

ECO - Tomorrow @ 10 AM

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Attachments: ECO Energy Report Executive Summary English.pdf (3.27 MB)

The ECO is releasing her annual energy conservation report tomorrow – the executive summary is attached.

It's structured as 19 questions about electricity and provides commentary on the system.

Below is a very brief summary as well as general key messages.

Let me know if you have specific questions.

The report has lots of positive information in it – mainly:

- Ontario's electricity system went from 74% low-carbon generation in 2005 to 96% low-carbon generation in 2017.
- Ontario's electricity system is in much better shape than it was in 2005 – it is self-sufficient, with reliable power for peak demand with no brownouts or emergencies
- Getting off of coal reduced Ontario's GHG's and improved air quality and public health
- The sale of Hydro One has not materially affected electricity rates
- The average Ontario household uses 13% less electricity today than it did in 2005 – conservation is working.
- Ontario does not lose money by exporting excess power, and the surplus will largely disappear after 2020

The main negative aspects are:

- The LTEP doesn't link well with the Climate Change Action Plan – Ontario is not prepared for the transformation to low-carbon electricity as the LTEP ignores the urgency of climate change.
- Ontario has a weak approval process for waterpower with no public hearings
- Wind turbines can have adverse impacts, especially on birds and bats
- Building electricity infrastructure with private capital costs more than building it with publicly guaranteed debt, such as OPG.
- Mentions gas plants and nuclear cost overruns as minor contributors to electricity price increases

The ECO recommends that:

1. Ontario's Long-Term Energy Plan should be required by law to be consistent with the Climate Change Mitigation and Low-carbon Economy Act. It should plan Ontario's energy system, not just electricity, and should prepare for significant electrification of transportation and heating.
2. Conservation should play a larger role than it does now and should be focussed on times of high demand. It will have more value as demand grows.

3. Ontario should do more to minimize adverse impacts of electricity generation, such as bird and bat kills by wind turbines.
4. To help people who are unduly affected by electricity rates, low-income and Aboriginal financial support programs should be supplemented with enhanced conservation programs to make electrically heated homes more efficient.
5. Ontario should learn from jurisdictions who already use much more renewable electricity, and update electricity infrastructure and energy system regulations to encourage the low-carbon transformation. For example:
 - a. Ontario should get better at using flexibility tools, such as storage, demand response, interties and prices, to match supply and demand, instead of turning off (curtailing) low-carbon off-peak electricity and running gas-fired generation at peak.
 - b. Net metering and Market Renewal should provide sufficient incentives to grow renewable electricity as needed to keep Ontario's electricity supply low-carbon.
 - c. Local distribution utilities should facilitate a growing level of renewable generation and storage.

Energy's Key Messages (have worked w/ them on specific Q's and A's as well – this is just general)

- We thank the Environmental Commissioner for her report and will carefully consider her comments and recommendations.
- Ontario is taking a leading role in the global fight against climate change.
- As the Commissioner points out in her report: **"replacing coal-fired electricity with renewable energy, nuclear, conservation, and natural gas** has cleaned the air, reduced greenhouse gas emissions, and increased electrical grid capacity and resilience."
- The Commissioner also says that **"Taking coal out of the electricity system dramatically reduced Ontario's greenhouse gas emissions, and has improved air quality and public health"**.
- Replacing coal-fired electricity generation remains the single largest climate change initiative undertaken in North America and was the equivalent of taking up to 7 million cars off the road.
- In 2017, our electricity generation was **over 95 per** low-carbon generation – up from 74% in 2005.
- This is due to the nearly \$70 billion that has been invested to modernize the system since 2003.
- As we plan for Ontario's energy needs for the next 20 years, conservation will be the first resource considered.
- The Ministry of Energy worked closely with the Ministry of the Environment and Climate Change throughout the development of the 2017 Long-Term Energy Plan to ensure the consideration of Ontario's emissions reduction targets.
- Our plan commits to maintaining low emissions levels in the electricity system by creating opportunities for further renewable generation development through Market Renewal.

- Ontario remains committed to an electricity system that includes renewable energy generation and conservation, and supports the goals of the Province's Climate Change Action Plan (CCAP).