

## INFRASTRUCTURE AND ENERGY BULLETIN

### Plan for Ontario's Electricity Market Provides Private Sector Opportunities

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On August 29, 2007, the Ontario Power Authority (OPA) filed its 20-year plan for Ontario's electricity system with the Ontario Energy Board, Ontario's energy regulator. The OPA was established by the Ontario Ministry of Energy with a mandate to ensure an adequate, long-term supply of electricity for Ontario.

Key elements of the OPA's plan include conservation, renewable energy, coal replacement, nuclear power, natural gas and transmission enhancements, specifically the following:

- A reduction of 6,300 MW in peak demand by 2025, including peak savings of 1,350 MW over the period 2008–2010;
- An increase in the amount of renewable energy connected to the Ontario electricity grid to approximately 16,000 MW by 2025, requiring an increase of approximately 6,400 MW to existing and committed resources;
- The phasing out of coal-fired electricity generation by the end of 2014;
- The refurbishment or replacement of 10,249 MW of baseload nuclear capacity;
- Increased use of gas-fired generation for peaking, high-value and high efficiency uses; and
- Transmission upgrades to achieve the other elements of the plan.

The plan is now being reviewed by the Ontario Energy Board for final approval. The plan will be updated every three years, providing an opportunity for the OPA to adapt to the evolving demand for electricity.

In the near term (2008–2010), the plan calls for the procurement of either simple- or combined-cycle gas-fired capacity of 850 MW in the southwest Greater Toronto Area (GTA) and 550 MW of peaking capacity in the GTA; up to 350 MW of simple-cycle gas-fired peaking capacity in northern York Region; and 450 MW of simple-cycle gas-fired peaking capacity in Kitchener-Waterloo/Cambridge/Guelph.

By 2014, coal-fired electricity generation will be replaced by a combination of conservation, renewable energy and gas-fired generation. A key longer-term question is whether the refurbishment or replacement of 10,249 MW of baseload nuclear capacity will be accomplished by refurbishing existing facilities or by building new capacity.

The plan's estimated 20-year, \$60 billion capital cost is expected to generate significant private sector opportunities for investment. A complete copy of the plan is available at the OPA's website at [www.powerauthority.on.ca](http://www.powerauthority.on.ca).

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