

Published plans and annual reports 2021-2022: Ministry of Energy, Northern Development and Mines

Plans for 2021-2022, and results and outcomes of all provincial programs delivered by the Ministry of Energy, Northern Development and Mines in 2020-2021.

Ministry overview

Ministry's Vision Statement

The Ministry of Energy, Northern Development and Mines (ENDM) is responsible for the provincial energy and minerals sectors and is the regional ministry for Northern Ontario. ENDM strives to make Ontario strong, healthy, prosperous and open for business through the following program areas:

Energy

- Develops electricity, natural gas and oil policies that maintain a safe, reliable and affordable energy supply across the province, to power the economy in Ontario.

Northern Development

- Advances economic development in Northern Ontario through collaborative partnerships and solutions that reflect the unique needs of northerners.

Mines and Minerals

- Supports a strong and sustainable minerals sector and ensures the fair, effective and efficient administration of Ontario's *Mining Act* for the protection of public health and safety, and the environment.

Ministry Core Commitments and Key Deliverables

ENDM sets the legislative and policy framework to ensure all Ontarians have a reliable and affordable energy supply, distribution and transmission, and choices in their energy use. ENDM develops and advises on all aspects of energy policy for Ontario, including electricity, natural gas and petroleum products.

A top priority of the government is to reduce electricity bills for families, farms and small businesses. As part of this commitment, ENDM manages electricity relief programs which provide direct relief on eligible residential, farm, and small business electricity bills, in addition to removing a portion of the cost of high price renewable energy contracts.

ENDM and the Independent Electricity System Operator (IESO) introduced the 2021-24 electricity conservation framework and programs to provide ongoing opportunities for electricity consumers to manage their electricity costs, help to cost-effectively meet electricity system needs and provide stability for the network of companies involved in the delivery of related programs in the province. Separately, the Ontario Energy Board (OEB) approved Enbridge Gas Inc. to roll forward all existing components of its current OEB-approved 2020 demand side management (DSM) plans to 2021.

ENDM works with partners and stakeholders to develop policies supporting cost-effective energy supply, transmission and distribution systems; to consider and advance innovative solutions and technologies; to promote energy conservation and energy efficiency; and to power the economy so that Ontario is Open for Business.

ENDM is responsible for Government Business Enterprises whose incomes contribute to the fiscal plan (approximately \$1.2 billion in net income attributed to the Province in 2019-20). This reflects contributions from Hydro One Limited and the wholly owned Ontario Power Generation (OPG). It also oversees the OEB and the IESO.

As the regional ministry for Northern Ontario, ENDM supports provincial initiatives in the north and addresses unique regional needs. The Ministry leads government programs aimed at growing the economy, building strong northern communities and creating sustainable job opportunities in the north. This is done through the Northern Ontario Heritage Fund Corporation (NOHFC), a provincial agency chaired by the Minister of Energy, Northern Development and Mines.

Through a network of regional offices and strategic program and policy development, ENDM ensures northerners have access to government programs and services, as well as a voice in government decisions affecting the north. To address northern infrastructure needs, ENDM works with partner ministries, municipalities and Indigenous communities to expand and maintain the northern highways system, roads in unincorporated areas, resource access roads and winter roads to remote First Nation communities. ENDM is also supporting a major expansion of the electricity transmission system across the north, including to remote First Nations.

ENDM supports a safe and sustainable minerals industry by promoting minerals sector exploration and investment. This includes collecting and distributing geoscience information, encouraging and facilitating Indigenous participation in the minerals sector, administering *Ontario's Mining Act*, and ensuring safe, environmentally sound mineral development and rehabilitation of mining lands.

As the lead ministry responsible for development in the Ring of Fire, ENDM engages and collaborates with Indigenous Peoples and communities, northerners, the mining industry, federal departments and other provincial ministries to encourage responsible and sustainable development. Located more than 500 kilometers northeast of Thunder Bay, the Ring of Fire is one of the most significant mineral discoveries in the province.

ENDM is supporting an integrated, intergovernmental co-ordination and planning approach to advance the development of strategic transportation and community infrastructure in the Ring of Fire region in an environmentally responsible way.

Ministry Contribution to COVID-19 Emergency Response

ENDM continues to play a central role in the provincial COVID-19 response, providing relief support to families, farms and businesses severely impacted by the pandemic. The Ministry's actions included:

Pricing Changes for Regulated Price Plan Customers

In response to the initial COVID-19 outbreak and public health measures put in place, ENDM acted quickly to provide direct rate relief for those billed through the Regulated Price Plan (RPP), which includes residential, small business and farm customers. ENDM's support to RPP customers also included the implementation of customer choice, allowing RPP customers to choose to be billed at tiered or time-of-use (TOU) rates.

Providing pricing stability for commercial and industrial consumers

Further, a portion of Global Adjustment (GA) was deferred for Class A and non-Regulated Price Plan (RPP) Class B consumers for the months of April, May and June 2020. These actions were crucial to providing stability in prices and mitigating the impact of COVID-19 on commercial and industrial consumers at a time when provincial electricity consumption levels were lower.

Financial support for those most impacted by COVID-19

ENDM developed and delivered the COVID-19 Energy Assistance Program (CEAP) to provide financial support to electricity and natural gas consumers who had fallen behind on bills due to the pandemic. Eligible residential and business customers can apply through their utility providers for credits toward arrears.

Through the Energy Cost Rebate Grant program, the government is providing extra financial support for specific businesses that were required to shut down or significantly restrict services due to enhanced provincial public health measures. This provincial application-based grant provides a rebate via an easy-to-use one-window portal to eligible businesses in respect of energy bills.

Part 1: Ministry Programs - objectives and initiatives

ENDM carries out its mandate under five activities: Ministry Administration, Northern Development, Mines and Minerals, Energy Development and Management, and Electricity Price Mitigation.

Ministry Administration Program

Ministry Administration provides executive direction and strategic business and resource planning services to ensure the efficient and effective delivery of ministry programs. It supports ministry operations through advice and services in the areas of human resources, business planning, accounting and administration, and professional support services such as legal and audit services. It provides core strategic support in the areas of corporate/strategic policy, communications (including French language services), and freedom of information requests.

Northern Development Program

The Ministry leads, delivers and co-ordinates government programs and policies aimed at supporting economic growth and business development, and addressing infrastructure and transportation network needs, in Northern Ontario. To support the development and implementation of strategic policies and programs, the Ministry undertakes research and collects and analyzes regional information. This analysis focuses on opportunities to support the Northern Ontario economy that will ultimately strengthen and diversify Northern Ontario communities and businesses. To ensure the north's voice is reflected in the policies and priorities of the government, the Ministry works in collaboration with various partners including all orders of government, industry and business, municipalities, Indigenous communities and organizations, and other public and private sector institutions.

Under the banner of Northern Development, the Ministry delivers the following programs:

Northern Transportation Networks

The Northern Transportation Networks program plans and delivers an efficient core transportation network to meet transportation needs in the north, promoting economic development while safely and efficiently moving people and goods. The Ministry supports strategic investments in infrastructure through programs such as the Northern Highways Program, Local Roads Boards and the Winter Roads Program.

Northern Business Development and Support

The Business Development and Support program promotes and delivers programs, services and funding to assist business start-ups, expansions, inward investment, trade and innovation efforts. A network of integrated area teams (Sudbury, Thunder Bay, Sault Ste. Marie, Timmins, North Bay and Kenora) with offices in 23, communities across the north serves as the focal point for private sector clients and northern stakeholders for the delivery of programs and services in support of economic development.

In addition, the Ministry helps local companies grow and expand their business globally by facilitating export and promotes development opportunities in Northern Ontario internationally to help attract new investment in the region. Through the NOHFC funding programs, the Ministry invests in business development and supports projects across the north.

The Northern Industrial Electricity Rate (NIER) program supports Northern Ontario's largest industrial electricity consumers to reduce costs, sustain jobs and maintain global competitiveness. With funding of up to \$120 million per year, the program protects jobs in the north and supports the development of industrial energy management plans.

The Resource Revenue Sharing (RRS) program bolsters economic development in the north, supports improvement of socio-economic conditions for Indigenous communities and increases Indigenous participation in Ontario's economy.

Northern Community Support

The Community Support program promotes and delivers programs, services and funding to build community infrastructure and assist communities in undertaking economic development projects. Advice and funding to support services in unincorporated areas without municipal structure is also provided.

Northern Indigenous Economic Development

Indigenous Economic Development funding supports the engagement of Indigenous groups across core ministry functions on a variety of policy objectives. The program develops and sustains productive and effective relationships among government, Indigenous communities, industry, municipalities and other partners. This supports greater economic development opportunities, including in the minerals sector, that benefit Indigenous Peoples by strengthening Indigenous participation and enhancing the readiness of Indigenous communities to participate in Ontario's economy. Ontario supports First Nations through individual agreements that address individual community priorities such as all-season roads, economic development opportunities, capacity building, community readiness, and cultural and environmental studies.

Ring of Fire Indigenous Economic Development

Key activities include working with First Nation communities to build partnerships that enable participation in the benefits from mineral and related developments in the Ring of Fire area and supporting industry and other stakeholders with interests in the area including activities related to mineral exploration and development.

Ring of Fire Infrastructure Development

The Ring of Fire Infrastructure Development program facilitates development and collaborative approaches with industry, First Nations and economic development organizations to advance infrastructure development in the Ring of Fire, such as all-season roads.

Marten Falls and Webequie First Nations are proponents for environmental assessments for proposed new roads that will ultimately connect their communities to the provincial highway network through a proposed north-south corridor.

Mines and Minerals Program

The Ministry supports a strong and sustainable minerals sector by promoting investment and exploration, by providing information to global clients on Ontario's wealth of mineral resources, and by the fair, effective and efficient administration of Ontario's Mining Act, in a manner consistent with Indigenous reconciliation, protection of public health and safety, and the environment.

Regulatory Administration of the *Mining Act*

The Ministry administers the Mining Act through regulatory tools that promote and sustain mineral exploration and mining in a socially and environmentally responsible manner.

As part of this mandate, the Ministry has transformed and modernized mineral tenure administration in Ontario by implementing an integrated, client-driven electronic system that enables clients to register mining claims and manage these claims online. This ensures mineral exploration and development in Ontario is undertaken in a manner that promotes a balanced approach that benefits all Ontarians, while registering claims in a manner that is respectful of private landowners and Indigenous communities. The system continues to be updated and improved in response to stakeholder feedback.

The Ministry also invests in the rehabilitation of abandoned mine sites on Crown-held lands to ensure public safety, improve the environment, and make the lands available for productive use. The Ministry is in the process of reviewing and updating the One Window Co-ordination Protocol (OWCP) to ensure continued effective and efficient processes for co-ordination and delivery of environmental assessments, permitting and approvals across provincial ministries and with the federal government.

Geoscience Information

The Ontario Geological Survey (OGS) collects and disseminates geoscience information for all regions across Ontario to support investment decisions and policy development related to mineral exploration and development, public health and safety, the environment and land use planning. Geoscience products and services support economic development through source water protection, mineral, energy and groundwater-resource related development opportunities, land use planning, and safeguarding public health and safety related to geological hazards.

Mineral Development Investment and Opportunity

The Mineral Development Investment and Opportunity program ensures Ontario receives a fair share of the value of mineral resources extracted from the province, identifies strategic investment opportunities, and influences policy issues that support Ontario's mineral competitiveness.

Energy Development and Management Program

The Ministry is responsible for developing Ontario's energy policy framework, which is central to the building of a strong and prosperous economy.

Energy Conservation Programs

ENDM helps consumers manage energy costs through several initiatives. Electricity conservation programs delivered by the IESO and the natural gas conservation demand side management (DSM) programs delivered by Enbridge Gas Inc., with oversight of the OEB, are funded through the respective electricity and natural gas rate bases.

On January 1, 2021, the government introduced a new four-year electricity Conservation and Demand Management (CDM) Framework focused on cost-effectively meeting electricity system and customer needs. The Framework is providing continued energy conservation opportunities for customers who need them most, including commercial, industrial, institutional, First Nations and income-eligible consumers. It also will feature increased competitive procurements and calls for proposals in order to improve cost-effectiveness and solicit consumer-based solutions.

ENDM also directed the IESO to launch a new Energy Affordability Program (EAP) under the 2021-24 CDM Framework. The EAP replaces two previous programs for low-income and income-eligible customers – the Home Assistance Program and the Affordability Fund program, respectively – streamlining and simplifying access to energy savings measures for those in need.

Conservation Programs for Residential and Low-Income Customers

- Electricity
 - IESO's EAP helps income-eligible households manage their energy costs by providing in-home energy assessments and electricity saving measures and upgrades at no cost. EAP is available province-wide, including on First Nation reserves.
 - First Nation Conservation Programs assist on-reserve First Nation communities by providing home energy efficiency assessments and energy savings measures at no cost. During the term of the new Conservation Framework, IESO intends to relaunch programs that started under the previous Interim Framework in Fall 2021.
- Natural Gas Conservation Programs
 - Delivered by Enbridge Gas, the Home Energy Conservation and Residential Adaptive Thermostats programs provide financial incentives to residential natural gas customers for making energy efficient home upgrades.
 - The Home Winterproofing program, delivered by Enbridge Gas, provides income-eligible customers with free home improvements such as insulation and draft proofing.

Business Programs

- Electricity conservation programs, delivered by the IESO, provide financial incentives to help businesses reduce their electricity use and manage costs through energy audits, retrofits, and process and system improvements, and will also transition to include greater opportunities for competitive procurements and calls for proposals to solicit customer-based solutions.

- Natural gas conservation programs, delivered by Enbridge Gas, provide businesses with incentives for efficient building equipment and systems retrofits such as space heating, water heating and food services equipment.

Other Conservation and Demand Management Initiatives

- The Industrial Conservation Initiative (ICI) allows all electricity consumers with average peak monthly electricity demand over one MW, as well as manufacturers and greenhouses over 500 kilowatts (kW), to lower their electricity costs by reducing their demand during the top five peak hours of the year. The outcome benefits companies financially and benefits the electricity system by deferring the need for new peak generation.

The IESO transitioned from a demand-response auction to a capacity auction to enable competition between additional resource types and put downward pressure on prices. The IESO held its first capacity auction in December 2020, resulting in an auction clearing price that was the lowest of any of the IESO auctions held since December 2015. Demand-response providers represented the majority of capacity procured. IESO's forecasts indicated that it is not necessary to secure additional winter capacity for 2021–2022.

On October 8, 2020, ENDM posted a regulatory proposal to the Environmental and Regulatory Registries to require electricity and natural gas distribution companies to provide people and businesses with their energy consumption data through the Green Button Connect My Data and Download My Data standard. If enacted, this requirement would allow the people of Ontario to access their usage through smartphones and connect with apps that can help them lower their energy bills.

An Affordable, Reliable Energy Supply

According to the IESO, Ontario has an adequate supply of electricity to meet its needs at this time. Approximately 94 per cent of the electricity generated in Ontario in 2020 was emissions-free. Nuclear energy provided approximately 57 per cent of Ontario's electricity generation in 2020, and hydroelectric stations provided approximately 24 per cent of Ontario's electricity generation. Nuclear and hydropower are Ontario's reliable sources of round-the-clock "baseload" power. The remainder of supply comes from a mix of natural gas, wind, solar and bioenergy.

The Ministry supports Ontario's commitment to nuclear energy as a reliable, cost-effective and emission-free source of electricity. Ontario is progressing with refurbishment of four nuclear units at Darlington Nuclear Generating Station and six at Bruce Nuclear Generating Station over the next 13 years. Ontario Power Generation (OPG) is also planning to optimize the shutdown schedule for Pickering Nuclear Generating Station, which includes seeking regulatory approvals to operate until 2025.

Ontario is leading the way on the development of next-generation nuclear technologies, such as Small Modular Reactors (SMRs), that could provide clean energy and economic opportunities for Ontario's nuclear supply chain. The ministry is responsible for developing and implementing Ontario's SMR policies, programs and initiatives. In December 2019, Ontario signed a Memorandum of Understanding (MOU) with Saskatchewan and New Brunswick, committing to collaborate on the development and deployment of SMRs. In April 2021, the three provinces released a Feasibility Study and business case for deployment of SMRs and welcomed Alberta as the latest signatory to the SMR MOU.

Ontario is committed to lowering the cost of fuels such as gasoline, diesel and natural gas to make energy more affordable for families and businesses. Ensuring a reliable supply of fuels is vital for the province's economy. As such, Ontario supports the continued operation of Enbridge's Line 5, which is a key artery that connects North American crude oil to Ontario. In November 2020, the Governor of Michigan took legal action to shut-down Line 5. Ontario is continuing to work with the Government of Canada, our provincial partners, U.S. States and Enbridge to ensure that Line 5 remains in operation.

The Ministry is working with the Ministry of the Environment, Conservation and Parks (MECP) as the province develops its first-ever hydrogen strategy. Hydrogen can help decarbonize the economy and will create opportunities and considerations for Ontario's electricity grid and natural gas distribution system.

Electricity Price Mitigation Program

The Ontario Electricity Rebate (OER) is a transparent on-bill rebate, provided to eligible residential, farm and small business consumers. The percentage of the OER has been adjusted over time as electricity costs change in order to manage the trajectory of the average residential bill.

As of January 1, 2021, large and mid-sized industrial and commercial consumers are automatically benefitting from lower electricity bills. The government is funding a portion of non-hydro renewable energy contract costs, so they are no longer being paid by electricity consumers. Industrial consumers could see savings of about 15% on their bills, while mid-sized commercial consumers could see savings of about 16% on their bills. Actual savings depend on location and consumption.

Furthermore, A suite of electricity rate mitigation programs continues to help Ontarians manage electricity costs.

Eligible consumers can also receive support on their electricity bills through the following programs:

- Distribution Rate Protection and Rural or Remote Rate Protection provides delivery charge relief for customers of local distribution companies (LDC).
- The Ontario Electricity Support Program (OESP) helps eligible low-income consumers by providing a monthly on-bill credit. Credit amounts range from \$35 to \$75 per month based on household size and income. Enhanced credit amounts, from \$52 to \$113 per month, are available for customers that are Indigenous, use electric heat, or rely on an approved energy-intensive medical device.
- The Northern Ontario Energy Credit helps eligible low-to-middle-income northern residents manage energy costs. For the 2020 benefit year, qualifying individuals can receive up to \$157 annually and qualifying families (including single parents) can receive up to \$241 annually.
- The First Nations Delivery Credit provides a 100 per cent credit for delivery or service charges for all on-reserve First Nations residential customers of licensed electricity utilities.

Part 2: Responding to COVID – 19

ENDM enacted a series of new programs to support residential and business energy consumers during the COVID-19 outbreak.

Pricing Changes for Regulated Price Plan Customers – Off-peak TOU

In response to the social distancing policies that were in place in response to the COVID-19 emergency, RPP TOU customers would have experienced higher electricity bills during this period. The Off-Peak TOU initiative provided rate relief to residential and business RPP TOU customers by applying the off-peak TOU electricity rate to all periods of the day.

Extensions to Off-Peak TOU were enabled through the Emergency Order O. Reg. 80/20 made under the *Emergency Management and Civil Protection Act* as well as through amendments to O. Reg. 95/05: Classes of Consumers and Determination of Rates. The extension periods were as follows:

- March 24, 2020 – May 31, 2020
- January 1, 2021 – February 22nd, 2021

From June 1, 2020 until October 31, 2020, the Ministry implemented a flat-rate which was revenue neutral (no fiscal impact) and provided customers with stability and predictability during the COVID-19 recovery period. Starting November 1, 2020, customers were enabled to choose between time of use or tiered rates. This change allowed customers to opt for an electricity rate plan that best suited their household and lifestyle.

Energy Rebate Grant Program

The Energy Rebate Grant Program, launched on November 16, 2020, as a time-limited grant to help provide relief to businesses significantly impacted by provincial public health restrictions. Eligible businesses apply directly to the Province based on the best energy cost information available to the business at the time of their application.

The program rebates are:

- equivalent to 100 percent of reported energy costs (i.e., electricity, natural gas, propane and heating fuel);
- provided on a temporary basis (i.e., corresponding with the period of time for which the business is subject to targeted provincial public health restrictions); and
- eligible in respect of properties owned or occupied by impacted businesses.

COVID-19 Energy Assistance Program (CEAP)

On March 25, 2020 the Government of Ontario released the March 2020 Economic and Fiscal Update, "Ontario's Action Plan: Responding to COVID-19". The Plan commits the government to provide "\$9 million in direct support to families for their energy bills." The Government also committed in June 2020 to provide \$8 million in direct support to small businesses.

CEAP Residential and Small Business provide financial support to those that have been financially affected by the COVID-19 public health emergency and that are struggling to pay their energy bills.

Ontario declared a state of emergency throughout the province on March 17, 2020 to slow the spread of the COVID-19 virus. As a result, many businesses temporarily closed or reduced employment levels, diminishing or eliminating income for many Ontarians. Some Ontarians have been unable to work while suffering from COVID-19 or caring for household members suffering from COVID-19. Many Ontarians continue to face negative impacts of the pandemic, including difficulty meeting their financial obligations such as paying their energy bills.

On March 23, 2021, ENDM extended CEAP into 2021-22 to continue to aid those struggling to pay their energy bills.

Global Adjustment Deferral

As part of the government's response to COVID-19, a portion of Global Adjustment (GA) was deferred for Class A and non-Regulated Price Plan (RPP) Class B consumers for the months of April, May and June 2020. These actions were crucial to providing stability in prices and mitigating the impact of COVID-19 on commercial and industrial consumers at a time when provincial electricity consumption levels were lower. The government is recovering these costs, throughout 2021, from the same consumer classes that benefitted from the deferral. The recovery of the deferred GA costs will be more than offset by the government's initiative to fund a portion of renewable energy contract costs.

The following ministry programs have been adapted to address the COVID-19 outbreak:

Conservation and Demand Management Programs

In-person delivery of electricity and natural gas conservation and demand management programs is being paused in accordance with local and provincial public health policies as a result of the COVID-19 outbreak and associated physical distancing policies. Program intake and back-office functions continue. For EAP, wait-listing continues for customers eligible for in-home energy assessments and energy efficiency measures, while Energy Saving Kits are being distributed to qualified customers. Outreach to social service agencies including webinars and virtual meetings continues as part of awareness building about the program.

ENDM continues to work with the IESO to understand and address the need for extensions to project in-service deadlines for certain electricity conservation projects and programs, and the OEB is doing the same in its role overseeing Enbridge Gas' natural gas DSM programs.

Ensuring a reliable, safe power supply

In response to the COVID-19 global pandemic, major private and public electricity and natural gas entities are implementing plans to ensure critical operations are maintained with minimum staff on-site. ENDM is working closely with these entities to help address concerns related to proactive testing, staff management, and equipment and supplies needed to ensure business continuity. The Ministry has also been working closely with these entities and relevant ministries to advise on the government's COVID-19 policies relevant to the energy sector (e.g., declaration of essential businesses and emergency childcare for frontline workers). In order to ensure an effective response and plan for recovery, ENDM convened sector leaders in a Ministerial Advisory Council and contributed to cross-government recovery planning through the Electricity Sector Strategy.

Mineral Development Programs

In 2020, legislative and regulatory changes were made to help clients facing pandemic-related issues with diamond royalty payments, and challenges to completing assessment work.

Economic Development Programs

Remote Air Carrier Support Program (RACSP)

ENDM, in consultation with the Ministry of Transportation and IAO, has partnered with the Federal Government to support air carriers serving Northern Ontario's remote communities to ensure continuity of passenger service and the movement of essential goods and services during the COVID-19 pandemic.

Indigenous Support Programs

In December 2020, the ministry reached out to various Indigenous communities in the Ring of Fire area to provide additional support in response to COVID-19 impacts and pressures on their projects and deliverables.

2021-22 Strategic plan

On March 24, 2021, the government released Ontario's Action Plan: Protecting People's Health and Our Economy, signifying the next phase of Ontario's response to COVID-19. The Ministry of Energy, Northern Development and Mines is supporting Ontario's Action Plan through the following programs and initiatives.

Long-Term Energy Planning Reform

The Ministry intends to refocus Ontario's long-term energy planning framework to increase the effectiveness, transparency and accountability of energy decision-making in Ontario. Empowering independent, agency-led planning will protect the interests of ratepayers, improve investment certainty, and restore confidence in energy decision-making.

Natural gas expansion

In December 2018, the government passed the *Access to Natural Gas Act, 2018*, followed by a Regulation to implement Phase 1 of the Natural Gas Expansion program. This legislation facilitates greater expansion of natural gas by charging existing customers \$1 per month to improve the economic viability of natural gas projects.

Ontario announced that the OEB would be accepting proposals for Phase 2 projects starting March 5, 2020. The original 90-day window for accepting applications was extended by an additional 60 days, to August 4, as a result of the impact of the COVID-19 outbreak. The OEB received 210 eligible proposals with a combined funding request of \$2.6 billion, far exceeding the original allocation of \$130 million. As a result, the government increased the budget to \$234 million and to apply a selection methodology that resulted in a portfolio of 28 projects that best advance the objectives of the program. These projects were prescribed in regulation in May 2021. Funds for the program continue to be collected from existing natural gas ratepayers and do not impact the province's finances.

Keeping energy costs low for families, small businesses and farmers

As provincial efforts turn to recovering from COVID-19, ENDM is focused on supporting Ontarians by helping to keep the cost of energy low for families, small businesses and farmers. ENDM's suite of electricity rate mitigation programs are integral in keeping electricity rates stable.

ENDM continues to deliver the Ontario Electricity Rebate program, which provides direct relief on eligible residential, farm and small business electricity bills. Additionally, as part of Ontario's comprehensive plan to provide electricity price relief, the government is removing a portion of the cost of high price renewable energy contracts from consumers' electricity bills to the Province through the Renewable Cost Shift program.

COVID-19 response: Energy Cost Rebate Grant

Through the 2021 Budget, Ontario's Action Plan: Protecting People's Health and Our Economy, the government committed to continue to support employers most severely impacted by COVID-19 through support programs such as the Energy Cost Rebate. This grant is part of the government's commitment to provide immediate and significant financial support to employers most impacted by COVID-19. This will help businesses recover, weather the pandemic, and continue to create jobs and prosperity for years to come.

COVID-19 response: COVID-19 Energy Assistance Program

Due to the successful implementation of the CEAP programs, ENDM plans to continue to provide financial support as a combined program. The Ministry remains committed in ensuring residential, small business, and charitable organization customers, who have difficulty paying their electricity and/or natural gas bills due to the ongoing pandemic, have access to a government relief program in 2021-22.

Enabling the Use of Electricity Infrastructure for Ontario's Broadband and Cellular Action Plan

The 2021 Budget commits a historic new investment of \$2.8 billion in broadband infrastructure to ensure that every region in the province has access to reliable high-speed broadband services by 2025. Combined with prior commitments, the new funding announced in the 2021 Budget increases Ontario's overall investment in broadband to nearly \$4 billion over six years beginning 2019–2020. Ontario's local distribution companies (LDCs) deliver electricity safely and reliably to customers every day. Many of the assets owned by LDCs – such as electricity poles – can be used to support other infrastructure, including broadband.

ENDM developed amendments to the *Ontario Energy Board Act, 1998* as part of the *Supporting Broadband and Electricity Infrastructure Act, 2021*. These amendments will allow ENDM to develop regulations to support the use of electricity infrastructure in order to expedite the delivery of broadband across the province by 2025.

	Amount
COVID-19 Approvals	\$35.0 million
Other Operating	\$7,131.5 million
Capital	\$473.0 million
	\$7,639.5 million

Ministry Planned Expenditures
2021-22 (presented in millions -
does not include assets)

Expenditure	Total

	Total
Statutory Appropriations	\$361.4
Agency Consolidation	\$291.4
Ministry Administration	\$25.1
Northern Development	\$354.8
Mines and Minerals	\$56.2
Energy Dev and Mngmt - Regular	\$24.4
Energy Dev and Mngmt - COVID-19	\$35.0
Electricity Price Mitigation	\$6,491.2
	\$7,639.5

Detailed financial information

Table 2: Combined Operating and Capital Summary by Vote

Votes/Programs	Estimates 2021-22 (\$) ***	Change from Estimates 2020-21 (\$) ***	% ****	Estimates 2020-21 ^[1] (\$) ***	Interim Actuals 2020-21 ^[1] (\$) ***	Actuals 2019-20 ^[1] (\$) ***
Operating expense						
2201 Ministry Administration Program	25,070,200	(396,900)	(1.6)	25,467,100	24,996,600	26,047,129
2202 Northern Development Program	271,338,100	48,509,400	21.8	222,828,700	231,135,600	216,590,322
2203 Mines and Minerals Program	50,662,000	1,832,800	3.8	48,829,200	43,148,500	41,008,800
2205 Energy Development and Management	59,363,700	34,661,100	140.3	24,702,600	858,795,500	52,362,896
2206 Electricity Price Mitigation	6,491,181,600	888,619,800	15.9	5,602,561,800	5,522,400,200	5,448,874,758
Less: Special Warrants	-	-		-	-	-
Total Operating Expense to be Voted	6,897,615,600	973,226,200	16.4	5,924,389,400	6,680,476,400	5,784,883,905
Special Warrants	-	-		-	-	-
Statutory Appropriations	590,392	-	-	590,392	590,392	(118,979)
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

Ministry Total Operating Expense	6,898,205,992	973,226,200	16.4	5,924,979,792	6,681,066,792	5,784,764,926
Consolidation & Other Adjustments - Northern Ontario Heritage Fund Corporation	14,310,000	(4,172,700)	(22.6)	18,482,700	33,182,700	67,338,067
Consolidation & Other Adjustments - Independent Electricity System Operator	207,831,100	(6,081,300)	(2.8)	213,912,400	203,926,200	313,586,131
Consolidation & Other Adjustments - Ontario Energy Board	48,728,200	1,161,800	2.4	47,566,400	47,772,800	42,614,277
Consolidation & Other Adjustments - Fair Hydro Trust	1,000	-	-	1,000	1,000	3,000
Consolidation & Other Adjustments - Ontario Clean Water Agency	-	-		-	-	(1,491,676)
Consolidation & Other Adjustments - General Real Estate Portfolio	(2,594,300)	587,700		(3,182,000)	(2,607,300)	(7,304,987)
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

Total Including Consolidation & Other Adjustments	7,166,481,992	964,721,700	15.6	6,201,760,292	6,963,342,192	6,199,509,738
Operating assets						
2201 Ministry Administration Program	2,000	-	-	2,000	2,000	-
2202 Northern Development Program	2,000	(49,000)	(96.1)	51,000	51,000	30,000,000
2203 Mines and Minerals Program	1,000	-	-	1,000	1,000	-
2205 Energy Development and Management	507,000,000	12,000,000	2.4	495,000,000	316,300,000	80,400,000
Total Operating Assets to be Voted	507,005,000	11,951,000	2.4	495,054,000	316,354,000	110,400,000
Ministry Total Operating Assets	507,005,000	11,951,000	2.4	495,054,000	316,354,000	110,400,000
Capital expense						
2201 Ministry Administration Program	1,000	-	-	1,000	1,000	-
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

2202 Northern Development Program	83,503,000	5,300,000	6.8	78,203,000	71,203,000	69,580,382
2203 Mines and Minerals Program	5,529,500	(107,500)	(1.9)	5,637,000	4,790,000	1,595,029
2205 Energy Development and Management	1,000	-	-	1,000	1,000	-
Less: Special Warrants	-	-		-	-	-
Total Capital Expense to be Voted	89,034,500	5,192,500	6.2	83,842,000	75,995,000	71,175,411
Special Warrants	-	-		-	-	-
Statutory Appropriations	360,806,800	19,000,600	5.6	341,806,200	330,788,200	315,599,986
Ministry Total Capital Expense	449,841,300	24,193,100	5.7	425,648,200	406,783,200	386,775,397
Consolidation & Other Adjustments - Northern Ontario Heritage Fund Corporation	(593,600)	(593,600)		-	-	(27,500,000)
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

Consolidation & Other Adjustments - Independent Electricity System Operator	24,071,500	1,446,500	6.4	22,625,000	24,637,400	23,237,793
Consolidation & Other Adjustments - Ontario Energy Board	1,228,000	74,300	6.4	1,153,700	928,000	1,305,000
Consolidation & Other Adjustments - General Real Estate Portfolio	(1,560,000)	(1,560,000)	-	-	-	
Total Including Consolidation & Other Adjustments	472,987,200	23,560,300	5.2	449,426,900	432,348,600	383,818,190
Capital assets						
2201 Ministry Administration Program	1,000	-	-	1,000	1,000	-
2202 Northern Development Program	496,658,400	(31,921,500)	(6.0)	528,579,900	599,068,900	566,688,125
2203 Mines and Minerals Program	626,000	(625,000)	(50.0)	1,251,000	1,251,000	896,246
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

2205 Energy Development and Management	1,000	-	-	1,000	1,000	-
Less: Special Warrants	-	-		-	-	-
Total Capital Assets to be Voted	497,286,400	(32,546,500)	(6.1)	529,832,900	600,321,900	567,584,371
Special Warrants	-	-		-	-	-
Statutory Appropriations	-	-		-	-	-
Ministry Total Capital Assets	497,286,400	(32,546,500)	(6.1)	529,832,900	600,321,900	567,584,371
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	7,639,469,192	988,282,000	14.9	6,651,187,192	7,395,690,792	6,583,327,928

For additional financial information, see:

Expenditure Estimates:

<https://www.ontario.ca/page/expenditure-estimates> (<https://www.ontario.ca/page/expenditure-estimates>)

Ontario Budget:

2021 Budget: <https://budget.ontario.ca/2021/index.html> (<https://budget.ontario.ca/2021/index.html>)

Public Accounts:
<https://www.ontario.ca/page/public-accounts> (<https://www.ontario.ca/page/public-accounts>)

Ministry of Energy, Northern Development and Mines:
<https://www.ontario.ca/page/ministry-energy-northern-development-and-mines> (<https://www.ontario.ca/page/ministry-energy-northern-development-and-mines>)

Agencies, Boards and Commissions (ABCs)						
Agency/Board/Commission	Estimates 2021-22 (\$)	Change from Estimates 2020-21 (\$)	%	Estimates 2020-21 ^[1] (\$)	Interim Actuals 2020-21 ^[1] (\$)	Actuals 2019-20 ^[1] (\$)
Northern Ontario Heritage Fund Corporation (NOHFC)						
Operating Expense	14,310,000	(4,172,700)	(22.6)	18,482,700	33,182,700	67,338,067
Capital Expense	(593,600)	(593,600)	-	-	(27,500,000)	
Total NOHFC Consolidation Adjustments	13,716,400	(4,766,300)	(25.8)	18,482,700	33,182,700	39,838,067
Independent Electricity System Operator (IESO)						
Operating Expense	207,831,100	(6,081,300)	(2.8)	213,912,400	203,926,200	313,586,131
Capital Expense	24,071,500	1,446,500	6.4	22,625,000	24,637,400	23,237,793

Agency/Board/Commission	Estimates 2021-22 (\$)	Change from Estimates 2020-21 (\$)	%	Estimates 2020-21 ^[1] (\$)	Interim Actuals 2020-21 ^[1] (\$)	Actuals 2019-20 ^[1] (\$)
Total IESO Consolidation Adjustments	231,902,600	(4,634,800)	(2.0)	236,537,400	228,563,600	336,823,924
Ontario Energy Board (OEB)						
Operating Expense	48,728,200	1,161,800	2.4	47,566,400	47,772,800	42,614,277
Capital Expense	1,228,000	74,300	6.4	1,153,700	928,000	1,305,000
Total OEB Consolidation Adjustments	49,956,200	1,236,100	2.5	48,720,100	48,700,800	43,919,277

Independent Electricity System Operator (IESO)

The IESO manages real-time operations of Ontario's power grid system by balancing supply of and demand for electricity, designing and procuring delivery of conservation and demand management programs, planning for the province's future energy needs, and designing a more efficient electricity marketplace to support sector evolution. The IESO's mandate is embodied in the Electricity Act, 1998.

The IESO's expenses are consolidated onto the ministry's financial accounts. Its annual operating costs are recovered from annual fees set by the OEB for domestic and export market participants.

COVID-19 Response:

Ontario's electricity system remains stable and reliable, and the IESO is well equipped to manage changing grid conditions. In order to ensure the provincial power system continues to operate reliably and safely, the IESO continues to actively assess the impact of COVID-19 as it works through the system and as electricity demand responds. Ongoing efforts include closely monitoring demand, revising forecasts and responding to changing system needs.

Ontario Energy Board (OEB)

The OEB is an independent economic regulator of the province's electricity and natural gas sectors. It oversees Ontario's energy utilities to ensure the public interest is served.

The OEB's mandate and powers in relation to the energy sector are set out primarily in three statutes – the *Ontario Energy Board Act, 1998*; the *Electricity Act, 1998* and the *Energy Consumer Protection Act, 2010*, and the regulations made under these statutes. Other statutes, such as the *Statutory Powers and Procedure Act, 1990*, also inform the OEB's authority.

Modernizing the OEB is a key commitment made by the government under Bill 87, the *Fixing the Hydro Mess Act, 2019*. In October 2020, the government reformed the OEB's governance structure with the appointment of a new Board of Directors, Chief Executive Officer, and a Chief Commissioner. The restructuring of the OEB is intended to help the OEB enhance the performance of energy sector regulation, to the benefit of Ontario ratepayers.

The OEB's annual operating expenses are consolidated onto the ministry's financial records. Its operations and activities are fully funded by its regulated stakeholders in the gas and electricity sectors, under the cost-assessment authority in Ontario Regulation 16/08 (Assessment of Expenses and Expenditures) of the *Ontario Energy Board Act, 1998*.

COVID-19 Response:

The OEB has allowed for the creation of deferral accounts to track the costs and losses that energy sector entities are experiencing as a result of the COVID-19 outbreak. The OEB administers one of the Ministry's COVID-19 responses, CEAP, a program designed to assist residential and business customers with arrears that have accumulated on their energy bills since the government declared the first state of emergency in March 2020.

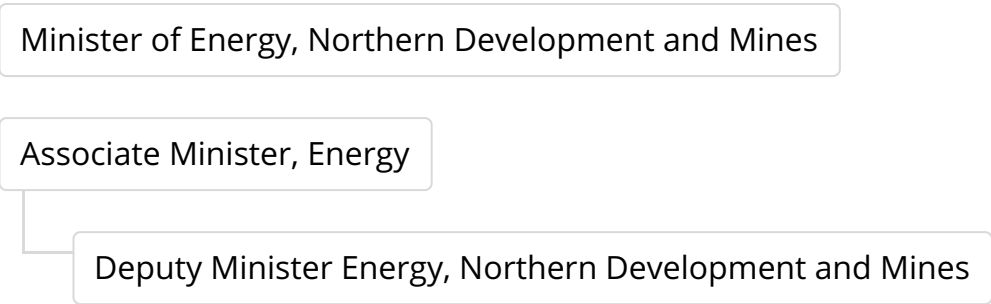
To support its stakeholders during the pandemic the OEB pivoted to a completely virtual format for technical conferences, settlement conferences, and oral hearings.

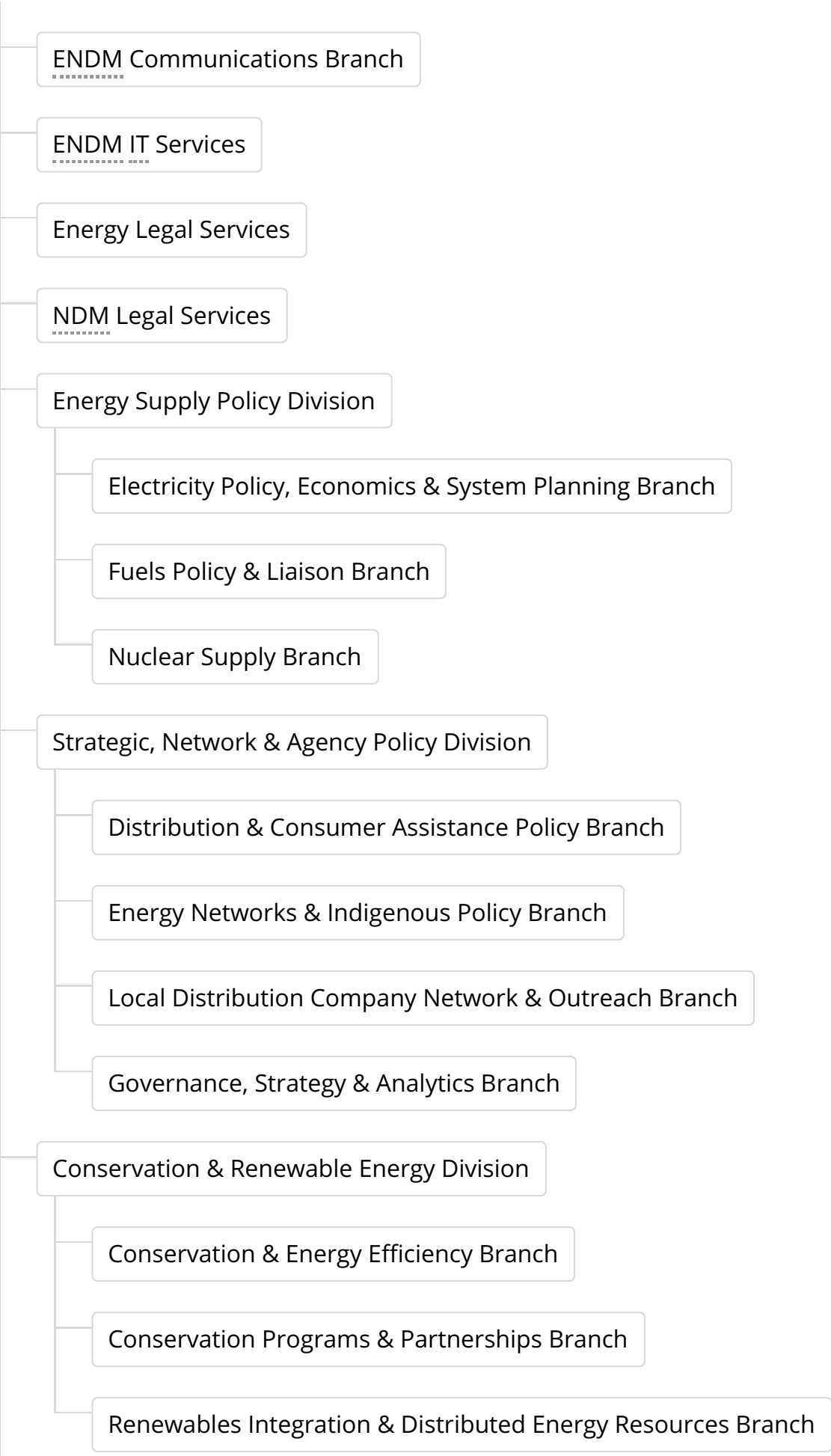
Northern Ontario Heritage Fund Corporation (NOHFC)

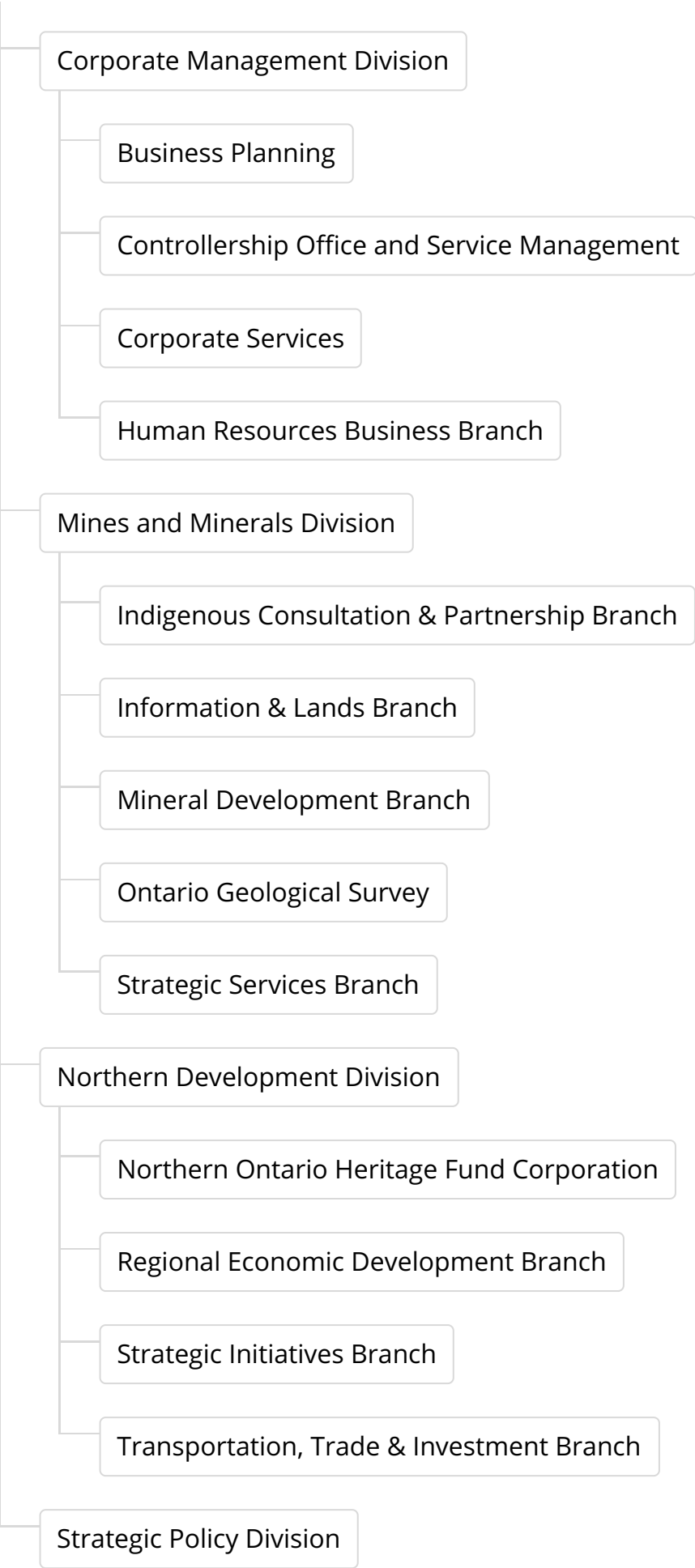
The NOHFC is a statutory corporation established under the *Northern Ontario Heritage Fund Act*. It was established in 1988 to advise and make recommendations on any matter relating to the growth and diversification of the Northern Ontario economy, and to promote and stimulate economic initiatives. The corporation is a funding organization that provides loans and grants to stabilize, diversify and foster the economic growth of Northern Ontario.

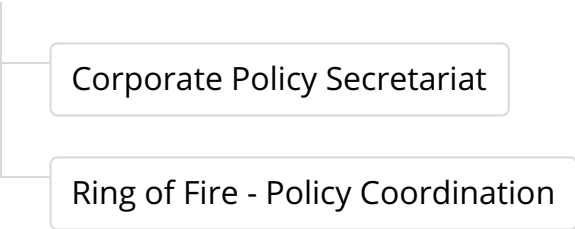
The corporation is an Operational Service Agency of the Province, and its directors are appointed by minister's prerogative Order in Council. The Minister of Energy, Northern Development and Mines is the Chair of the Board of Directors.

Ministry organization chart









2020-21 Annual report

1. COVID-19 Response: Supporting people and businesses with energy costs

Pricing Changes for Regulated Price Plan Customers

On March 24, 2020, the government issued an Emergency Order, under the *Emergency Management and Civil Protections Act*, applying the off-peak electricity rate for customers paying Time-of-Use (TOU) rates for all hours of each day, an initiative that was in place until May 31, 2020.

This initiative was put in place to provide rate relief to eligible residential, farm and small business customers, responding to the physical distancing policies put in place provincewide during the COVID-19 outbreak, as well as to challenges facing small businesses who have closed or are seeing reduced customers. Support examples included:

- A typical residential electricity customer with a monthly consumption of 700 kWh would be expected to see a bill reduction of approximately \$22.50 for the 45-day period with the proposed measures, depending on their total consumption and consumption behaviours.
- A small business RPP customers with a monthly consumption of 10,000 kWh could see a reduction of \$365 on their monthly bill.

Following the conclusion of the off-peak rate on May 31, 2020, ENDM proceeded with a two-step approach to transition RPP TOU customers to a predictable flat rate during the COVID-19 recovery period and to offer customers greater customer choice of electricity rate structures in the long term. This approach was as follows:

- Implementation of a flat COVID-19 "Recovery Rate" from June 1 to October 31, 2020 for all Regulated Price Plan TOU customers. This flat rate was 12.8 ¢/kWh based on the forecast average RPP supply cost for RPP customers, calculated by the Ontario Energy Board as of November 1, 2019; and,
- Implementation of customer choice by requiring all Local Distribution Companies (LDCs) to offer their RPP customers who are able to be billed at TOU rates the option to choose between TOU pricing and tiered rates as of November 1, 2020.

The COVID-19 Recovery Rate and Customer Choice were both implemented as revenue neutral initiatives and had no fiscal impact to ENDM.

On December 22, 2020, ENDM announced that in response to the implementation of a Provincewide Shutdown effective December 26, 2020, the off-peak TOU rate would be implemented for all RPP customers (including those paying tiered rates) from January 1 to 28, 2021. This rate change was enabled through amendments to O. Reg. 95/05: Classes of Consumers and Determination of Rates and was further extended to February 22, 2021.

The government and its agencies are tracking the impacts of the outbreak on electricity and natural gas consumers and will continue to evaluate the need to stabilize or reduce costs for all consumers.

Global Adjustment Deferral

In Spring 2020, through a combination of emergency orders and regulatory amendments, the government deferred Global Adjustment (GA) costs for Class A and non-RPP Class B consumers. This action provided stability in prices during the earlier part of the COVID-19 outbreak when electricity consumption was lower. These costs are being recovered throughout 2021 from the same consumer classes that benefitted from the deferral.

COVID-19 Energy Assistance Program

The COVID-19 Energy Assistance Program (CEAP) was announced by the Province on June 1, 2020 and launched on July 13, 2020. The Small Business stream launched on August 31, 2020. Combined, the two streams of CEAP offered \$17 million of assistance to electricity and natural gas consumers who have overdue amounts owing due to bills incurred since March 17, 2020.

- Eligible consumers can apply to their utility to receive an on-bill credit of up to \$750 for residential customers, and up to \$1,500 for small businesses and registered charities.
- In March 2021, the government made an additional \$6 million in 2020-21 available so that utilities could continue to accept applications through March due to the increased instances of utilities exhausting their allocations. The government also approved extending the program into 2021-22 as the ongoing pandemic is creating a need for continuing this type of assistance.

Keeping Ontario Safe and Open: Energy Cost Rebate Grant

On November 6, 2020, the temporary property tax and energy cost rebate program was announced to support the government's Keeping Ontario Safe and Open Framework.

The grant identified new funding for businesses required to close or significantly restrict services in areas subject to modified Stage 2 public health restrictions, or, in areas categorized as Control, Lockdown or Province-wide Shutdown.

The rebates cover the length of time that a business is required to temporarily close or significantly restrict services as a result of COVID-19 restrictions. As of March 31, 2021, the grant assisted 28,718 applicants across the province.

2. Supporting Ontario families and businesses looking to make upgrades to lower electricity costs

In 2019, ENDM terminated the 2015-2020 electricity conservation and demand management (CDM) Framework and initiated a transition to an interim, scaled-down and centralized program framework. These frameworks are forecasted to exceed their 8.7 TWh target while achieving a savings of up to \$442 million from the 2015-2020 Framework.

To offset construction/supply chain disruptions caused by COVID-19 and reduce financial burden to businesses, in July 2020, ENDM enabled a six-month extension to June 30, 2021 to project deadlines for commercial, institutional and industrial customers with outstanding contracts under the 2015-20 CDM Framework.

On September 30, 2020, an Order in Council and Minister's Directive was issued to the IESO to launch a new, four-year electricity conservation and demand management (CDM) Framework focused on cost-effectively meeting electricity system and customer needs. IESO successfully launched the Framework on January 1, 2021, which also includes a new streamlined Energy Affordability Program (EAP) for households struggling to pay their electricity bills. EAP provides free electricity saving measures to help participating households manage their electricity-use and lower their electricity costs by up to \$1,000 per year.

3. Ensuring there is a reliable source of energy for all Ontarians

Nuclear refurbishments and Pickering operation to 2025

The Ministry provides policy oversight of Ontario's nuclear refurbishments. Ontario is progressing with refurbishment of four nuclear units at Darlington Nuclear Generating Station and six at Bruce Nuclear Generating Station over the next 13 years. The refurbishments will secure a long-term supply of reliable and cost-effective baseload power for decades to come.

In June 2020, OPG successfully completed the first Darlington refurbishment (i.e., Unit 2) on budget in the midst of the first wave of the COVID-19 pandemic. In September 2020, OPG commenced the second Darlington refurbishment (i.e., Unit 3) after putting in place mitigation measures for the pandemic. Darlington Unit 3 refurbishment is off to an excellent start and progressing within budget and schedule. Overall, the four-unit project is on track to be complete in 2026.

The IESO continued to oversee implementation of the updated Bruce refurbishment agreement, including ongoing investments in the life extension of the Bruce nuclear units. Bruce Unit 6 refurbishment commenced in January 2020. Due to the onset of the COVID-19 pandemic, Bruce Power temporarily reduced refurbishment outage work and put in place measures to address COVID-19. Full refurbishment work has now resumed, and Unit 6 remains on track to be complete within budget and schedule despite the challenges of the pandemic.

Pickering is currently authorized to operate until 2024 by the Canadian Nuclear Safety Commission (CNSC). In August 2020, Ontario announced its approval for OPG to proceed with plan to operate Pickering until 2025, subject to regulatory approval from the CNSC. If approved, the plan will keep 4,500 jobs in Durham region for an additional year. It will also allow OPG to better manage the transition to the end of commercial operations and minimize Pickering retirement costs.

Facilitating natural gas expansion

In January 2021, the Ministry posted a regulatory proposal on the Environmental Registry of Ontario to increase the cost threshold for hydrocarbon pipelines that require Ontario Energy Board (OEB) approval through its Leave-to-Construct process from \$2 million to \$10 million. This proposal would support Ontario's commitment to regulatory burden reduction and providing a reliable and cost-effective energy supply.

Support for Enbridge Line 5

Enbridge Line 5 is a light crude oil and natural gas liquids (NGLs) pipeline with a capacity of 540,000 barrels per day and is a critical piece of energy infrastructure for Ontario's refining and petrochemical sectors.

In November 2020, Michigan's Governor took legal action to shut down Line 5 under the Straits of Mackinac by revoking an easement granted in 1953, effective in May 2021. Michigan's revocation of the easement is currently being tested in U.S. federal court.

Ontario is continuing to work with the Government of Canada, our provincial partners, U.S. States and Enbridge to ensure that Line 5 remains in operation.

Northern transmission expansion

ENDM supports the Wataynikaneyap Power Project to connect 16 remote First Nation communities to the provincial electricity grid and ending their reliance on costly and unsustainable diesel generation.

Ontario is in the process of reinforcing and expanding its transmission network in the northern region of the province to ensure businesses and residents, including remote First Nation communities, have access to a reliable power supply. The East-West Tie project will add 450 km of new line between Thunder Bay and Wawa; and the Wataynikaneyap Power Project will add 1800 km of new line from Dinorwec to Pickle Lake and further north to connect 16 First Nation communities to the grid.

ENDM is responsible for Ontario's construction loan of up to \$1.34B to Wataynikaneyap that is part of a negotiated funding framework with the Federal Government. Working with the Ontario Financing Authority as a loan administrative agent, ENDM issues advance requests to fund the project and works to protect the provincial interest under the funding agreements.

As of March 2021, the Wataynikaneyap Project has made substantial progress with construction through implementation of stringent COVID construction protocols. This progress includes the clearing 678 km of transmission corridor, installation of 1492 transmission tower foundations and anchors, assembly of 1205 steel lattice towers of which 472 have been installed on the corridor. Transmission line stringing has commenced, and community connections are scheduled to occur through 2022 and 2023.

NextBridge has also made substantial progress on construction of the East West Tie. This includes completion of all right of way clearing for the 450 km route. Tower assembly and installation is proceeding across various work fronts of the project and the project remains on budget and on schedule for energization in Spring 2022. This has been achieved through implementing stringent COVID protocols to allow construction to advance safely during the pandemic.

4. Providing support for Ontario's job creators

Electricity Price Mitigation for Industrial and Commercial Consumers

During the government's 2019 industrial electricity pricing consultation, businesses highlighted that the cost of electricity was impacting their competitiveness. As a result, the government took action to support businesses through the COVID-19 pandemic and into recovery.

Effective January 1, 2021, the government is funding a portion of Global Adjustment (GA) associated with the cost of non-hydro renewable energy contracts (i.e., wind, solar and bioenergy), reducing costs for all electricity consumers. This measure helps provide people and businesses will keep Ontario open for business by making electricity prices more competitive. Industrial consumers could see savings of about 15% on their bills, while mid-sized commercial consumers could see savings of about 16% on their bills. Actual savings depend on location and consumption.

In addition, the Ministry tasked the IESO to review and report back on its billing, settlement and customer service processes. This includes identifying opportunities to:

- Improve and simplify industrial electricity bills;
- Review how the monthly GA charge is estimated and identify potential enhancements; and
- Improve peak demand data publication processes and assess the feasibility of using real-time data to determine the factors that allocate GA costs to consumers.

Review of existing generation contracts

On November 6, 2019, an Order-in-Council (OIC) was sent requesting that the IESO engage a third party to review existing generation contracts to find opportunities to lower electricity costs. The IESO submitted its report to the Ministry on February 28, 2020. In September 2020, ENDM received Cabinet approval to bring forward an OIC/Directive that would direct IESO to explore potential electricity system cost savings that could be achieved through contract buy-downs of wind, solar and gas electricity generation contracts.

5. Continuing efforts to bring accountability to the energy sector

Building off profound efforts to improve transparency and accountability to the energy sector, the Ministry continues to administer the single, transparent on-bill rebate known as the Ontario Electricity Rebate (OER). Electricity bills clearly display the rebate provided under OER for residential consumers, farms and small businesses. The percentage of the OER has been adjusted over time as electricity costs change in order to manage the trajectory of the average residential bill.

6. Strengthening trust in the OEB

Through Bill 87, the *Fixing the Hydro Mess Act, 2019*, the government reformed the OEB's governance structure, modernizing the OEB to become a best-in-class energy regulator. In October 2020, new leadership was appointed to the OEB. This included appointment of a new Board of Directors responsible for governance and management oversight, a Chief Executive Officer to provide leadership for operations and policy, and a Chief Commissioner responsible for the adjudicative function of the OEB.

The restructuring is expected to make the OEB a more transparent, accountable and efficient regulator to benefit ratepayers and strengthen industry's confidence in the OEB. Since the new leadership took office, the OEB has begun making improvements in multiple areas of operations including regulatory processes, stakeholder engagement approaches and performance standards.

7. Building a stronger northern economy

Strategic investments through the Northern Ontario Heritage Fund Corporation (NOHFC)

The NOHFC is an agency of the Government of Ontario that promotes and supports economic development across Northern Ontario by providing financial assistance to projects – big and small, rural and urban – that stimulate growth, job creation and develop a skilled workforce.

The NOHFC committed approximately \$148 million (\$148,238,210.93) in 1,944 projects, leveraging approximately \$478 million (\$478,951,151.72) and creating or retaining 1,796 jobs.

To provide relief and support to northern businesses, NOHFC launched the Northern Ontario Recovery Program (NORP) on October 1, 2020. The program provided Northern Ontario businesses the opportunity to receive funding to help offset expenses incurred to meet the mandated public health requirements as a result of the COVID-19 pandemic.

Ontario engaged with stakeholders across Northern Ontario to develop a new suite of NOHFC programs that launched on February 11, 2021. The four new programs target existing and emerging markets, support more projects in small rural communities, address the skilled labour shortage and make it easier for more people and businesses to apply. The new programs will help build strong and resilient communities while supporting an environment where businesses can thrive, grow and create good jobs.

Northern Industrial Electricity Rate (NIER) program

The NIER program supports Northern Ontario's largest industrial electricity consumers to reduce costs, sustain jobs and maintain global competitiveness. With ongoing funding of up to \$120 million per year, the program continues to protect jobs in the north and supports the development of energy management plans. On average, industrial electricity prices can be reduced by up to 25 per cent through the program.

- The NIER program is estimated to have provided more than \$106 million in funding to assist 21 mining, forestry and manufacturing companies, representing 28 facilities across Northern Ontario.

Resource Revenue Sharing

In December 2020, the Province made the second payments under its resource revenue sharing agreements with Grand Council Treaty #3, Wabun Tribal Council and Mushkegowuk Council, totalling over \$24.8 million from eligible forestry and mining revenues.

Under these agreements, First Nations can use this funding to enhance education and health care services in their communities, create economic development opportunities that bring good-paying jobs to the region or support community and cultural priorities that help strengthen local planning and decision making.

8. Strengthening northern transportation

Northern Highways Program

Through the Northern Highways Program, the Ministry continues to strengthen the north's economy by improving critical infrastructure such as roads and bridges and making highway travel safer and more efficient. Northern Ontario has more than 11,000 kilometres of provincial highways, about 60 per cent of the provincial highway network.

- More than \$625 million was committed for the Northern Highways Program in 2020-21, including \$497 million for rehabilitation and nearly \$128 million for expansion projects.

Winter Roads Program

Ontario's investments have supported the construction and operation of an approximately 3,170-kilometre road system connecting 31 remote First Nations communities without year-round road access to the provincial road and rail system.

These vital connections to all-season roads make it easier to bring in essential goods and services such as food, medical and construction supplies to remote communities. The winter road network serves a total resident population of about 24,000.

- The government invested \$6 million to assist in building winter roads in the Far North in 2020-21.

Remote Air Carrier Support Program

Ontario has partnered with the Government of Canada to provide up to \$11.1 million to support small air carriers serving remote First Nation communities in Northern Ontario. The investment will help ensure access to essential goods and services during COVID-19.

- Remote First Nation communities rely on air carriers to provide access to employment, health care, education, justice, child and family services, and social services, in addition to helping maintain cultural and familial connections.

9. Unlocking jobs and opportunity in the Ring of Fire

Moving forward with road access to the Ring of Fire

The Ontario government remains confident in the economic opportunity in the Ring of Fire area. Building a road to the Ring of Fire is a critical step to unlocking economic benefits in the region.

ENDM is working directly with those communities that wish to move forward with all-season road development to the Ring of Fire and is continuing work on bilateral agreements. This approach helps address unique community needs and supports economic development in the Ring of Fire area.

- In March 2020, Ontario announced a new partnership between the government, Marten Falls First Nation and Webequie First Nation to advance planning of critical road infrastructure in the Ring of Fire.
 - This includes the proposed Northern Road Link, that would provide reliable, all-season road access to potential mine sites and connect First Nation communities to Ontario's provincial highway network.
- The Province continues to support Marten Falls and Webequie First Nations in advancing co-ordinated federal and provincial Environmental Assessments (EAs) for their respective proposed road projects in the Ring of Fire area and by providing funding to potentially impacted First Nations to engage in consultation-related activities on these projects.
- In fall 2020, both First Nations submitted their Proposed Environmental Assessment Terms of Reference for their respective road projects to the Minister of the Environment, Conservation and Parks (MECP) for review and decision. Given the challenges created by the COVID-19 pandemic, MECP offered additional time for consultation, and decisions are expected in 2021 on the Terms of Reference. Should the Minister of the Environment, Conservation and Parks approve the Terms of Reference, the EA work for both road proposals will begin.
- In addition, Marten Falls First Nation and Webequie First Nation have formally come together as co-proponents for the proposed Northern Road Link road project, and they are expected to begin work on a proposed EA Terms of Reference for this project in spring 2021.
- As part of the provincial Broadband and Cellular Action Plan, Ontario, in partnership with Canada, is moving forward with infrastructure investment for the Matawa broadband initiative to provide broadband internet access to five remote Matawa-member First Nations to facilitate communication and economic partnerships. Ontario is investing up to \$30 million and leveraging approximately \$39 million in federal funding for this project.

10. Boosting investment in mining

Minerals sector highlights

Ontario's mining industry, one of the nation's largest producers of minerals by value, directly employs about 26,000 workers and generates about \$13 billion annually to Ontario's Gross Domestic Product (GDP).

- In 2019, Ontario produced \$10.7 billion worth of minerals — 22 per cent of Canada's total value of mineral production.
- In 2020, Ontario was once again Canada's leader for exploration, with mineral exploration expenditures totalling \$570 million.

- Toronto is the mining finance capital of the world. In 2020, the Toronto Stock Exchange and Toronto Venture Exchange raised \$7.5 billion in new equity capital for mining.
- Since 2020, three mines have opened in Northern Ontario:
 - Pure Gold – Madsen Red Lake Gold Mine
 - Gowest Gold Ltd. – Bradshaw, Timmins
 - Argonaut Gold Ltd. – Magino, Wawa
- New mine construction is underway at IAMGOLD's Côté gold project near Gogama, Argonaut's Magino gold project near Dubreuilville, Battle North's Bateman gold project in Red Lake, Gowest's Bradshaw gold project near Timmins, Pure Gold's Madsen gold project in Red Lake, and at Glencore's Onaping Depth nickel-copper project in Sudbury.
- Pure Gold's Madsen Project in Red Lake is currently in pre-production, having poured its first gold in December 2020, and it is expected to become Ontario's next new mine when it reaches commercial production in the second quarter of 2021.
- In 2020, 344 permits were approved and approximately 59,000 new mining claims were recorded.
- The Ontario Geological Survey supported 69 geological projects across Ontario during 2020-21 and published 54 new geoscience products with more than 435,000 file downloads of digital products.

In response to the COVID-19 outbreak, many companies have put in place enhanced health and safety measures and are dealing with impacts on operations due to availability of labour and limitations on travel in remote locations. Despite these challenges, various mining companies are contributing to the fight against COVID-19 by donating meals, N95 masks, gloves and medical supplies to frontline healthcare workers.

During the pandemic, a number of First Nations communities advised ENDM that they no longer had capacity to provide comments on exploration proposals, due to lockdowns and staff isolating. ENDM responded to this by placing permit applications on temporary hold until its duty to consult could be satisfied.

Developing Ontario's First-Ever Critical Minerals Strategy

On March 10, 2021, the Ontario government announced it is developing its first-ever Critical Minerals Strategy to help generate investment, increase the province's competitiveness in the global market, and create jobs and opportunities in the mining sector. It will also support Ontario's transition to a low-carbon economy both at home and abroad.

Ontario is well positioned to become a global supplier, producer and manufacturer of choice for certain critical minerals, including, but not limited to nickel, copper, cobalt and platinum group elements.

New technologies and high-growth sectors that rely on critical minerals include information and communications technology, electronics, energy, aerospace and defence, health and life sciences and transportation.

To inform the Critical Minerals Strategy, the Province has released a discussion paper for public consultation on the Environmental Registry of Ontario. A consultation with industry and Indigenous communities will also help guide the development of the Strategy to be released in fall 2021.

Ontario Junior Exploration Program (OJEP)

The mining sector is an important driver of economic growth. The success of junior exploration is critical to the discovery of existing and new mineral deposits that support larger mining companies, equipment manufacturers and investors across the province. To support junior mining companies, Ontario is investing \$5 million over the next two years (\$2 million in 2021-22 and \$3 million in 2022-23) in the new Ontario Junior Exploration Program.

Through the program, junior mining companies can apply for funding to cover eligible costs of up to \$200,000 per mineral exploration or development project. This program will attract investment, improve Ontario's competitiveness in the exploration sector and help facilitate the discovery of promising mining opportunities.

11. Ontario is open for business

Ontario is creating jobs by keeping energy and power rates low and cutting red tape. The Province set a target to reduce red tape barriers to business growth by 25 per cent by 2020. Once fully implemented, these changes are expected to provide Ontario businesses with over \$400 million in ongoing savings on their regulation compliance costs. ENDM will continue to participate in these efforts by considering opportunities to reduce regulatory burden in the mining and energy sectors.

- On December 10, 2019, Ontario passed the *Better For People, Smarter for Business Act, 2019*. This act builds on actions the government has taken to reduce regulatory burden on businesses while maintaining standards needed to keep people safe and healthy and protect the environment. This included:
 - An amendment to the *Mining Act* to provide greater certainty for proponents submitting a Closure Plan Amendment to the Ministry of Energy, Northern Development and Mines, creating a 45-day timeline for the Ministry to make a decision to file or return a Closure Plan Amendment.
 - Revoking Part II of the *Northern Services Board Act*, which addresses the creation of Area Service Boards (ASB), therefore reducing confusion and duplication with existing legislation under the *District Social Services Administration Boards Act*.
- Following the declaration of a State of Emergency on March 17, 2020 in response to the COVID-19 outbreak, Ontario took immediate action to provide rate relief to small businesses, farms and residential customers who pay Time-of-Use (TOU) electricity rates. On March 24, 2020, the province issued an Emergency Order to temporarily apply the off-peak TOU electricity rate of 10.1 ¢/kilowatt hour (kWh) for Regulated Price Plan (RPP) customers paying TOU rates during all periods of the day for 45 days (ending end of day May 7, 2020). As physical distancing measures were still in place as this end-date neared, it was announced on May 6, 2020 that it was the government's intention to extend this rate relief for an additional 24 days to May 31, 2020.
- In April 2020, changes were made to the *Mining Act's* O. Reg. 323/07, Royalty on Diamonds, to allow the ENDM Minister to exercise discretion in assessing interest on late payments and to provide similar relief to that provided in respect of the Ontario Mining Tax.
- In fall 2020, legislative amendments were made to the Mining Act to reduce burden to business by:
 - Clarifying processes related to lease issuance and administration that align with Ontario's Digital First strategy.
 - Providing relief for claimholders by allowing the minister to provide blanket exclusions of time and/or extensions for assessment work.
 - Removing legislative requirements prescribing the delivery method when submitting documentation related to Local Service Boards to the Minister of Energy, Northern Development and Mines or the Minister of Finance.
- In March 2021, to support legislative changes to the *Mining Act* made in 2019, consequential regulatory amendments were made to establish a 45-day service requirement for closure plan amendments, creating business certainty for mining proponents.

The Prospectors and Developers Association of Canada (PDAC) convention

Each year, the Ministry showcases Ontario's mineral projects, successes and opportunities at the Prospectors and Developers Association of Canada's (PDAC) convention, sending a strong signal to the world that Ontario's mineral sector is open for business and open for jobs.

Table 3: Ministry Interim Actual Expenditures 2020-21	
Cost	Ministry Interim Actual Expenditures (\$M) 2020-21 ^[2]
COVID-19 Approvals	838.8
Other Operating	6,124.5
Capital	432.3
Staff Strength ^[3] (as of March 31, 2021)	612.1

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Footnotes

- [1] ^ Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim actuals reflect the numbers presented in the 2021 Ontario Budget.
- [2] ^ Interim actuals reflect the numbers presented in the 2021 Ontario Budget.
- [3] ^ Ontario Public Service Full-Time Equivalent positions.

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