

**OPEN LETTER TO DALTON McGUINTY
FROM THE ONTARIO ELECTRICITY COALITION**

September 24, 2003.

Dear Mr. McGuinty,

I am writing to you on behalf of the Ontario Electricity Coalition to express our deep concerns about the electricity policies of the Liberal Party.

Liberal policy will cause soaring electricity rates

If the Liberal Party forms the next government of Ontario and implements the electricity policies it now promotes, Ontario will face crippling electricity rates when the rate freeze ends in 2006.

The Liberal Party has not come to terms with the extent of the damage caused by Conservative policies of privatization and deregulation. That damage is concealed by a rate freeze that is costing Ontarians hundreds of millions of dollars.

The rate freeze is an incredibly expensive cover-up for the increase in electricity prices caused by Conservative policies of deregulation and privatization.

Instead of making a commitment to fix the damage caused by the Conservatives, the Liberal Party remains committed to policies that will make the situation worse.

- Ø Liberal Party policy would not restore to public ownership the generating stations that have been lost to the private sector. Under public ownership, these generating stations can provide affordable, at-cost electricity to generations of Ontarians.
- Ø Liberal Party policy would maintain the flow of hundreds of millions of dollars into the pockets of private power producers – at the expense of the people of Ontario.
- Ø Liberal Party policy would encourage an expansion of private power production, further increasing the cost of electricity in Ontario.
- Ø Liberal Party policy would cause electricity prices to soar when Eves' bogus rate freeze ends in 2006.

Mr. McGuinty, you have publicly assured private power producers that you would set Ontario's electricity rates high enough to attract new private power production. Are you not aware that rates high enough to attract private power producers will be *unattractive* and harmful to every other type of producer and to virtually every other electricity user?

Mr. McGuinty, the Liberal Party electricity policy is written to please private power producers and would be harmful to the people of Ontario.

Are you really prepared to sacrifice the well-being of Ontario's economy, and the well-being of its citizens, in order to keep your promises to private power producers?

Liberal policy will not reduce the risk of blackouts

Although all the final reports are not yet in, it is clear that a major cause of the Blackout of 2003 was an American electricity system left in ruins by deregulation. California has also been hit by massive power failures caused by electricity deregulation.

- Ø Liberal Party policy fails to learn from the lessons of California or from the Blackout of 2003. Only a complete break from privatization and deregulation can protect Ontario from repeated mass blackouts in the future.
- Ø Liberal Party policy does not include adequate conservation measures. Ontario does face an electricity shortage that must be addressed by either increasing the amount of electricity generated or reducing the amount of electricity consumed. Reducing consumption through conservation is about one-tenth the cost of increasing generation – and, it can be done much faster.

Liberal policy does not adequately protect the environment

Not only is legislated conservation the cheapest way to address the electricity shortage, it's by far the most environmentally friendly way to go.

- Ø Liberal party policy falls short on legislated conservation measures that protect the environment.

Liberal party policies must change to avert another electricity crisis

Mr. McGuinty we are heading for an electricity crisis far worse than anything yet seen in Ontario. This crisis is entirely avoidable. If you form the next government and fail to completely scrap privatization and deregulation, the crisis will be entirely your responsibility.

The Ontario Electricity Coalition calls on the Liberal Party to immediately commit to:

- 1. putting back under public ownership, all generating stations sold and leased by the Conservatives**
- 2. addressing the electricity shortage and protecting the environment through aggressive conservation legislation**
- 3. building all-public generating stations where increased generation is necessary**

4. restoring at-cost electricity pricing

The Ontario Electricity Coalition accurately predicted the impact of the Harris/Eves electricity policies and we now predict with certainty that the existing Liberal Party electricity policy will cause an even worse electricity crisis.

If elected Premier of Ontario, Mr. McGuinty, it will be your responsibility to make a clear break with Conservative electricity policy and save Ontarians from the ravages of deregulation and privatization.

Yours sincerely,

Paul Kahnert
Ontario Electricity Coalition