

LTEP Multi-Ministry Meeting Deputy Minister Remarks

- Good morning.
- Thank you for coming out to today's multi-ministry meeting on the Ministry of Energy's next Long-Term Energy Plan.
- Today we want to update you on the status of the LTEP, and provide some context for how we are approaching the document.
- Since we last met in March of this year, the Ontario Fair Hydro Plan legislation received Royal Assent.
- This key initiative has major implications for electricity costs in the province going forward. While the OFHP will result in immediate rate relief, there will be cost pressures in the out-years.
- We have already been taking steps to reduce cost pressures. We suspended LRP II, changes to microfit, etc.
- But more will need to be done to reduce the outward cost pressures.
- The LTEP will need to illustrate the residential bill forecasts over the next 20 years. As a result we will

need to find ways through the LTEP to bend the cost curve.

- While other important themes will be showcased in the LTEP, such as putting the consumer first and supporting electrification, cost reduction will have to be at the centre of the decisions we make.
- We will have to be open to any options that present themselves for reducing costs from the system.
- The same way we shifted some social costs from the rate base to the tax base through the OFHP, we may need to consider alternative funding sources for initiatives that provide system efficiencies or result in GHG reductions.
- As a rule of thumb, if you reduce generation costs by \$1 billion, this only results in \$5.60 savings each month for a typical residential rate payer.
- This means we need to find significant cost savings to have a real impact on customers' bills.
- And that will be a focus of the Ministry as we move forward with the policy development for the next LTEP.
- Now I'll ask Andrew to come up and say a few words.