

MINISTRY OF ENERGY

HIGHLIGHTS OF 2016-17 KEY ACCCOMPLISHMENTS

In 2016-17, the Ministry of Energy continued to create and deliver key initiatives in support of the Ministry's long-term priorities, as set out in the 2013 Long-Term Energy Plan (2013 LTEP).

Achievements and Progress to Date	
1	Consultations launched for 2017 Long-Term Energy Plan (2017 LTEP) • From October 2016 to January 2017, the Ministry of Energy visited 17 communities for stakeholder and public sessions. • There were also 17 parallel Indigenous engagement sessions. • The Ministry also received over 1,500 submissions posted on the Environmental Registry. • The LTEP public engagement process was supported by an electricity technical report prepared by the Independent Electricity System Operator (IESO) and a fuels sector technical report prepared by Navigant Consulting.
2	Ontario Rebate for Electricity Consumers Program • As of January 1, 2017, eligible consumers are getting a rebate equal to the provincial portion of the HST. • Residential consumers, farms, most small businesses, long-term care homes and condominiums are benefitting. customers of Hydro One, classified as "low-density", through Rural or Remote Electricity Rate Protection (RRRP).
3	Ontario's Fair Hydro Plan • In March 2017, in response to mounting public concern about electricity prices, Ontario's Fair Hydro Plan (OFHP) was introduced. • OFHP has lowered electricity bills by 25 per cent on average for residential consumers, and will hold increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting. • OFHP includes refinancing a portion of Global Adjustment (GA),

Achievements and Progress to Date	
	expanding distribution rate protection and the Ontario Electricity Support Program (OESP), providing a First Nations Delivery Credit, establishing an Affordability Fund, shifting the funding of electricity support programs (OESP and the majority of RRRP) to funded by provincial revenues instead of by electricity consumers and the 8 per cent rebate introduced on January 1, 2017.
4	Implementation of the Ontario Electricity Support Program (OESP) • The OESP became available as of January 1, 2016, and provides an ongoing rate reduction directly on the electricity bills of low-income households who have applied and meet the eligibility requirements. • Starting May 1, 2017, the OEB increased OESP support for low-income consumers by 50 per cent. New eligibility categories were also introduced, enabling certain household sizes in higher income brackets to become eligible for the OESP. Monthly credits now range from \$35 to \$75. Customers with unique electricity needs, such as customers using electric heating, customers relying on certain electricity intensive medical devices, Indigenous customers or customers living with Indigenous family members, are eligible for an enhanced amount, which range from \$52 to \$113 per monthly bill. • As of August 31, 2017, OEB has received more than 350,000 OESP applications and enrolled almost 227,000 Ontarians in the program. Those numbers continue to grow.
5	Expansion of the Industrial Conservation Initiative (ICI) program • The ICI allows eligible electricity consumers to lower their electricity costs by reducing their demand during peak hours. Reducing demand during peak hours benefits companies financially and benefits the electricity system by deferring the need for new peaking generation. • Effective January 2017, the threshold for eligibility was lowered from 3 MW to 1 MW and sector restrictions were removed. • As part of Ontario's Fair Hydro Plan, the ICI was further expanded to include smaller manufacturers and greenhouses with peak demand between 500 kW and 1 MW. • Companies who opted-in saw impacts effective July 1, 2017.
6	Broadening the ownership of Hydro One • The Province completed the Hydro One Ltd. IPO in November 2015

Achievements and Progress to Date	
	and raised approximately \$1.83 billion in gross proceeds and about \$116 million from related share sales. • The secondary share offering of Hydro One was completed in April 2016, generating approximately \$2 billion in gross proceeds. In May 2017, the Province completed its anticipated final share offering of Hydro One. The government continues to hold approximately 49.9 per cent of Hydro One's common shares. • The government continues to hold approximately 70 per cent of Hydro One and will proceed with future offerings in a careful, staged, and prudent manner, over time reducing Ontario's stake to 40 per cent while remaining the largest shareholder.
7	Passed legislation to enshrine long-term energy planning process On July 1, 2016, the <i>Energy Statute Law Amendment Act, 2015</i> came into force. It enshrines in legislation a long-term energy planning framework that is transparent, efficient, and responsive to changing technology, policy and program needs. • The legislation also empowers the Independent Electricity System Operator (IESO) to undertake competitive selection or procurement of transmission when appropriate, and this competitive approach will ensure that ratepayers get the best value from infrastructure investments.
	Remote Communities Policy Supports • To enable progress on Wataynikaneyap Power's (Watay) transmission project to connect remote communities to the transmission grid, ENERGY passed several policy supports that will remove a number of barriers for the development of the Line to Pickle Lake and Remote Connections. • Following a consultation process conducted by ENERGY in early 2016, the government passed the package of policy supports which include: ○ Declaring the new 230kV line to Pickle Lake and the connection of remote First Nation communities projects "needed" in order to streamline regulatory approvals; ○ Selecting Watay as the transmitter to provide certainty regarding who will develop and build the project; and ○ Introducing a funding mechanism to ensure Ontario has a method for contributing its share of project costs.

Achievements and Progress to Date	
8	Improvements, replacements and expansions to the transmission and distribution system • Since 2003, approximately \$18 billion has been invested to enhance and renew Hydro One's systems, including upgrades to over 17,000 km of power lines (including transmission and distribution lines). •
9	Launch of Natural Gas Grant Program • On January 30, 2017, the government announced the new Natural Gas Grant Program at the 2017 ROMA conference. The program accepted applications for grants between April and July 2017. • The Natural Gas Grant Program is a \$100 million initiative, part of the province's Moving Ontario Forward plan and will be led by the Ministry of Infrastructure (MOI), with support from ENERGY and OMAFRA. The Grant Program will help facilitate the expansion of natural gas service into areas of the province which currently do not have access to natural gas.
10	Launch of Smart Grid Fund (SGF) Round 3 Projects • To date, SGF supports 38 innovative projects, resulting in approximately \$200 million in total electricity sector investment. These projects are also creating close to 800 direct jobs and involve 24 utility partners.
11	Continued quarterly release of the Ontario Energy Report • In December 2014, the Ministry partnered with IESO to launch OntarioEnergyReport.ca, a new website that provides content from across Ontario's energy sector all in one place. • In addition, the website hosts quarterly reports that provide regular updates on electricity, and oil and natural gas data.
12	Supporting Indigenous partners in economic development opportunities and reconciliation • First Nation and Métis communities and groups are participating in more than 550 different wind, solar and hydroelectric projects across the province, representing over 2,000 MW of clean energy capacity. • In July 2016, Ontario announced an agreement-in-principle to sell to First Nations up to 15 million shares of Hydro One. • Removed the delivery charge for all on-reserve First Nations residential customers receiving the HST exemption, who will automatically receive the credit on their electricity bills.

Achievements and Progress to Date	
13	Continued procurement of small renewable energy project generation capacity under the FIT and microFIT programs - On June 29, 2016, IESO announced 936 FIT 4 contract offers representing 241.43 MW of generation capacity. - FIT 5 has a target of up to 150 MW. The FIT 5 application window was open from November 7, 2016 to November 25, 2016. - On December 19, 2016, IESO released a summary of the FIT 5 applications: 1,127 applications were received, representing a total of 397 MW. Successful applicants are expected to be announced in Q3 2017. - microFIT has a procurement target of up to 50 MW in 2017. As of January 4, 2017, IESO began accepting applications for version 4.1 of the microFIT program. - The IESO will cease accepting applications under the microFIT program by December 31, 2017.
14	Evolving microFIT to a Net Metering Program - In February 2017, Ontario posted an amended Net Metering Regulation (O.Reg. 541/05) to e-Laws. The amended regulation helps to meet the 2013 Long-Term Energy Plan (2013 LTEP) commitment to transition the microFIT program from a generation purchasing program to a net metering program and support initiatives under the Government's 2016-2020 Climate Change Action Plan (CCAP). - The program updates include clarification of the 12 month carryover period for bill credits, removal of the 500 kW project capacity size limit and enable pairing of energy storage with renewable energy systems. The amendments will come into force July 1, 2017. The Ministry is also examining additional program updates related to third-party ownership of net metering facilities and inclusion of virtual net metering models in Ontario's net metering program. It will be engaging stakeholders and Indigenous groups on these potential updates until the end of March 2017.
15	Suspension of Large Renewable Procurement (LRP) program - At present, Ontario has approximately 18,200 MW of wind, solar, bioenergy and waterpower capacity online or under development, and is well-positioned to meet provincial electricity needs until the mid-2020s. - Given this strong energy position, the Large Renewable Procurement (LRP) has been suspended for the time being. Suspending the LRP is expected to save up to \$3.8 billion in electricity system costs.

Achievements and Progress to Date	
16	Meeting 2013 LTEP conservation commitments • The 2013 Long-Term Energy Plan (2013 LTEP) established a long term electricity conservation target of 30 TWh in 2032, which the province expects to achieve through a combination of programs and improved codes and standards. • In December 2016, IESO published final 2015 Conservation First Framework results. LDCs delivered 1,281 GWh in electricity savings in 2015. Through the Industrial Accelerator Program (IAP), 49GWh of annual electricity savings were brought into service in 2015.
17	Continued commitment to show leadership in setting/adopting new and enhanced energy efficiency standards for products and appliances • Ontario regulates more products than any other provincial jurisdiction in Canada including the federal government and has the most stringent efficiency standards for a number of products. • On January 1, 2017, an amendment to Ontario's energy efficiency regulation including new and updated efficiency standards for 14 products became effective. The amendment also included setting water efficiency standards for 5 existing products that consume both energy and water.
18	Commitment to greenhouse gas (GHG) emissions reduction through the new Green Investment Fund (GIF) • Ontario's Green Investment Fund is a \$325-million down payment on the province's cap and trade program to strengthen the economy, create jobs and reduce greenhouse gas emissions. • \$100 million investment, in partnership with Enbridge Gas Distribution and Union Gas, to help homeowners conduct audits to identify energy-saving opportunities and then complete retrofits, such as replacing furnaces, water heaters and upgrading insulation. • \$44 million investment as part of smart grid fund (SGF) Round 3 to support micro grids in remote First Nations communities to replace the use of diesel fuel with alternatives.
19	Continuing to encourage municipalities and Indigenous communities to develop their own community-level energy plans • The Ministry is currently funding 14 municipalities under the Municipal Energy Plan (MEP) program and total program funding spent to date is approximately \$260,000. • To date, 78 97 First Nation communities have received funding under IESO-administered Aboriginal Community Energy Plan program.

Achievements and Progress to Date	
	•
20	Another successful reporting year under O Reg. 397/11 (Energy Conservation and Demand Management Plans) - For 2015, 95 per cent of all Broader Public Service (BPS) organizations reported to the Ministry. - In addition, in 2014, 82 per cent of BPS organizations provided links to their five-year conservation plans.
21	Helping develop a Canadian Energy Strategy (CES) - The CES was adopted in July 2015. Four committees have been formed that will identify initiatives of mutual interest that may be implemented to enable further co-operation between jurisdictions. - At their December 2016 meeting, Canada's First Ministers received an update on provincial and territorial work to implement CES, and specific actions that provincial and territorial governments will implement with the collaboration of the federal government.
22	Electricity Trade Agreement with Québec On December 15, 2016, IESO and Hydro Québec (HQ) agreed on terms for an electricity trade agreement for trading energy, capacity and storage until 2023. - The finalized agreement is expected to reduce Ontario's electricity system costs by about \$70 million and reduce electricity sector greenhouse gas (GHG) emissions by approximately 1 million tonnes per year.
23	Nuclear continues to be the backbone of Ontario's supply - OPG began refurbishment of Unit 2 at Darlington Nuclear GS on October 15, 2016 and remains on track to complete the project within approved budget and schedule. - On January 11, 2017, OPG completed defueling Unit 2 – the first key refurbishment task – ahead of time and within budget. - The IESO continued to oversee implementation of the updated Bruce refurbishment agreement, including ongoing investments in the life extension of the Bruce nuclear units and planning for the first refurbishment to begin in 2020.
24	Continue to protect Ontario's interests in pipeline development Ontario adopted seven principles it will use to review large scale pipeline projects to ensure that they meet the highest environmental

Achievements and Progress to Date	
	and safety standards as well as benefit Ontario's economy. • The Province has been proactive in its approach to the Energy East pipeline project and will participate in the National Energy Board (NEB) regulatory proceedings. • Ontario is also participating in intergovernmental forums that discuss energy delivery and working with the federal government on regulatory initiatives such as modernizing the NEB to ensure major energy projects are reviewed in a predictable manner that increases public confidence.