

# C.D. Howe Institute Policy Conference – Toronto

## Draft

### *Electricity Pricing and Regulation in Ontario:*

*Addressing the electricity needs in Ontario for the next half-century*

**Wednesday, March 4, 2009**

- 8:00 am – 8:30 am Buffet Breakfast
- 8:30 am – 8:45 am Welcome and Introduction:  
**William Robson**, President and Chief Executive Officer, C.D. Howe Institute  
**Amir Shalaby (Confirmed)**, Vice President of Power System Planning for the Ontario Power Authority, The outlook for electricity demand in Ontario for the next 50 years.
- 8:45 am – 9:35 am Morning Sessions: The governance, ownership and pricing structure of electricity transmission, production and procurement  
Session I: Improving the process for electricity investment:  
What is and what should be the process for developing a new plan for electricity investment? Should more private decision making be allowed in meeting Ontario's electricity needs? How can this be done? What changes must be enacted?
- 8:45 am – 9:05 am **Jan Carr (Confirmed)**, Former Chief Executive Officer, Ontario Power Authority:  
The roles of public policy and commercial forces in meeting future power needs. How different government agencies can work together to meet Ontario's needs. What is the framework for sustainable investment?
- 9:05 am – 9:35 am Discussion
- 9:35 am – 9:50 am Session II: Retail and wholesale pricing regulation:  
How is Ontario electricity now priced, what are the implications of non-marginal cost pricing and how can we reform the pricing system for both consumers and producers? What organizational changes are needed to achieve the ends of pricing reform?
- 9:35 am – 9:50 am **Don Dewees (Confirmed)**, Professor of Economics and Law, University of Toronto:  
Reform of retail or wholesale consumer pricing: a policymaker's manual. How does the customer view producer pricing? What do customers need from a pricing system?
- 9:50 am – 10:05 am **Aleck Dadson (Confirmed)**, Chief Operating Officer, Ontario Energy Board
- 10:05 am – 10:15 am **TBA, Representative of TransCanada**: Reform of producer pricing, and how to create a pricing and contract system that will attract private investment in Ontario electricity production.
- 10:15 am – 10:45 am Discussion
- 10:45 am – 11:00 am Refreshment Break
- 11:00 am – 12:05 pm Session III: Implementing the new investment agenda:  
Identifying production and transmission reforms
- 11:00 am – 11:15 am **Paul Murphy (Confirmed)**, President and Chief Executive Officer, IESO:  
How will a 'smart grid' contribute to a sustainable electricity sector for Ontario?
- 11:15 am – 11:25 am **Bruce Boland (Confirmed)**, Senior Vice President, Corporate Affairs, Ontario Power Generation
- 11:25 am – 11:35 am **Michael Wyman, (Confirmed)**  
The prospects of competition in the electricity sector.
- 11:30 am – 12:05 pm Discussion

12:10 pm – 1:45 pm Luncheon

Keynote Speaker: **George Smitherman (Invited)**, Ontario Minister of Energy and Infrastructure:

Afternoon Sessions: Implementing the new investment agenda:  
Regulation and environmental needs

2:00 pm – 3:15 pm Session IV: The Role of the regulator in a decentralized system

2:00 pm – 2:15 pm **Dr. William W. Hogan, (Invited)**, Raymond Plank Professor of Global Energy Policy, John F. Kennedy School of Government:  
How to design a regulatory regime in a North American market with different (and possibly incompatible) regulatory models. Can ideologically different regulatory models exist on both sides on the border? Should a de facto industry run regulation system be formalized?

2:15 pm – 2:30 pm **Pelino Colaiacovo (Confirmed)**, Former Chief of Staff to Minister of Energy:  
A hybrid system of regulation and market powers. What will work best for Ontario?

2:30 pm – 3:10 pm Discussion

3:10 pm – 3:25 pm Refreshment Break


3:25 pm – 4:15 pm Session V: Electricity economics alongside environmental measures

3:25 pm – 3:40 pm **Frank Wolak (Confirmed)**, Department of Economics: Stanford University: The impact of renewable fuels standards and the removal of coal power plants on electricity prices in Ontario. Is a cap-and-trade system or a carbon tax going to reach the same goals with less economic cost?

3:40 pm – 3:50 pm **Jim MacDougall (Confirmed)**, Manager, Distributed Generation, Ontario Power Authority: Ontario's subsidy program for small local producers of renewable energy: adapting and developing the existing system infrastructure.

3:50 pm – 4:20 pm Discussion

4:20 pm – 4:30 pm **Rapporteur: Jan Carr (Confirmed)** Former Chief Executive Officer, Ontario Power Authority

Date:	Wednesday, March 4, 2009	 <i>C.D. Howe Institute</i> Institut C.D. Howe
Location:	King Edward Hotel, 37 King St. East, Toronto, Ontario	
Meeting Room:	Windsor Ballroom	
Luncheon Room:	The Victoria's Restaurant	