

Electricity Pricing and Generation

A CFFO Policy Statement

- Whereas** access to reliable electricity has become a necessity in a modern economy;
- Whereas** price spikes in response to peak load demand or generation difficulties create too much instability and destroys confidence in the electrical system;
- Whereas** incentives are needed to encourage entrepreneurs to invest in long-term improvements in and alternative approaches to Ontario's electricity generation capacity;
- Whereas** energy conservation is one of the best ways to improve the reliability and the cost effectiveness of the electrical system;
- Whereas** subsidized energy prices tend to encourage the industrialization of agriculture at the expense of the family farm; and
- Whereas** rising electricity rates will be another economic burden for farm families.
- Therefore be it resolved:**
- That** CFFO support a major role for governments in guaranteeing a reliable and efficient electricity generation and delivery system.
- That** CFFO support a gradual change in the price of Ontario electricity to reflect the average cost of production over time.
- That** CFFO support the elimination of subsidies that encourage consumption. We support subsidies that encourage conservation and alternative energy production.
- That** CFFO support the continued regulation of the electricity market for users/consumers but create marketplace incentives and streamline approvals to encourage entrepreneurs to develop co-generation and environmentally friendly generation facilities.
- That** CFFO support the development of incentives for energy conservation such as time of day pricing for all users/consumers.
- That** CFFO support the use of a three step graduated scale of prices so that electricity usage of a basic amount is priced at the lowest level. Medium users would pay a higher price for their consumption over the basic amount. High users would pay a still higher rate for any usage over the medium level.
- That** the first level of energy pricing be up to the consumption of an average family and the second price level accommodate the electricity needs of a typical family farm.

Adopted February 4, 2004
Provincial Council
Christian Farmers Federation of Ontario