

Legislative Watch

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Keeping Ontario's Lights On

On June 15, 2004, Minister of Energy, Dwight Duncan, introduced legislation that will address the growing gap between electricity supply and demand. Bill 100, *Electricity Restructuring Act, 2004*, is on its first reading and can be downloaded as a PDF from the Legislative Assembly's website at http://www.ontla.on.ca/documents/Bills/38_Parliament/Session1/b100.pdf. For additional information on the announcement, and an accompanying backgrounder, please visit the Ministry's website at www.energy.gov.on.ca.

According to Minister Duncan, Ontario needs 25,000 megawatts of generating capacity, either through conservation, demand reductions or new generation, by the year 2020. This represents approximately 80% of the provinces current generation capacity.

Highlights of the bill include:

- There will be a new body known as the Ontario Power Authority (OPA) to forecast future power requirements. It is scheduled to be functional by next January.
- The Independent Market Operator (IMO) will be renamed the Independent Electricity System Operator (IES). For the most part its function will remain the same but some may be moved to the Ontario Energy Board (OEB) and/or the new OPA.
- A new Conservation Bureau, led by Ontario's first Chief Energy Conservation Officer, to build a conservation culture in the province.
- Provisions for the Ministry of Energy to set targets for conservation, renewable energy, and the overall supply mix of electricity in the province.
- Incentives for more private sector investment in new generating capacity.
- Regulated prices in parts of the electricity sector that would be adjusted periodically by the OEB.

The proposed legislation, as well as other regulations identified in the bill, will be up for stakeholder consultations throughout the summer.

In other energy news, Minister Duncan also announced plans on Wednesday, June 16, to increase nuclear and hydro power by rebuilding three nuclear reactors in Pickering. More specific plans are to be released shortly but for now the Globe and Mail has reported that the rebuilding of the three reactors at Pickering – where the Minister has yet to receive formal recommendations on the fate of the Pickering plant from OPG – would cost up to \$2.7 billion.

Unit 1 could be in operation by the end of 2005, while units 2 and 3 would be refurbished after that. Unit 4 was the first to be rebuilt after it was taken out of service due to regulatory concerns in 1997. According the OPG Review Committee report, presented to the government in March 2004, the Unit 4 refurbishment cost three times more than its original estimate in 1999; the final

cost was \$1.25B. In addition, the completion date was originally scheduled for mid-2001 and was not completed until September 2003.

The government is also putting an emphasis on renewable sources of energy, including wind and biomass generating plants. Its target is to have 5 per cent of Ontario's generating capacity coming from renewable sources by 2007, and increasing that goal to 10 per cent by 2010.

At the 2004 May AGM and Convention, delegates passed several resolutions on energy pricing and supply and on coal fired plants. In light of the increasing cost and dwindling supply of energy in Ontario, the OCC feels that it is imperative that there be private investment in Ontario's energy market, and encourages the Government of Ontario to encourage private sector investment and competition, continue to refurbish inactive reactors where affordable, and to encourage peak time shifting and time of day rates. In addition, the OCC believes that to avoid major supply risks, coal plants should be kept in operation until adequate replacement generation and demand reduction measures are in place.

Premier McGuinty Addresses Washington Business Group on Border Issues and the Importance of Canada-US Relations

Premier McGuinty addressed members of the Canadian American Business Council on June 16 as their keynote speaker for a special seminar entitled "Investment and Trade Disputes in North America". The news release and speech are available on the Premier's website at <http://www.premier.gov.on.ca/english/news/sharingcontinent061604.asp>.

The Premier's address to the group identified the importance of the Canada-US relationship – he spoke about our continental challenges, terrorism, trade, homeland security, our connected economies and our borders. He cited a recent survey of Canadian business leaders who found that, not taxes, but inadequate infrastructure, gridlock and border crossing delays, to be among their chief disincentives to new investment. He referred to the Ontario Chamber of Commerce's comprehensive report, *The Cost of Border Delays to Ontario*, focusing on the cost that Ontario bears for these delays – almost \$1,100 per year for every Ontario taxpayer.

Premier McGuinty also spoke in depth about cross-border programs and the need to fully utilize such programs as NEXUS and the Free and Secure Trade Program (FAST) – only 4% of goods traded across the border are using FAST. "We're going to work with the federal government to better publicize the program in the export community," said the Premier. At the 2004 May AGM and Convention, delegates unanimously passed a resolution urging the Ontario government to initiate a public campaign around awareness, education and participation in trade facilitation programs working with the federal government, the OCC and various willing business organizations.

The OCC met with Premier McGuinty, along with Ministers Caplan, Takhar and Cordiano, last week, and discussed, at length, the province's border issues and infrastructure requirements. The Premier's address also included an announcement of \$625 million, in partnership with the feds, for enhancements to infrastructure and transportation corridors, namely the Windsor-Detroit Gateway project. The Premier announced plans to publish a timetable on that project soon.

The Premier stressed the importance of Canada-US relations and quoted several US presidents, including Ronald Reagan and John F. Kennedy, in his address. He made several references for Ontario to become “closer allies” with our neighbours and friends, the United States.

2004 Federal Election Heats Up

Campaign 2004 is drawing to a close as the election date nears on Monday, June 28. In fact, advance polling stations opened across the country on Friday – voters are able to cast their ballot until today, Monday, June 21, until 8:00pm, local time. You can find your riding’s advance polling station by calling your returning officer – contact Election Canada at 1-800-463-6868, or visit www.electionscanada.ca for more information.

On Tuesday, June 15, three out of the four major political parties participated in the English-language leaders debate: Mr. Paul Martin, Liberal Party of Canada; Mr. Jack Layton, NDP; and Mr. Stephen Harper, Conservative Party of Canada. Jim Harris, leader of the Green Party of Canada, was not invited to participate in the debate.

The most recent poll (June 18) from SES research shows that the Liberals have 34% (-7) of the popular vote, while the Conservative Party has 29% (+1), NDP 22% (+4), and Green Party 5% (+2).

The OCC membership survey on the 2004 Federal Election ended on Friday and the results will appear in this Wednesday’s addition of the **Election Watch** newsletter, and will also be posted on the OCC website.

Become Part of Team Ontario 2004 Today!

Thank you to those chamber and board executives who have already confirmed their participation in this year’s Team Ontario. Team Ontario is made up of executive directors and managers from chambers and boards across the province. Working together we coordinate responses and evaluate resolutions for the Canadian Chamber of Commerce’s Annual General Meeting, to be held September 18 – 20, 2004, in Calgary, Alberta. The proposed resolutions should be on the CCC website by August 6, 2004.

The first Team Ontario conference call will take place on **Tuesday, June 29, 2004 at 10:00am**. The agenda for this call will be to set up the August conference call schedule, discuss the format and expectations of the process, and to identify a third co-chair for the Team. Once again, we are pleased to have Mr. Todd Letts, President of the Greater Kitchener Waterloo Chamber of Commerce, join us for a second consecutive year as co-chair. Todd will join Stuart Johnston at the OCC and a yet-to-be-named third co-chair.

Local chambers of commerce and boards of trade are encouraged to participate in Team Ontario. Please contact Rachel Kagan via email at rachelkagan@occ.on.ca to join Team Ontario and to RSVP for the June 29 call.

OCC Requests Your Feedback on Planning Issues

The Ministry of Municipal Affairs and Housing announced on June 1 that it is taking the next steps towards proposed reforms to the Ontario Municipal Board (OMB) and the land-use planning system. The government has proposed reforms to the Planning Act through Bill 26, the proposed Strong Communities (Planning Amendment) Act, 2004. The Ministry has produced three discussion papers addressing issues related to the planning reform initiatives and is requesting that stakeholders provide their input no later than August 31. In order for the OCC to provide a comprehensive response to the Ministry we are asking that member chamber's policy committees review the discussion papers and provide their responses to the OCC as soon as possible. The discussion papers can be found at http://www.mah.gov.on.ca/userfiles/HTML/nts_1_17395_1.html. The OCC is also drafting a survey that will be sent shortly. The OCC encourages chambers and boards of trade to distribute this survey to their members.

Upcoming Events

Listed below are some upcoming events that may be of interest:

- OCC Energy Task Force Meeting, June 23, 2004
- Federal Election, June 28
- Team Ontario Teleconference, June 29
- Canada Day – OCC Offices Closed, July 1
- OCC Health Policy Committee Meeting, July 6
- OCC Transportation and Infrastructure Meeting, July 7
- OCC Finance and Taxation Committee, July 8
- OCC Energy Task Force Meeting, July 14
- OCC Education Meeting, July 15
- OCC Borders and Trade Development Committee, July 21
- Ontario Economic Summit (OES), Niagara-on-the-Lake, October 6-7, 2004
- Outstanding Business Achievement Awards (OBAA) Gala Dinner, November 10, 2004