

# Electricity Prices

## A CFFO Policy Statement

### 1. General Principle

**Whereas** opening up the electricity market will over time encourage a greater diversity of approaches to energy production, including efforts to produce energy in a more stewardly way.

**Whereas** the involvement of entrepreneurs will drive unnecessary costs out of the electricity production system.

**Whereas** some consumers will, over time, re-organize their energy needs to use electricity when it is produced at lower costs.

#### **Therefore be it resolved**

That CFFO support the creation of opportunities for electricity producers to be entrepreneurial in how they develop their businesses and

That consumers be encouraged to use electrical energy in off-peak times.

### 2. Support for Small Electricity Producers

**Whereas** there are many opportunities across the province to develop small hydroelectricity production facilities.

**Whereas** this is an appropriate part of an alternative energy program.

**Whereas** Canada is far behind other nations in the development of alternative energy sources.

**Whereas** long-term support for renewable alternatives is necessary to allow entrepreneurs to improve technology and reduce costs.

**Whereas** governments have favoured non-renewable sources of energy with incentives such as tax write-offs and contributions to mega-projects.

#### **Therefore be it resolved**

**That the Ontario government encourage the production of electricity by small producers from renewable resources by a) providing low interest loans and b) streamlining the red tape that is required to develop small electricity production facilities.**

### **3. Protecting the emerging entrepreneurial market for electricity**

**Whereas** an open electricity system in Ontario that uses market tools will only be credible if it produces enough electricity to meet demand and does so with stable prices.

**Whereas** the marketplace, left totally to its own devices, will deliver neither consistent supplies nor long-term stability.

**Whereas** allowing the retail price of electricity to fluctuate widely is not good for the orderly development of energy production by entrepreneurs.

**Whereas** allowing retail prices of electricity to fluctuate widely is unfair to electricity dependent businesses. Many cannot pass these extra costs on and if they did it would create an unwelcome ripple effect throughout the economy.

**Whereas** allowing retail prices of electricity to fluctuate widely is unfair to households.

**Whereas** the need to import electricity during periods of high demand should not be allowed to undermine the orderly development of an entrepreneurial marketplace for electricity in Ontario.

**Whereas** a commitment from the province to subsidizing the purchase of electricity if open market prices rise too much will be an extra incentive to get Ontario's long-term production up or to get consumers to conserve more effectively.

**Therefore be it resolved**

**That the Ontario government protect its emerging entrepreneurial market for electricity from uncertainty and consumer price shocks by subsidizing the purchase of electricity during high price periods and**

**That the province pay the difference to electricity generators out of tax revenues when the open market price for electricity moves more than five percent above the previous year's cost to consumers.**

**Adopted**

**Provincial Board**

**Christian Farmers Federation of Ontario**

**January 29, 2003**