



An Energy Conservation Action Plan for Ontario

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If there is a bright side to the blackout, it is that we have heard politicians use the word “conservation” more times in the past few days alone than they have over the entire past decade.

The public did its part admirably in a time of crisis by voluntarily cutting back on electricity consumption. Over eighty per cent of Ontarians want to conserve electricity, but they can't do on voluntary measures alone. They are looking for provincial leadership in making conservation affordable, and they are looking for advice and support programs to help with the transition. Now is the time for an aggressive provincial energy conservation plan that will reduce our overall electrical power demand by at least 4,000 Megawatts, or twenty percent of the current average demand.

Conservation should be our first resort, not our last. It reduces the need for expensive system upgrades, it reduces the need to purchase expensive power at peak times, it reduces smog and greenhouse gas emissions, it will facilitate the phase-out of Ontario's coal-fired plants, it will create a more efficient and stronger economy, and it will reduce energy bills and prepare consumers for the inevitable increases in electricity prices.

The Provincial government is a key player in a provincial conservation plan – it controls energy pricing, efficiency standards, and funding for conservation programs. Provincial funding for conservation was an early casualty of the Common Sense Revolution in 1996. Not surprisingly, electricity consumption in Ontario grew about 8% between 1995 and 2000. Only with the recent crises over electricity prices and supply shortages has the provincial government come up with a conservation “action plan” of voluntary actions and a provincial tax rebate on energy efficient appliances. The Province's action plan does not involve any of Ontario's conservation organizations, nor does it include a long-term commitment to restoring a conservation ethic in Ontario's society.

Our Action Plan for Energy Conservation

The Conservation Council of Ontario is a fifty-year-old association of provincial organizations and individual conservation leaders. We have long espoused a strategic approach to conservation issues that combines regulatory, economic and voluntary measures to achieve our common goals.

For energy conservation (both electricity and other forms of energy), these are the four key elements of our conservation action plan:

1. Price energy to promote conservation
2. Create an Ontario Green Energy and Conservation Fund
3. Support community-based conservation outreach and education campaigns.
4. Strengthen standards for green energy and conservation.

Price energy to promote conservation

Should energy prices rise to reflect the true cost of production? Absolutely, but even more important is to make conservation an economically attractive alternative. An increase on the base 4.3 cents per kilowatt hour for electricity should be directly earmarked for conservation and alternative energy. We estimate that each 0.1 cent per kilowatt hour would result in \$150 million per year for conservation incentives and support programs. A 0.7 cent per KWh surcharge would generate in excess of \$1 billion annually for conservation and alternative energy incentive programs. There is already a surcharge to retire Ontario Hydro's stranded debt, so the concept is already in practice. Further, the surcharge could be structured to exempt a base consumption rate in order to promote conservation, avoid adding to the energy costs of low-income families, and allow the government to maintain its commitment to capping basic electricity rates.

Create an Ontario Green Energy and Conservation Fund

The federal government, under the Climate Change Strategy, recently announced a \$1 billion program to promote greenhouse gas reductions, including energy conservation. The Toronto Atmospheric Fund (established by the City of Toronto to fight smog and climate change) uses its \$23 million fund for low-cost energy efficiency loans and outreach projects. It's time Ontario stepped up to the plate and set a conservation surcharge on electricity to establish its own \$1 billion green energy and conservation fund. Energy security in Ontario could be achieved with an investment roughly equivalent to one per cent of the provincial budget.

Through an Ontario fund, municipalities would be able to finance programs for building and street-lighting efficiency, wind and solar power could be subsidized, utilities would be able to conduct conservation programs, and homeowners would be eligible for subsidies for energy-efficiency renovations and rooftop solar units. It would stimulate investment and improve Ontario's long-term energy security.

Support community-based conservation outreach

Government advertising alone won't create a conservation ethic in society. We need to involve as many community groups, schools, cultural and faith associations, and provincial organizations as possible in promoting conservation. Media advertising needs to be supported by community workshops, door-to-door marketing by community groups, incentives (such as low-cost efficient lightbulbs), homeowner support services (like the Green Communities home energy audits) and other services such as green power cooperatives and car-sharing. There are tremendous resources available in the non-government organizations that can help turn conservation values into action. It's time we put them to work.

Strengthen standards for green energy and conservation

We need to set renewable portfolio standards to ensure a growing percentage of electricity is produced from renewable sources. We need to increase energy efficiency in appliances, our homes, workplaces, automobiles, and in urban design. Regulatory instruments such as the Ontario Energy Efficiency Act and the Ontario Building Code can strengthen minimum performance standards, and the provincial government needs to rethink its "smart growth" initiative to turn away from highways in favour of compact, energy efficient urban design. Ontario and North America lag far behind Europe in energy efficiency. We need to become leaders in conservation technology and urban design.

All in all, it's not that difficult to create a conserver society in Ontario. We estimate that if people contributed even one percent of their gross income and one percent of their time to conservation measures, we can achieve tremendous results.

It sounds like the public is ready to make that commitment. We're just waiting for the right economic incentives and leadership from the provincial government to make it happen.

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