



Professional Engineers Ontario

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The Honourable Dwight Duncan
Minister of Energy
Queen's Park
900 Bay St, Hearst Block, 4th Floor
Toronto, ON M7A 2E1

Re: New vision for electricity sector

Dear Minister Duncan,

On behalf of Professional Engineers Ontario (PEO), I would like to extend my congratulations to you and your Ministry on the April 15, 2004, announcement proposing the creation of a new Ontario Power Authority. We enthusiastically support the solution of centralizing public policy into this new organization as part of the provincial government's new vision for the electricity sector.

Professional Engineers Ontario (PEO) administers the *Professional Engineers Act* under authority delegated by the Ministry of the Attorney General. Accordingly, your government appoints 12 of PEO's 29 Council members, up to five of whom are members of the public. PEO sets standards for and licenses Ontario's 65,000 professional engineers in order that the public interest may be served and protected.

Because the supply, conservation and efficient use of electricity are so clearly in the public interest, I am also writing to you on behalf of PEO President George Comrie, P.Eng., to offer PEO's support in whatever proactive steps your government will be taking to address these matters. Specifically, we would like to offer our assistance to your Ministry in the recruitment of Ontario Power Generation (OPG) board members and subsequently, the members of the advisory board for the Ontario Power Authority. PEO has an established policy in place for the appointment of its members to the boards of organizations such as the OPG. You may be aware that PEO is involved in nominating members for the Board of the Greater Toronto Airports Authority.

PEO regulates the engineering practice of members of the profession including engineers involved in power generation, transmission, distribution, control and protection systems, and maintenance. In addition, many of our members have extensive experience in the field of energy conservation and are committed to this concept through innovative approaches to power management, energy monitoring and targeting, and the implementation of energy reduction activities.

Consequently, PEO has been developing a concept of "engineering governance". The ongoing energy crisis in the province suggests the possibility of a policy failure traceable to a lack of engineering governance within the entities responsible for delivering a reliable electricity supply.

We are prepared, should you consider it useful, to assemble an independent, expert working group from among our licence holders and members of the learned societies, to examine the adequacy of engineering governance within the major entities responsible for delivering a reliable power supply to all Ontarians.

In an investigation of engineering governance within these entities, PEO would look at such issues as whether:

- there is a person at the board level responsible for engineering-related issues;
- the board understands the engineering challenges and roles facing the entity;
- directors are required to "balance the books" in terms of engineering impacts on stakeholders;
- an annual engineering audit is performed and reported to stakeholders;
- there are systems in place to ensure that engineering is managed properly;
- the board knows when engineering is being properly managed;
- engineering performance is monitored;
- the entity's engineering strategies align with its business strategies;
- management systems are in place to encourage, monitor, and reward engineering excellence;
- the entity's culture encourages or discourages engineering excellence; and
- there are policies in place to protect engineers who exercise their duty to report and whistleblowers generally.

In such an examination, PEO would strive to put forward a considered and measured response that would address the root causes of the electricity supply failure and offer practical and reasoned solutions supportive of the government's public policy goals.

We look forward to discussing this important endeavour with you and your Ministry colleagues at your earliest convenience. I may be reached at 416-224-9528, ext. 426, or kallen@peo.on.ca.

Sincerely,



Kim Allen, P.Eng.
CEO/Registrar

Copies: The Honourable Michael Bryant, LL.B., LL.M., Attorney General
David Zimmer, LL.B., Parliamentary Assistant to the Attorney General
John Twohig, Senior Counsel, Policy Branch, Ministry of the Attorney General
David Zurawel, Executive Assistant, Parliamentary Assistant to the Attorney General
Donna Cansfield, Parliamentary Assistant to the Minister of Energy
Members of PEO Council
Johnny F. Zuccon, P.Eng., Deputy Registrar, Standards and Regulations, PEO
Scott W. Clark, LL.B., Director, Policy and Communications, PEO