Ontario

BACKGROUNDER

Ministry of Energy

Energy Sector Efficiencies

Ontario's fair hydro plan will lower electricity bills by X per cent on average for all residential consumers in the province. Small businesses and farms will also benefit from the initiative, with additional relief for people living in rural areas or on a low income.

Ontario's commitment to lowering energy costs for ratepayers will include working with the province's agencies to identify opportunities to drive efficiency and productivity improvements while delivering meaningful rate mitigation strategies for ratepayers.

The Ontario Energy Board (OEB)

- The Ontario Energy Board (OEB) regulates and licences more than 70 Local Distribution Companies (LDCs) in the province.
- The OEB will identify opportunities for cost efficiencies by:
  - Encouraging shared partnerships on services between utilities, which will help reduce costs and encourage further innovation for small to medium sized utilities
  - Reviewing business cases behind its regulatory requirements to reduce "red tape" and eliminate costs that LDCs indicate are creating pressures on operating expenses
  - Looking at opportunities to further drive transmitter and LDC efficiencies and productivity improvements, including the use of innovative technologies and business processes.

Independent Electricity System Operator's (IESO) Market Renewal initiatives

- The IESO plans for the province's electricity needs, balances the supply and demand for electricity in Ontario in real time and administers conservation programs.
- The IESO and stakeholders have begun a market renewal project that is intended to enhance the efficiency and performance of the wholesale electricity market.
- Changes related to IESO's market renewal initiatives are estimated to save at least $200 million per year, starting in 2021.

Ontario Power Generation (OPG)

- OPG's current application would have resulted in an average $1.05 per month impact on customer bills, on an annual basis for the 2017-2021 application period, if accepted by the OEB.
- This regulatory change would reduce average bill impacts to $0.62 per month on an annual basis; a 40% reduction relative to OPG's current application.

Commented [BB(1]: What regulatory change? We don't mention anything here and need to give context.

Long-Term Energy Plan 2017

- The Ministry of Energy has commenced work on the development of the next Long-Term Energy Plan (LTEP) after receiving feedback from the public, stakeholders and Indigenous communities during the engagement process that took place from October 2016 to January 2017.
- Ontario is in a strong electricity supply situation and well-positioned to meet demand at this time. The LTEP process is designed to be iterative and flexible and only commit resources as demand needs become clearer. The Ministry is committed to continuing to put conservation first in its energy planning decisions, where cost-effective.
- When new electricity supply is needed, the next LTEP will ensure that future procurements are focused on outcomes, rather than contracting with specific technologies. This technology-neutral approach will foster innovation and create competition amongst different generation resources. This

approach is expected to lower the cost of electricity supply and improve the siting of new generation projects by rewarding community consultation.

- The Ministry of Energy anticipates that the next LTEP will be published in spring 2017.

Commented [BB(2]: Are we still OK to commit to Spring? Should we just say '2017'?

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