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THE REPORT OF
THE AGENCY REVIEW PANEL
ON PHASE II OF ITS REVIEW OF
ONTARIO'S PROVINCIALY-OWNED ELECTRICITY AGENCIES

Ontario Energy Board	
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November 30, 2007

The Honourable Gerry Phillips
Minister of Energy
900 Bay Street
4th Floor
Toronto, Ontario M7A 2E1

Dear Minister:


On January 29, 2007 the Government appointed us as an Agency Review Panel to review specific issues related to Hydro One Inc., the Independent Electricity System Operator, The Ontario Power Authority, Ontario Power Generation Inc. and the Ontario Energy Board.

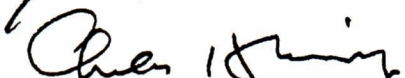
We were instructed to conduct our work in two phases, and submitted our report on Phase One at the end of May.


We are pleased to submit herewith our report on Phase Two (which has attached, as an appendix, a report commissioned from the Electricity Sector Council).


We thank you for the opportunity to have been of service.

Respectfully submitted,


James Arnett, Chair


Charles Harnick


Dave Cooke


Sharon Manson Singer

EJA/ew
Enclosure

Consolidated recommendations

1. That, when it seems reasonable to the Minister to do so, the CDM functions of the OPA be redistributed as follows:
 - (a) responsibility for designing and administering conservation programs, education and advocacy and assisting in the development of standards for electricity efficiency be transferred to the Ministry of Energy; and
 - (b) the Chief Energy Conservation Officer be made an officer with sufficient independence to ensure confidence in the numbers being filed with the Minister, detailing Ontario's progress in meeting its goals relating to the development and implementation of electricity conservation and load management measures.
2. That, when it seems reasonable to the Minister to do so, but probably not before the OEB has completed its current review of the initial IPSP, the balance of the functions of the OPA be combined with those of the IESO into a combined agency.
3. That HOI and the IESO work together to develop a uniform approach to connection assessments that is consistent with the requirements of the Transmission System Code in order to reduce overlap, duplication and inefficiencies, for the benefit of existing and potential consumers.
4. That, to ensure the timely consideration of urgent projects set out in the IPSP or otherwise, the government establish an understanding or protocol among its various ministries and regulatory tribunals to create, on a temporary basis and using existing legislation, a single integrated approvals process for electricity projects based upon existing legislative authorities.
5. That the government enact legislation that would create a single integrated approvals process for electricity projects on a permanent basis.
6. That the Minister of Energy provide greater clarity as to OPG's role, particularly with respect to:
 - new generation other than hydroelectric;
 - its ability to enter into PPAs; and
 - whether it should be fully, instead of partially, regulated by the OEB.
7. That provincial policies to facilitate the consolidation of LDCs be continued.
8. That the government of Ontario establish an Ontario Electricity Sector Council that would jointly report to the Minister of Energy and the Minister of Training, Colleges and Universities. Members of the Council should include representatives from employers, labour and the education and training bodies.

The Ontario Electricity Sector Council could undertake several important activities, including:

- (a) Ensuring better and more targeted support for laid-off workers, particularly from the manufacturing sector, who need re-training to move into electricity sector jobs.
- (b) Raising the sector's profile and improving its appeal to students, parents and the broader public.
- (c) Developing a strategy to expand the labour pool by focussing on under-represented groups.
- (d) Analyzing in more depth why young women appear to be turning their backs on careers in engineering.
- (e) Coordinating with other provincial bodies to monitor and improve the capacity of the electricity sector to meet the province's needs for reliable power.
- (f) Coordinating with other provincial bodies to monitor and improve the capacity of the construction sector to meet the province's public infrastructure needs.
- (g) Ensuring that agencies' investments in education and outreach to increase the available workforce are considered prudent expenditures for the purposes of rate hearings before the OEB.
- (h) Developing better information on the retention rates at universities and colleges and the success of apprenticeship programs in Ontario and, together with the results from annual performance reports, addressing specific concerns that these data may reveal.