.16	8.26	4.89	5.29
	Ancillary Market Service Charges	1.78	1.42	11.06	8.62	3.05
2006 Total	Delivered Price	55.78	65.08	71.77	85.84	89.21
2007	Energy Price	56.08	63.84	53.34	76.10	82.07
	Transmission Charge	3.28	3.21	8.07	4.73	4.99
	Ancillary Market Service Charges	1.79	2.23	11.21	8.13	3.41
2007 Total	Delivered Price	61.15	69.28	72.61	88.96	90.47

Source: IESO, MISO, NYISO, NE-ISO, PJM

Note the significant differences in the transmission and ancillary market service charges between Ontario and US jurisdictions. The delivered price of electricity includes energy prices (set by the offers and bids of participants) plus transmission and ancillary charges (e.g., costs of operating reserve, regulation and market administration). These are the charges that will increase significantly as a result of The Green Energy Act.

Smart Meter Impact Little Gain, Much Pain

In 2010, all residences and small business will be equipped with smart meters. The pricing will be determined as follows:

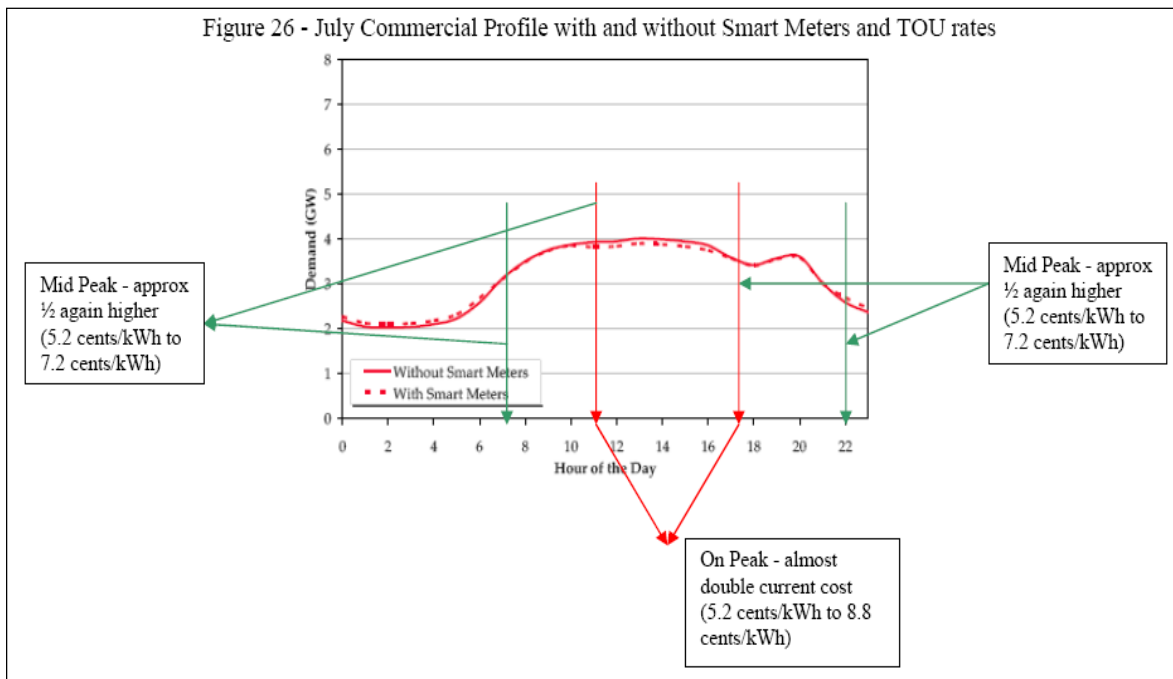
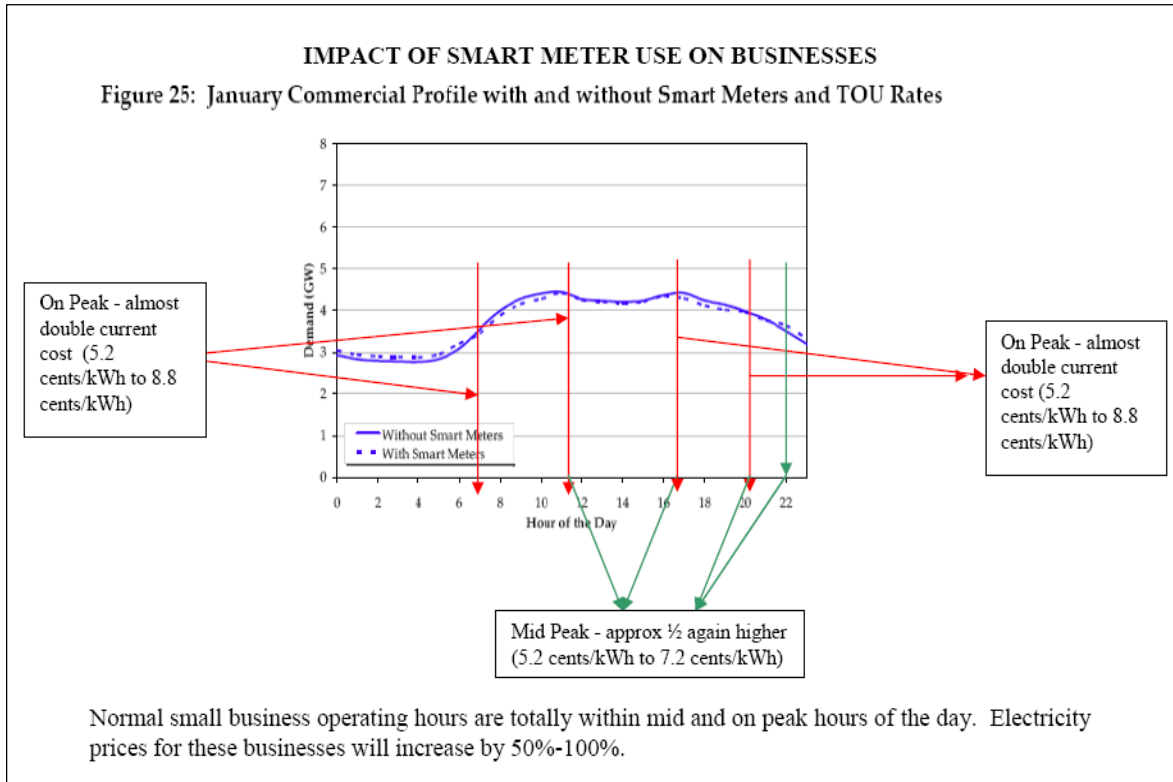


The following charts demonstrate that there will be little decrease in electricity use as a result of implementing smart meters (at the cost of \$2 Billion) but higher costs for consumers - particularly business consumers - for the time of day when most electricity is used.

IMPACT OF SMART METER USE ON BUSINESSES

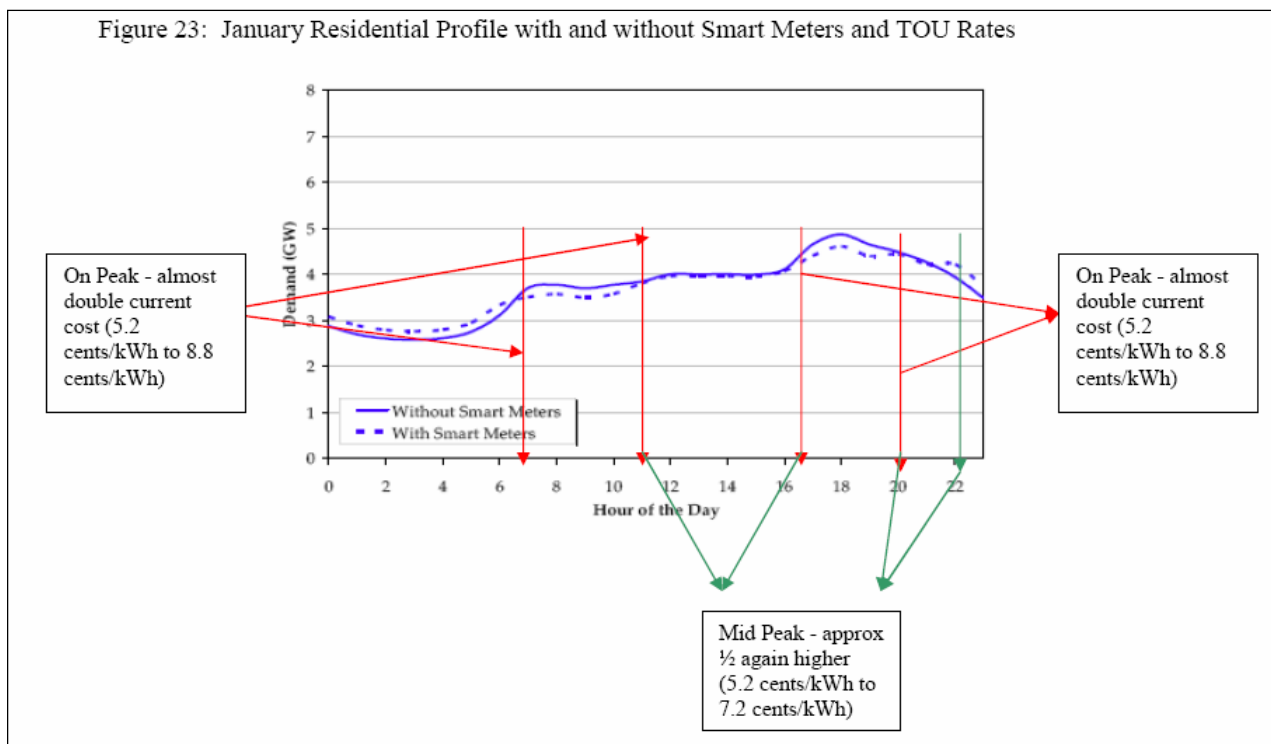
The charts below show the average load pattern for daily use in January and in July. The solid line represents current average use. The dotted line shows the anticipated impact of smart meters to reduce electricity use. (Navigant Consulting Report to OPA)

The green and red bars were transposed on these charts to show the cost impacts of smart meters.



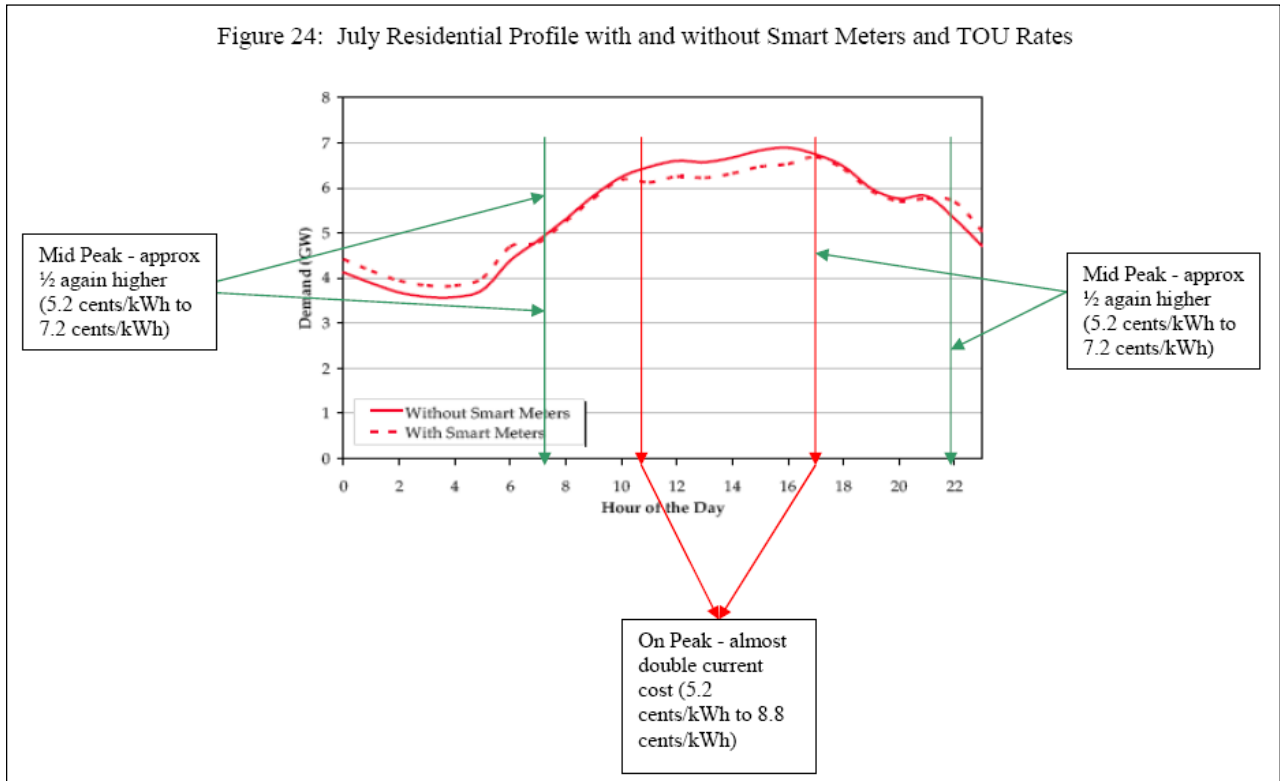
- The cost impact on the commercial consumer is evident from these charts. The time of use metering system which will be implemented will cause marginal reduction in power consumption but at almost double the cost, as commercial/small business use is primarily during the highest pricing time.
- "Commercial customers report that peak usage is harder to curtail when critical business activity and electric use coincide with high price times. Also, businesses with high electricity intensity are less responsive than other customers. These findings seem to indicate that some businesses have less capacity to shift load simply due to the nature of their operations." (Navigant Consulting)
- Likewise, the farming community, with little ability to load shift, will pay much higher costs. This will impact consumer goods, food, and all consumer spending.

Smart Meter Impact - Residential Use



As this chart demonstrates, the highest TOU pricing coincides with increased demand in residential use due to normal activities during waking and pre-work/school preparation, etc. in the morning and arrival home, meal preparation, etc. during early evening hours. Much of this energy use cannot be shifted.

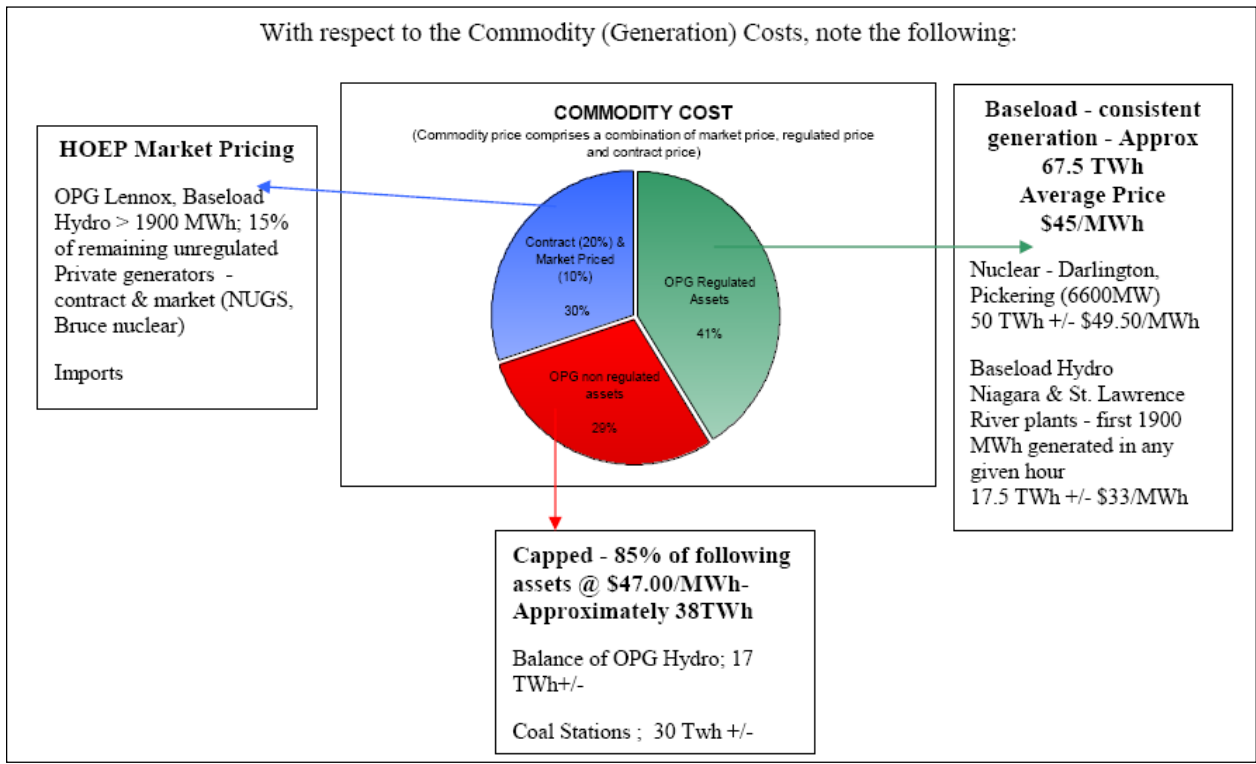
Figure 24: July Residential Profile with and without Smart Meters and TOU Rates



The results of the OEB's Smart Meter Pilot Project in 2006-2007 revealed there was no applicable statistically significant load shifting from On-Peak periods as a result of the Time of Use (TOU) price structure alone. Minimal savings of an average of \$1.44/month were identified as a result of load shifting. During the study participants achieved far greater savings of \$2.73/month by simply reducing consumption of electricity.

These savings will likely not even offset the monthly smart meter fee.

(Chart was prepared Fall, 2008 - current rates are now higher)



Commodity Price - payment to the generators for the production of electricity. The generation cost is different for each facility, based on whether the generator has a contractual agreed price, is paid according to a regulated price established by legislation/regulatory order or is selling at the market-clearing price for electricity. As a result, the Ontario electricity commodity price paid by customers comprises a combination of market price, regulated price and contract price.

Approximately 70% of electricity consumption is currently hedged
 As resources included in the "green" area - ie OPG nuclear - and those in the "red" area - ie coal power - decrease, the "blue" area increases, thereby impacting the market price

Impact of Potential Changes

- (i) As OPG assets are retired (coal plants - Pickering B) and are replaced by private generators (natural gas plants; Bruce Power), the market share portion rises - less resources subject to regulation
 "OPG revenue cap on heritage assets stabilizes OPG revenues, stabilizes prices and mitigates market power." (AMPCO)
 Higher prices - higher market power - greater volatility in pricing
- (ii) As higher priced power is introduced into the system - i.e. wind and solar - nothing to offset or mitigate the costlier resources
- (iii) Market price will be set primarily by natural gas (85% of the time, according to Union Gas). All generators in the queue receive market price, but significantly less resources impacted by capped rates. Therefore, the monies returned to consumers via OPG rebate or global adjustment - and revenue to OPG which offsets higher resources costs - will be swallowed up by private merchant generators.

Manufacturing sales, by province and territory					
	2004	2005	2006	2007	2008
	\$ millions				
Canada	583,081.9	600,349.6	607,380.3	607,343.9	604,260.7
Newfoundland and Labrador	2,513.2	2,781.9	4,356.4	5,257.6	6,638.5
Prince Edward Island	1,246.4	1,276.8	1,412.7	1,428.6	1,365.8
Nova Scotia	9,604.8	10,017.9	9,655.0	9,873.7	10,773.6
New Brunswick	14,191.8	15,248.1	14,835.7	15,679.6	17,879.6
Quebec	134,849.5	140,084.5	146,657.0	148,260.3	150,746.2
Ontario	302,907.7	304,036.9	296,105.2	291,692.9	278,081.4
Manitoba	13,261.8	13,702.3	14,854.2	16,111.3	16,397.0
Saskatchewan	9,159.6	9,656.1	10,080.5	10,435.8	12,261.4
Alberta	53,608.4	60,439.1	64,381.8	65,592.5	70,107.8
British Columbia	41,630.2	42,983.8	44,943.9	42,929.5	39,929.0
Yukon	22.8	24.9	26.7	29.7	35.1
Northwest Territories	80.8	90.8	64.2	45.8	39.5
Nunavut	4.9	6.3	7.0	6.5	5.7

Source: Statistics Canada, CANSIM, tables (for fee) [304-0014](#) and [304-0015](#).
Last modified: 2009-03-19.

Note: With the exception of B.C., Ontario is the only province whose manufacturing sales are decreasing. The others have either "held their own", or are increasing.

Provincial and territorial general government revenue and expenditures, by province and territory (Quebec, Ontario, Manitoba, Saskatchewan) 2008

	2008			
	Que.	Ont.	Man.	Sask.
	\$ millions			
Total revenue	79,783	99,523	11,448	10,486
Own source revenue	65,171	83,357	7,829	8,608
Income taxes	27,024	39,504	2,892	2,802
Consumption taxes	15,422	24,576	2,394	1,991
Property and related taxes	1,517	2,907	348	143
Other taxes	7,537	7,003	618	959
Health and drug insurance premiums	849	.	0	0
Contributions to social security plans	3,555	3,383	202	247
Sales of goods and services	2,369	2,555	202	402
Investment income	6,630	3,311	1,067	2,040
Other revenue from own sources	268	118	107	24
General purpose transfers	8,208	3,997	2,184	578
Specific purpose transfers	6,404	12,169	1,436	1,300
Total expenditures	79,392	100,216	11,280	9,777
General government services	1,622	1,583	194	181
Protection of persons and property	2,510	3,916	463	549
Transportation and communication	3,582	4,778	530	538
Health	22,492	38,323	3,835	3,384
Social services	16,298	16,487	1,802	1,205
Education	14,321	19,599	1,974	1,729
Resource conservation and industrial development	3,484	2,911	527	647
Environment	533	499	80	112
Recreation and culture	993	753	122	190
Labour, employment and immigration	524	121	35	23
Housing	445	725	89	188
Regional planning and development	473	326	114	40
Research establishments	429	120	14	12
General purpose transfers	893	605	242	167
Debt charges	10,792	9,283	1,260	810
Other expenditures	0	187	0	0
Surplus or deficit	391	-692	168	710

**Provincial and territorial general governments, financial assets and liabilities, by province and territory
(Quebec, Ontario, Manitoba, Saskatchewan)**

2007

	Canada	Que.	Ont.	Man.	Sask.
	\$ millions				
Financial assets	375,554	103,348	63,553	16,209	10,750
Cash on hand and on deposit	5,686	969	764	2,204	302
Receivables	40,905	15,901	8,956	850	950
Advances	52,339	17,271	13,024	6,735	4,485
Securities	274,084	68,306	40,570	6,328	4,917
Other financial assets	2,540	901	239	92	96
Liabilities	617,954	208,240	176,433	27,557	19,027
Bank overdrafts	3,245	834	39	66	308
Payables	50,950	17,882	13,026	1,820	1,568
Advances	11,574	6,515	1,499	996	14
Treasury bills	9,344	3,325	4,693	325	0
Savings bonds	5,740	664	4,272	463	327
Bonds and debentures	234,494	69,235	72,522	14,150	10,434
Other securities	124,567	44,831	64,706	5,012	1,315
Deposits	68,605	214	748	311	96
Other liabilities	32,589	5,019	12,875	287	2,025
Net debt	242,400	104,892	112,880	11,348	8,277

Note: Data are as at March 31. **Source:** Statistics Canada, CANSIM, table (for fee) [385-0014](#).

LETTER TO THE EDITOR:

For the past 4 years our volunteer organization has been actively involved in reviewing the political, regulatory and legislative aspects of the massive electricity restructuring in Ontario, most recently as an Intervenor before the Ontario Energy Board regarding the proposed 20 year power plan. The review of that Plan - which has cost hundreds of millions of dollars - has been conveniently postponed while the government rolls out it's Green Energy Act.

In that past 4 years Ontario has lost 272,300 jobs in the manufacturing sector. That number is escalating. That number does not include the supporting service sector jobs. (For every \$1 in the manufacturing sector there is \$3.05 spin off in the economy.)

In that 4 years the industrial, mining, manufacturing, chemical, forestry and agricultural sectors have issued warnings and pleas - backed by reports and statistics - to the government regarding flawed energy policy. These concerns of the primary employers in this province - the backbone of our economy - have been largely ignored. Perhaps the government rationale lies in the recently released report, commissioned in the 2008 provincial budget, "Ontario in the Creative Age". This nefarious ideology suggests that Ontario must transform "to an economy based on people's creativity and knowledge from one based on physical resources and hours of toil".

This "Ontario in the New Age of Aquarius ideology" is reflected in the newly released Green Energy Act, but contains some sinister elements. While some aspects of the new Act have merit, the benefits are totally overshadowed by the deviation from a mandate of reliable, affordable, environmentally sustainable power to a mandate of (highly questionable) environmental goals at any cost.

That cost is measured in dollars from ratepayers, from continued job losses as energy costs rise, but more importantly the cost of loss of rights of all Ontarians. The Act tramples on individual rights and is designed to stifle public input. The Act removes the right to protest any renewable energy project - no person, no organization, no municipality may oppose. This includes transmission and other infrastructure required - even if it is to be placed on your property by way of easement. In fact, information including the location of new projects is to be considered secret, confidential and is exempt from the Freedom of Information Act. The sale or lease of all property will be subject to an energy audit. All appliances and "products" sold or leased must meet unspecified qualifications. Inspectors will be hired to ensure compliance, will have authority to search any location where they suspect non compliance and will hand out huge fines for failure to obey.

It won't take 4 years to see an erosion of our economy and our civil rights. In less than 4 weeks this Bill will be railroaded through parliament. Don't be fooled by the "green" label - read the black and white. Review summaries of the Green Energy Act on our website, www.caealliance.com. Read the Act.

Carol Chudy
Clean, Affordable (CAE) Alliance