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NEWS RELEASE

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Ontario Power Authority urged to use realistic electricity demand forecast

(Toronto) – Unless the agency planning Ontario’s energy future incorporates a good dose of reality, consumers will pay a higher price for electricity than need be, says the union representing workers in the electricity field on the basis of an independent study released today.

“A leading energy research company, Global Energy Decisions, has examined the potential electricity use scenarios put forward by the Ontario Power Authority (OPA),” comments Power Workers’ Union (PWU) President Don MacKinnon. “In its estimation, only the scenario which anticipates the most realistic growth and maximum peak demand is sensible for the OPA to use in its new planning process. This would help ensure a reliable supply at reasonable costs going forward.”

The main recommendations of the Global Energy Decisions (Global Energy) report include:

- The OPA use its “Higher Growth Scenario” published in December 2005, adjusted for the figures from the Independent Electricity Service Operator tabled in February 2006 as the base case for Ontario demand,
- The two OPA load forecasts published in the OPA’s *Supply Mix Analysis* in December 2005 are too low to be used to calculate Ontario’s future electricity needs, and
- To ensure reliability of supply, on-going analysis and planning should take into account higher load forecast uncertainty and extreme weather peak demand.

In particular, Global Energy recommends using a 1.8 percent rate of annual energy growth and an annual peak demand growth of 2.15 percent. This is in contrast to a one percent annual growth rate favoured by the OPA.

“Recent forecasts have consistently underestimated Ontario’s electricity needs. Calculating future demand is the very foundation of a good Integrated Power System Plan,” continues Mr. MacKinnon, “It is absolutely essential that the OPA’s projections don’t misjudge demand. The .8 percent difference between Global Energy and the OPA may not seem like much, but compounded over a number of years, the difference is huge.”

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POWER WORKERS' UNION

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In May 2005, Ontario's energy minister directed the OPA to conduct a consultative process leading to a long-term plan for the province's electricity needs and the means to meet them. This "Integrated Power System Plan" includes a web conference on how much electricity Ontarians will require scheduled for 14 September 2006. In anticipation of this week's "Load Forecast Presentation", the PWU has submitted its observations about a long-term forecast of Ontario's electricity needs, and the Global Energy study to the OPA.

The Power Workers' Union believes that Ontarians require an energy supply that derives electricity from a number of sources, including clean coal, hydroelectric and nuclear, along with other economical renewable options. The PWU's better energy plan – (www.abetterenergyplan.ca) – also includes a review of the province's natural gas strategy, investment in green power and the promotion of energy efficiency. This approach will guarantee the people of Ontario, and the businesses that operate here, an affordable, clean and secure supply of energy all year round.

The Power Workers' Union is the largest electricity union in Ontario, representing employees in electricity generation, transmission, distribution, regulations, and research and development.

Copies of the PWU submission to the OPA and Global Energy Decision study are available from www.abetterenergyplan.ca

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