

New Opportunities Under the *Green Energy and Green Economy Act, 2009*

We are on the cusp of a wave of fundamental change that will further evolve Ontario's power sector and the roles and responsibilities of electricity distributors within it. The provincial government is looking to local distribution companies (LDCs) to play a significant role in satisfying its objectives to 'grow the clean economy', meet conservation targets, develop a smart grid, and develop and connect renewable energy generation.

Opening Doors of Opportunity

There are three key primary components in the new legislation that directly impact LDC businesses:

1. The *Green Energy and Green Economy Act* (GEA) provides distributors with the freedom to own and operate a portfolio of renewable power generation and requires LDCs to connect distributed and renewable generation projects to the distribution grid.
2. Electricity distributors will bear added responsibilities in assisting and enabling consumers to reduce their peak demand, as well as their overall electricity consumption, and in particular, will be required to attain individual LDC Conservation and Demand Management (CDM) targets.
3. LDCs gain new responsibilities in transforming their local distribution networks into "smart grids" that harness advanced technologies that will facilitate the connection of small-scale generators and enable the two-way flow of information.

It is incumbent that the industry works together – government, electricity distributors, and the province's energy agencies – in order to productively clear barriers that stand in the way of producing the customer service outcomes that the Act envisions.

For distributors, meeting this challenge involves converting the regulatory model from one that focuses on a distributor's ability to deliver traditional services to customers – wires and poles - to one that provides distributors with the flexibility and freedom to effectively expand their services.