ENERGY MINISTER ANNOUNCES PLAN TO ADDRESS FIRST THIRD OF COAL COMMITMENT

QUEEN’S PARK – Energy Minister Dwight Duncan today announced that he will immediately seek a technical advisor to oversee a competitive contracting process to address the government’s commitment to phase out coal-fired plants, and to enhance Ontario’s supply of renewable energy.

The government is seeking up to 2,500 megawatts (MW) of new electrical generation capacity and/or demand-side management initiatives to be in place as early as 2005, but no later than 2007. This represents one-third of the McGuinty government’s commitment to replace coal-fired generation with cleaner sources of energy or demand-side measures. This will also support the government’s electricity conservation target of 5 per cent by 2007, which represents approximately 1,350 MW at peak demand.

In addition, the government is seeking up to 300 MW of renewable energy capacity to be in service as soon as possible. This will help the government meet its target for 5 per cent (1,350 MW) of all generating capacity to come from renewables by 2007.

“This announcement demonstrates that the McGuinty government is serious about phasing out coal-fired generation, serious about conservation, and serious about meeting the renewable energy targets we have set,” said Minister Duncan. “We are moving forward in an innovative way since equal weighting will be given to demand management options to address short-term supply challenges,” said Minister Duncan.

“We are sending a clear signal that we want participants in the market interested in supply, renewables and conservation to come to the table to help us meet these targets,” the Minister added.

The government will choose a technical advisor through a competition of firms with direct expertise and experience conducting energy RFPs. The technical advisor will be asked to draft two Requests for Proposals (RFPs) for new electricity capacity and to oversee the process, which is expected to begin in early February.

By 2020, it’s projected that approximately 18,000 MW of Ontario’s existing electricity generating capacity will need to be refurbished or replaced. Due to the planned closing of the Lakeview Generating Station (a coal burning station just west of Toronto) in 2005, and increased demand, the Independent Electricity Market Operator (IMO) has identified that the GTA could face a significant short-term reliability risk from 2005 to 2007.

“The report of the Electricity Conservation and Supply Task Force has confirmed that major reforms are required in Ontario’s electricity sector. We will be announcing a new vision for the electricity sector in the Spring, and begin implementing it through legislation,” said the Minister. “However, given immediate requirements for additional power, and long lead times for approvals and construction of energy projects, we are moving immediately to address short-term supply gaps in the province.”
The McGuinty government is committed to protecting the interests of Ontarians by making positive changes to Ontario’s electricity sector. These changes will be aimed at creating a conservation culture and a cleaner Ontario, while ensuring a reliable, sustainable and diverse supply of competitively priced power for the province.

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