Electricity has powered nearly every innovation that has made our province what it is today. For more than 100 years, Ontario’s power generators have invested significantly in an industry and infrastructure that has benefited all Ontarians.

Over 100 Years of Powering Growth in Ontario

The $900 million Niagara Tunnel project will run 10.4 kilometres from Niagara Falls to the Beck Generation Station, creating enough clean, renewable electricity to power a city twice the size of Niagara Falls.
Thousands of Rewarding Careers

Power producers in Ontario generate more than electricity – they produce sustainable jobs. Directly and indirectly, electricity generation is a major employer. For example, the $4.25 billion Bruce A Restart is one of the biggest engineering challenges Ontario has ever seen, and will produce over 6,000 person-years of work over the life of the project.

A Vestas wind turbine, a key part of many wind farms in Ontario.

A high efficiency gas turbine being tested at Westinghouse’s factory in Hamilton.
Consistently, Year-after-year, Ontario’s Electricity Price is the Lowest Among Neighbouring Markets.

Supply conditions in Ontario have improved as newly procured long-term generation and demand management contracts are being brought into service. This has contributed to greater stability in prices as both annual energy use and peak demand steadily grow. ... More than 4,400 MW of new or refurbished generation has come on line since 2002. The supply mix has become more diverse and environmentally friendly with the shutdown of the coal-fired Lakeview station and the addition of gas, co-generation, and almost 400 MW of wind to the system. ...

Since May 2003, forced outages have declined continuously. ... This improved performance is influenced by the competitive and transparent environment in which generators operate today as compared to before market opening in 2002. ...

— Reprinted with permission from the IESO publication “Electricity Exchange,” Spring 2007

Billions Invested in Ontario’s Economy

Ontario’s power producers have built an industry of practically priceless assets. The legacy assets alone are valued at approximately $50 billion. Investments in new facilities, according to Ontario government projections, will total as much as $15 billion over the next seven years. Power is a big driver of Ontario’s economy: our industry expects to inject more than $2 billion per year into Ontario, to meet future demand.

A Snapshot of the Power Industry in Ontario:

<table>
<thead>
<tr>
<th>Size:</th>
<th>Dollar Value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual sales of power: (wholesale)</td>
<td>150 terawatt-hours</td>
</tr>
<tr>
<td>Installed capacity:</td>
<td>30,500 megawatts</td>
</tr>
<tr>
<td>Growth in peak demand last year:</td>
<td>845 MW (3.23%)</td>
</tr>
<tr>
<td>To be built or replaced by 2025:</td>
<td>22,000 megawatts</td>
</tr>
<tr>
<td>Currently underway:</td>
<td>8,000 megawatts</td>
</tr>
<tr>
<td>Wholesale price change since 1993:</td>
<td></td>
</tr>
</tbody>
</table>

* Adjusted to inflation
All figures are estimates.
Contrary to the general impression, electricity prices in Ontario are relatively low. For a good number of consumers, real electricity prices are no higher today than they were in 1993 or 2001. After compensating for inflation, the total cost of electricity to large industrial customers with system average load profile was practically the same for the first half of 2007 as it was under Ontario Hydro’s published rates in 1992 or in 2001 before the market opened (7.33 and 7.26 cents per kWh in 1992 and 2001, compared to 6.97 cents for the first half of 2007). Customers connected to distribution have seen greater increases, mainly because of additional charges for debt and equity capital that are passed through by the distributors. Wholesale electricity rates have actually come down since 2005, with 2006 rates being more than 10% below 2005.
Ontario’s generation industry is proud to be a world leader in clean energy technology. Manufacturers from Ontario build world-class hydroelectric turbines and high efficiency gas-fired power equipment. Emissions control technology from Ontario has earned accolades from around the world and over the past three years APPrO member companies have helped to make Ontario one of the leading producers of renewable windpower in Canada. By 2008 Ontario will have increased the amount of wind energy in the province up to 1300 megawatts. This is an 80-fold increase since 2003 and it has brought an estimated $2.5 billion in new investment to Ontario.
Looking to the Future

The power industry continually adapts to changing economic, demographic and environmental factors. New generation is more efficient, precision-oriented, and environmentally friendly than ever. The increasingly competitive market for power drives developers to find more innovative ways to deploy technology, and more efficient ways to meet the public’s needs.

The solutions for effective development of the power industry, for meeting increased demand and to recognize environmental concerns are close at hand. Ontario has frequently been in the forefront internationally of both technology and business innovation in the power sector – and there’s no reason we can’t continue and even increase our leadership position in the years ahead.

While Ontario’s electricity system is not perfect, it has come a long way in just a few short years. Today Ontarians are already seeing benefits from investment in new generation including clean renewable power, while consumers have enjoyed reasonably stable and affordable prices.

All investors in generation (private and public) recognize that their investments are for the long term. Given the long lead times required to bring new capacity on-line, we will need to continue to focus on regulatory and legislative stability to demonstrate that Ontario is a solid jurisdiction in which to invest.

If Ontario’s energy policy and regulatory processes remain clear, stable, efficient and effective, these and many other attractive features will ensure we continue to be a destination of choice for energy investment.

APPrO members look forward to working with all electricity stakeholders to build an economically and environmentally sustainable power supply system for Ontario.
Informing Ontarians

All citizens, public interest organizations, advocacy groups and political leaders are encouraged to use our website to learn more about Ontario’s extensive and intricate electricity system. Additional information can be found on the websites of the Ministry of Energy, Ontario Energy Board, Ontario Power Authority and the Independent Electricity System Operator. Visit us at www.appro.org

The control room of the Ontario Independent Electricity System Operator (IESO), which controls the operation of Ontario’s power system. Photo courtesy of the IESO.
Power generation is a key part of Ontario’s economy, an essential service for nearly everything we do, representing billions of dollars of investment and many thousands of jobs. With the right conditions, the generation industry can offer solutions for many of today’s most critical issues, from spreading innovation and investment, stimulating development throughout society, to reducing pollution and softening our impact on the environment.
APPrO’s Mission

APPrO’s mission is the achievement of an economically and environmentally sustainable electricity sector in Ontario that supports the business interests of electricity generators including a reasonable rate of return.

Our goal is to encourage efficient and timely investment in Ontario’s power system to ensure adequacy and reliability, and to produce the optimal electricity cost for Ontario consumers.

APPrO’s Guiding Principles in Power Sector Development are:

1. Decisions affecting the power sector should be made on an economically rational basis
2. Prices should reflect the true cost/value of production.
3. Robust competition among generators is a critical factor in achieving the optimal electricity cost for Ontario consumers.
4. Public and private sector entities should compete on a level playing field.
5. Markets with multiple sellers and buyers are the most effective way to harness the benefits of competition.
6. Stable and predictable public policy is critical to efficient investment and effective markets.
About APPrO

The Association of Power Producers of Ontario (APPrO) is the voice of electric power generators in Ontario. APPrO is a non-profit organization representing more than 100 companies involved in the generation of electricity in Ontario, including generators and suppliers of services, equipment and consulting services. APPrO members produce power from co-generation, hydro-electric, gas, coal, nuclear, wind energy, waste wood and other sources. APPrO’s members currently produce over 95% of the electricity made in Ontario.

Some of APPrO’s generator members are:
- Ontario Power Generation
- Bruce Power
- Brookfield Power
- TransAlta
- TransCanada Energy
- Sithe Global
- Northland Power
- EPCOR
- Cardinal Power
- West Windsor Power
- Probyn and Company
- Greenfield Energy Centre
- Invenergy

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Get Involved

Help us to encourage Ontario’s public leaders to continue the reasonable, balanced path that has delivered consistent results in recent years. Any radical re-tooling of the system risks dramatic increases in consumer, industry and government expenses. Support rational, measured change that respects the legacy of innovation and diligence that has built the system we have today.

Workers prepare for feeder tube removal on the west reactor face of Unit 2 as part of Bruce Power’s Bruce A Restart project.
The control room of the Ontario Independent Electricity System Operator (IESO), which controls the operation of Ontario’s power system. Photo courtesy of the IESO.