

Delivering Fairness and Choice
ONTARIO'S LONG-TERM ENERGY PLAN 2017
HIGHLIGHTS
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Ontario's 2017 Long-Term Energy Plan, *Delivering Fairness and Choice*, provides a road map of the province's energy sector for the next 20 years. It outlines Ontario's actions to improve fairness, flexibility and choice in the energy sector.

We engaged with and listened to the people of Ontario in the development of *Delivering Fairness and Choice*. We heard that affordability is a top priority and that consumers want more control and choice over how they use and pay for electricity.

With a focus on affordability, *Delivering Fairness and Choice* aims to give customers options in how they use energy and interact with the energy system. By maximizing the use of Ontario's existing infrastructure we will limit future cost increases and we've been able to lower residential electricity bills by 25 per cent on average for **all** residential consumers. The net metering framework will be enhanced to give customers new ways to participate in renewable energy generation and to reduce their electricity bills. We are creating the right environment for utilities to invest in modern business and smart grid solutions that will improve efficiency, drive down costs, and give customers more choice. The Ontario Energy Board will be given greater regulatory authority to make sure that customers are treated fairly and receive the best value from their energy service providers.

Here are the highlights of *Delivering Fairness and Choice*.

Ensuring Affordable and Accessible Energy

The people of Ontario are benefitting from recent investments made in the province's electricity system. Our success in building a clean and reliable electricity system means we can continue our focus on helping Ontario families access affordable energy.

The introduction of Ontario's Fair Hydro Plan included:

- lowering bills by 25 per cent on average for **all** residential consumers and holding any rate increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting;
- providing even greater reductions to lower-income households and those living in eligible rural and Northern communities —as much as 40 to 50 per cent savings on their electricity bills;
- establishing an Affordability Fund that helps people who don't qualify for low-income conservation programs to make energy efficiency improvements to their homes, where this couldn't otherwise be done without the support.

Consumer protection remains a top priority for this government. We have:

- announced that we will increase protection to consumers living in condominiums and other multi-unit residential buildings.
- banned signing of energy contracts at customers' homes; and
- given the Ontario Energy Board more authority over when power disconnections can be carried out by local distribution companies.

Delivering Fairness and Choice confirms that electricity prices are expected to be lower than was forecast in the 2013 Long-Term Energy Plan. For example, the 2013 Plan forecast that typical residential monthly electricity bills would be \$170 in 2017 and \$200 in 2027. *Delivering Fairness and Choice* forecasts bills to be \$127 and \$181 respectively, including the change in average consumption from 800 to 750 kilowatt hours per month, as more and more consumers embrace conservation.

Consumers demand increased transparency and accountability from the companies they do business with. We will work with the Ontario Energy Board to further strengthen utility accountability to customers and ensure:

- customers receive redesigned electricity bills that are simpler and useful for managing energy costs;
- utilities are constantly striving to improve;
- utilities cut costs and make annual improvements to productivity and cost-efficiency; and
- utilities are held to account when expectations are not met, including for the reliability of their service.

Innovating into the Future

The Fair Hydro Plan also includes a commitment to improving sector efficiency and modernizing the province's electricity market.

This means overcoming barriers to innovation and creating the right environment for utilities to invest in modern technologies and business solutions that will lower costs and provide more choice for customers.

IESO's Market Renewal initiative will result in a more efficient, competitive and flexible electricity marketplace. The initiative is expected to save up to \$5.2 billion over a 10-year period and forms a key component of our plan to ensure the affordability of electricity over the longer term.

New technologies like energy storage and electric vehicles are changing the electricity sector as we know it today. Through *Delivering Fairness and Choice*, we are creating a level playing field for storage technologies and enabling utilities to invest in technologies that minimize the impact of electric vehicles on the grid.

The Smart Grid Fund will be renewed and enhanced, building on our success to date and helping to keep Ontario's place as an international leader in the energy innovation space.

As part of its review of the Regulated Price Plan, the OEB is using pilot projects to test innovative time-of-use price structures. Consumers can better manage their costs with time-of-use pricing by reducing or shifting their consumption to off-peak times when electricity is less expensive to produce.

The net metering framework will be enhanced to give customers new ways to participate in renewable energy generation and to reduce their electricity bills.

Strengthening Our Commitment to Energy Conservation and Efficiency

Conservation and energy efficiency are a growing part of the people of Ontario's everyday lives—and they require a sustained commitment to achieve savings over the long term. We will continue to provide a variety of conservation and demand management programs for homes and businesses, and will strengthen our commitment to conservation by:

- driving toward our long-term target of electricity savings of 30 TWh in 2032, which will help offset almost all forecast growth in electricity demand;
- regularly assessing the achievable potential for energy conservation, considering initiatives under Ontario's Climate Change Action Plan, and exploring how to further integrate conservation and new Green Ontario Fund programs;
- continuing to set advanced efficiency standards for products and appliances, and to explore setting or updating energy efficiency standards for key electrical equipment in drinking water and wastewater treatment plants;
- further enabling demand response resources to compete with other resources through the transition to a capacity auction;
- encouraging local distribution companies to pursue energy efficiencies on their distribution systems, such as measures that reduce line losses or optimize voltage, to achieve customer electricity and cost savings; and
- expanding Green Button province-wide, so consumers can share their energy data with apps and energy management tools of their choice, which can help them identify conservation and energy efficiency opportunities.

Responding to the Challenge of Climate Change

Our electricity system was more than 90 per cent emissions free in 2016.

Together, we are taking a leading role in the global fight against climate change. In 2014, Ontario eliminated coal-fired generation. Our clean and reliable electricity system gives the province a strong foundation on which to pursue increased electrification, including the use of more electric vehicles. We will:

- use proceeds from the province's cap and trade program to help the people of Ontario shift away from greenhouse gas emitting fuels that cause climate change and reduce their energy consumption;
- encourage the construction of near net zero and net zero carbon emission homes and buildings to reduce emissions in the building sector;
- continue to work with industry partners to introduce renewable natural gas into the province's natural gas supply and expand the use of lower-carbon fuels for transportation; and
- strengthen the ability of the energy industry to anticipate the effects of climate change and integrate its impacts into its operational and infrastructure planning.

Supporting First Nation and Métis Capacity and Leadership

We are committed to working with our Indigenous partners, creating a better future for everyone in the province. The province is:

- providing a credit equal to 100 per cent of the delivery charge from bills for on-reserve residential First Nations customers of licenced local distribution companies through the First Nations Delivery Credit;
- connecting Ontario's remote off-grid First Nation communities to the electrical grid or finding alternative cleaner electricity solutions to decrease their reliance on dirty and expensive diesel fuel; increasing on-bill credit amounts by 50 per cent under the Ontario Electricity Support Program—e.g., a single customer earning under \$28,000 can now receive \$45 per month, up from \$30;
- reviewing current programs in order to improve the availability and applicability of conservation programs for First Nations and Métis, including communities served by Independent Power Authorities; helping Indigenous communities implement their community energy plans and support Ontario's Climate Change Action Plan;
- supporting local initiatives to build sector knowledge and capacity and explore energy projects and partnerships;
- facilitating greater access to financing for First Nation and Métis-led or partnered energy projects and building on the more than 600 projects in operation and under development;
- expanding access to natural gas for rural, northern and First Nation communities with Ontario's Natural Gas Grant Program; and
- working with First Nation and Métis peoples to identify issues and propose actions that advance reconciliation and healing.