



For Immediate Release

For further information:
Neil Bush
(416) 643-6610

The Ontario Green Energy Act, 2009 could cost between \$18 billion and \$46 billion over the next 15 years, according to London Economics International report

TORONTO, April 30, 2009 – London Economics International LLC (LEI) today released a report “Examining the potential cost of the Ontario Green Energy Act (GEA), 2009”, which estimates the aggregate non-discounted cost from the GEA to be between \$18 billion and \$46 billion from 2010 to 2025. This is equivalent to between \$247 and \$631 per household per year. Cost estimates are based on five elements: generation, interconnection, smart grid implementation, incremental conservation and demand management (CDM) initiatives, and new institutions. Estimates are based on verifiable third party sources, Ontario Power Authority (OPA) data and reasonable estimates. The report was prepared for the Official Opposition in Ontario.

The cost of the Feed in Tariff Program is based on the Draft OPA Price Schedule and LEI’s electricity supply/demand balance. Interconnection includes both the direct cost of connecting FIT facilities to the grid, and the incremental labor cost for utilities to manage interconnections. Smart grid estimates omit the costs of smart metering. CDM initiatives include the cost of mandatory targets for local distribution companies; the costs of energy audits and conservation plans are estimated separately. New institution costs include the incremental cost of the new Renewable Energy Facilitation Office accounting for the disbanding of the Conservation Bureau.

“The GEA proposes significant changes in the way Ontario procures and uses electricity, but currently little analysis is publicly available regarding its costs,” said Neil Bush, a senior consultant at LEI and co-author of the report. Bush notes that thoughtful analysis of the costs of the GEA should not be construed as opposition to environmental protection. “Lower cost options to achieve similar or greater levels of emission reductions, such as cap-and-trade systems, may exist and are worth exploring further”.

#

London Economics International LLC (LEI) is a global economic, financial, and strategic advisory professional service firm specializing in energy and infrastructure. The firm combines detailed understanding of specific network and commodity industries, such as electricity generation and distribution, water and wastewater provision, and natural gas distribution, with a suite of proprietary quantitative models to produce reliable and comprehensive results. For more information on LEI, please go to www.londoneconomics.com

#