

Stakeholders Release a Sustainable Energy Policy for Ontario

Toronto, January 31, 2005. The Stakeholders' Alliance for Electricity Competition & Customer Choice (SAC) today released issued a document entitled "A Sustainable Electricity Policy" which summarizes the Alliance's vision for Ontario's electricity sector going forward, following the passage of the Electricity Restructuring Act by the Ontario Legislature in December 2004, SAC Chair David McFadden said today.

"While Ontario's electricity sector has entered a new chapter with the passage of the Electricity Restructuring Act by the Ontario Legislature, enactment of this legislation will not of itself meet the serious challenges and issues facing the province's electricity industry. Intense ongoing effort and cooperation will be required involving generators, consumers, distributors, regulatory agencies and the government," McFadden said. "That is why SAC is putting forward its views now," he said

McFadden noted that SAC supported the recommendations contained in the report of the Electricity Conservation and Supply Task Force released in January 2004, and that SAC commended the Ontario Government for acting upon many of the recommendations made by the Task Force. "A healthy electricity sector is vital to the competitiveness of our economy and ultimately the well-being of all Ontarians", McFadden said.

The Stakeholders Alliance believes that the long-term needs of Ontario's economy and its consumers require the following:

- A robustly competitive electricity market
- Diversity in supply
- Implementation of smart regulation
- Informed and empowered consumers

"A Sustainable Electricity Policy" sets out principles designed to ensure that Ontario will have a competitive electricity sector that meets the economic and social needs of the province.

"We need a stable policy environment in which these principles can be applied over a sustained period of time for the benefit of all Ontarians", said McFadden.

The Stakeholders Alliance of Electricity Competition & Customer Choice (SAC) is a broad coalition of Ontario associations and organizations representing Ontario electricity producers, customers and service industries, small- and medium-size businesses operating in all sectors, plus electricity distributors who deal directly with residential customers.

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Members of the Stakeholders Alliance:

- Association of Major Power Consumers in Ontario
- Association of Power Producers of Ontario
- Canadian Chemical Producers Association
- Canadian Federation of Independent Business
- Canadian Manufacturers and Exporters
- Electricity Distributors Association
- Greater Toronto Hotel Association
- Ontario Energy Association
- Ontario Mining Association

STAKEHOLDERS' ALLIANCE FOR ELECTRICITY COMPETITION AND CUSTOMER CHOICE

A Sustainable Electricity Policy

1. The Ontario Government must continue the transition to a robustly competitive electricity market. The market should ultimately possess the following characteristics to meet Ontario's electricity needs:
 - a. multiple buyers and sellers
 - b. competitive prices
 - c. availability of price stability for consumers
 - d. transparency
 - e. customer choice, awareness and empowerment
 - f. lack of market dominance
 - g. financial accountability
 - h. smart regulation
2. An appropriately designed electricity market must ensure an adequate supply of reliable and economically and environmentally sustainable electricity. This can best be achieved through diversity in:
 - a. fuel
 - b. technology
 - c. location
 - d. ownership
 - e. size

No energy technology should be excluded if it can meet the environmental requirements of the province at a competitive cost.

3. The Ontario Government must embrace the concept of Smart Regulation, the key principles of which are:
 - a. cost effectiveness

- b. streamlined approval process (particularly with respect to new investment)
 - c. flexibility
 - d. forbearance
 - e. permissive and objective based
 - f. integration and performance accountability of regulatory agencies and processes
4. Consumer education continues to be a critical area of development to transition Ontario to a robustly competitive market. Ontarians must be empowered and provided with the information necessary to make informed choices as consumers, which includes providing them with an understanding of the tools available to them to assist Ontario in conserving electricity.