



For Immediate Release

For further information:
Van Hoang
(416) 643-6610

Ontario has ample supply and time to plan future generation investments carefully, says Goulding

TORONTO, November 17, 2010 - Ontario has ample supply through 2014, and when resources under contract but yet to be constructed are considered, no additional generation capacity is needed until 2016. According to analysis released today by London Economics International (LEI) at the Association of Power Producers of Ontario (APPrO) annual conference in Toronto, even under aggressive demand scenarios, the province is well supplied for the next six years.

The study has several important implications for Ontario policymakers, as LEI's president A.J. Goulding pointed out. First, the province has time to engage in a sound planning process, carefully considering the role of new renewables and nuclear refurbishments in the future Ontario capacity mix. Second, the province may want to consider adjusting the feed-in tariff process so as to manage the amount of capacity that comes online in future years. Finally, negotiations with producers to delay projects currently under contract but not yet constructed may result in a win-win outcome for ratepayers and investors.

The LEI analysis complements the firm's extensive ongoing modeling of the Ontario marketplace and neighboring power markets. Oversupply in Ontario has led to a number of negative pricing incidents, leading to lower prices in export markets. LEI modeling suggests that Ontario wholesale market prices will remain subdued for the next five years, meaning that further capacity additions would increase the amount Ontario ratepayers are charged as part of the Global Adjustment on their bills.

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London Economics International LLC (LEI) is a global economic, financial, and strategic advisory professional services firm specializing in energy and infrastructure. For further information on LEI, please contact Kathryn Evans at (416) 643-6610 or go to www.londoneconomics.com.

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