

For immediate release

Canadian Institute for Environmental Law and Policy and Green Power Industry representatives file federal Competition Act complaint

A report "[Ensuring Green Power Supplies in Ontario: Responding to Perverse Subsidies and other Market Inequities](#)" released today by the Canadian Institute Environmental Law and Policy (CIELAP) provides the data and analysis supporting the filing of a complaint under the federal Competition Act. The complaint filed by CIELAP and green energy industry sector representatives, including the Canadian Renewable Energy Corporation, Allen Kani Associates and Hearthmakers Energy Cooperative argues that Ontario government policies and actions foster and support anti-competitive conditions for renewable energy in Ontario's new "open market".

CIELAP's Senior Legal Policy Analyst Christine Elwell and author of the report observed "Despite all of the promises for open competition in Ontario's new electricity markets, our research identified a minimum of nine areas that injure the emerging green power industry and act as a barrier to Kyoto-inspired climate protection. These range from direct government perverse subsidies to traditional polluting fuels to approved market inequities that distort competition."

Examples of the uneven regulatory playing field faced by green power include the following:

- Distorted Domestic price cap
- Import price protection
- Lack of real-time pricing
- Lower transmission rate for exports
- Distorted transmission connection rates
- No Net Billing
- Distorted Environment Assessments
- Debt financing and insurance liability caps for nuclear generators
- Direct government subsidies of \$16 billion since 1953.
- Inadequate provision for nuclear decommissioning and waste storage
- Insufficient Incentives for Renewables

"In many other jurisdictions the value of access to the grid by net billing arrangements is well recognized as supportive of local small scale distributed generation; a clear indication from the

Ontario government in this regard is still wanting or uncertain," observed Greg Allen, Partner of Allen Kani Associates, sustainable engineering and design consultants.

Anne Mitchell, CIELAP's Executive Director, indicated "CIELAP's research report was inspired by the initial findings of the Ontario Select Committee on Alternative Fuels Final Report. This Committee recommended that the government undertake a full legislative review, consider proposed amendments regarding alternative fuels and energy, including energy efficiency and conservation measures by June 30th, 2003. To encourage quick development of renewables and other green energy initiatives, CIELAP has sent this Report to the Committee Chair."

The filing of a complaint under the Competition Act by CIELAP, Hearthmakers Energy Cooperative, Allan Kenai Associates and the Canadian Renewable Energy Corporation, a green power developer, is to ensure that provincial and federal governments understand the urgency of the issues and take action now. Ms. Ellwell stated, "Despite the enormous environmental and public health benefits that green power can generate, it is widely recognized that green power producers face extraordinary challenges. This complaint can help move the governments to address current barriers to entry".

CIELAP research indicates that while Ontario has the capacity to close its five coal-fired generation stations with a combination of energy efficiency and low-environmental impact renewables, green power development and investment will remain disappointing until energy prices reflect the true costs with a level playing field in the new "open" electricity market.

Ms. Ellwell concluded, "It is important to expose and remove perverse government subsidies which artificially reduce costs or add revenue so that the returns from traditional energy sources are inflated beyond normal economic levels, representing a failure of both economic as well as environmental policy".

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CIELAP was a partner in the [3rd Annual Green Power Trade Show](#), held Oct. 28-29, 2002.

The Canadian Institute for Environmental Law and Policy has for been commenting on and monitoring policy and regulatory changes related to the environment for 30 years.