



Ontario Public Health Association
l'Association pour la santé publique de l'Ontario
Established/Établi 1949

The mission of OPHA is to provide leadership on issues affecting the public's health and to strengthen the impact of people who are active in public and community health throughout Ontario.

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January 22, 2004

Mr. Howard L. Wetston, Q.C.
Chair, Ontario Energy Board
26th Floor
2600 Yonge Street
P.O. Box 2319
Toronto M4P 1E4

Re: Energy Efficiency, Shared Savings Mechanisms & Public Health

Dear Mr. Wetston:

The OPHA is writing to encourage the OEB to adopt economic instruments such as "shared savings mechanisms" as policy instruments to encourage the energy conservation investments that are needed in the province to displace coal-generated electricity.

The OPHA is a volunteer, non-profit organization that does research, policy analysis, and health promotion on behalf of its members, many of whom work in public health departments across this province. In November 2002, the OPHA released a report, "Beyond Coal", in which we identified the aggressive promotion of energy conservation as one of the best ways to wean the province from electricity generated in coal-fired power plants (see report attached).

We took this position for two reasons. Firstly, we believe that energy conservation maximizes the health and environmental benefits associated with the phase-out of coal plants. This approach would reduce the province's emissions of sulphur dioxide, nitrogen oxides, mercury and carbon dioxide by up to 23%, 14%, 23%, and 20% respectively, without creating new point sources of air or water emissions that could be hazardous to human health or the environment.

Secondly, we believe that energy conservation presents a cost-effective means of achieving the coal-plant phase-out in a relatively short time frame. Energy experts, Torrie Smith Associates, have estimated that most of the electricity generated in Ontario's coal-fired power plants in 2001 (i.e. 35,000 of the 37,185 GWh) could be displaced by 2012 with systematic efforts to increase energy efficiency.

We believe that energy demand in Ontario can be reduced without requiring huge cash outlays from the provincial government. We think that economic instruments such as "shared savings

mechanisms" which provide financial incentives to utilities that encourage energy conservation/efficiency, can be used to encourage creative and effective energy conservation/efficiency programs across the sector. It is our understanding however, that the current regulatory framework of the Ontario Energy Board (OEB) discourages energy conservation by linking profits to electricity sales alone. We believe that this trend should be reversed; that the OEB must adopt policies that reward the actions needed by utilities to reduce energy demand.

We hope that the OEB will recognize the value of economic instruments such as "shared savings mechanisms" and use them to encourage the actions needed to reduce energy use, phase-out coal-fired power plants, and ensure a secure energy supply.

Yours truly,

David MacKinnon
Executive Director

cc. The Honourable Dwight Duncan, Minister of Energy
The Honourable Leona Dombrowsky, Minister of the Environment
The Honourable George Smitherman, Minister of Health and Long-Term
Kim Perrotta, OPHA Environmental Health Manager