

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

NOV 20 2009

Mr. Jack Gibbons
Chair
Ontario Clean Air Alliance
625 Church Street, Suite 402
Toronto, Ontario M4Y 2G1

Dear Mr. Gibbons:

The Honourable Tony Clement, Minister of Industry, has forwarded to me a copy of your letter of May 28, 2009, regarding the Ontario nuclear reactor procurement.

Electricity generation is a provincial jurisdiction, and therefore the choice of generation and its timing is determined by provincial utilities on the instruction of their respective provincial governments. The Ontario government indicated a requirement for additional nuclear power by the end of the next decade, and undertook a procurement process in which Atomic Energy of Canada Limited (AECL) participated. This process has been suspended by the province, as it is reviewing electricity demand forecasts in light of recent decreases in demand. The Infrastructure Ontario rules concerning the bidding process, however, are still in effect, and the federal government needs to be respectful of that process in order not to jeopardize AECL's bid once Ontario recommences its procurement. I would only reiterate the federal government's position that any agreement between AECL and Ontario has to be based on commercial terms.

Canada's electricity supply mix is one of the cleanest and most renewable in the world. The Government of Canada believes that more can be done. That is why the Government has set an objective that 90 percent of Canada's electricity needs be provided by non-emitting sources, such as hydro, nuclear, clean coal or wind power, by 2020. These and other clean, renewable energy technologies will contribute substantially to our economic growth, while playing a key role in achieving the government's commitment to reducing Canada's total greenhouse gas emissions by 20 percent from 2006 levels by 2020, and by 60 to 70 percent from 2006 levels by 2050.

Canada

To that end, Canada is making significant investments in expanding renewable energy domestically. In 2007, the Government introduced a number of successful ecoENERGY initiatives to support clean energy technology, increase renewable energy supply, and improve energy efficiency in Canada. In Budget 2009, Canada's Economic Action Plan, the Honourable Jim Flaherty, Minister of Finance, announced \$300 million of additional funding for the ecoENERGY Retrofit – Homes. This is expected to increase the energy efficiency of up to 200,000 Canadian homes. This is an important step, with research on renewables, to addressing Canadians' energy needs. I would encourage you to consult the government's ecoACTION Web site at www.ecoaction.gc.ca for further information on these programs.

Budget 2009 went beyond the ecoENERGY initiatives with new investments to support a cleaner and more sustainable environment, including \$1 billion over five years for a Clean Energy Fund to support clean energy research and demonstration projects; and \$1 billion for a Green Infrastructure Fund that will also support modern energy transmission lines and sustainable energy projects.

Thank you for writing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lisa Raitt". The signature is written in a cursive, flowing style.

The Honourable Lisa Raitt, P.C., M.P.