

Minister of Energy

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Ministre de l'Énergie

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June 18, 2003

RECEIVED

JUN 18 2003

**CHAIR
ONTARIO ENERGY BOARD**

Mr. Paul Vlahos
Interim Chair
Ontario Energy Board
Suite 2601
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Mr. Vlahos:

Enclosed is a copy of a Minister's Directive issued under Section 27.1 of the *Ontario Energy Board Act, 1998* recently approved by the Lieutenant Governor in Council. The Order in Council is dated June 4, 2003. The Directive requires the Board to consult with stakeholders to identify and review options for the delivery of demand side management and demand response activities within the electricity sector. The Directive also requires the Board to report back to the Minister of Energy with the results of their review and analysis by no later than March 1, 2004.

I would appreciate the Board proceeding to take the appropriate steps to implement the attached directive.

Sincerely,

A handwritten signature in black ink, appearing to read "John Baird".

John Baird, MPP
Minister

Enclosure



Ontario

Executive Council
Conseil des ministres

Order in Council
Décret

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and concurrence of the Executive Council, orders that:

Sur la recommandation du soussigné, le lieutenant-gouverneur, sur l'avis et avec le consentement du Conseil des ministres, décrète ce qui suit :

WHEREAS Energy conservation, energy efficiency and load management contribute to meeting Ontario's energy needs and protecting the environment. Properly structured, demand side management and demand response initiatives can help consumers to conserve energy or move energy use from peak to off peak time periods in a cost effective manner. These activities can also further the interests of consumers by mitigating market volatility and contributing to system reliability and market efficiency.


AND WHEREAS it is desirable to manage demand for electricity in Ontario in order to reduce the province's reliance on external sources and to make more efficient use of the current supply of electricity.

AND WHEREAS it is desirable that such demand management and demand response initiatives be facilitated and supported by a regulatory framework.

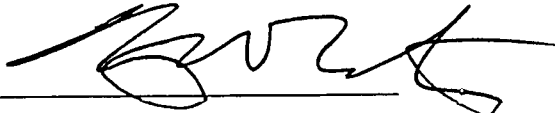
AND WHEREAS the Minister may, with the approval of the Lieutenant Governor in Council, issue directives under section 27.1 of the *Ontario Energy Board Act, 1998* to promote energy conservation, energy efficiency and load management.

NOW THEREFORE the Directive attached hereto, is approved.

Recommended: 
Minister of Energy

Concurred: 
Chair of Cabinet

Approved and Ordered JUN - 4 2003
Date


Administrator of the Government

MINISTER'S DIRECTIVE

TO: THE ONTARIO ENERGY BOARD

I, John Baird, Minister of Energy, hereby direct the Ontario Energy Board (the "Board") to take the following steps under section 27.1 of the *Ontario Energy Board Act, 1998* (the "Act") to promote energy conservation, energy efficiency and load management:

1. The Board shall consult with stakeholders to identify and review options for the delivery of demand side management and demand response activities within the electricity sector, as well as the role that local distribution companies have in such activities. The Board shall report back to the Minister with analysis and recommendations on how demand side management and demand response activities could be implemented in Ontario's electricity sector in both the short and long term, in a manner that balances implementation costs with the benefits to both customers and to the entire system, by no later than March 1, 2004.
2. The Board shall, in conducting its above-noted review and analysis of demand side management and demand response options, include an examination of the potential role of local distribution companies, retailers and other market participants as load aggregators within the Independent Electricity Market Operator's administered markets.



Minister of Energy

JUN - 4 2003

Date