

Cabinet agreed that:

1. The Ministry of Energy (ENERGY) prepare for approval a 2017 Long Term Energy Plan (LTEP) that sets out the following goals and objectives:
 - A. Ensuring affordable and accessible energy;
 - B. Providing a flexible energy system;
 - C. Improving value and performance for consumers;
 - D. Reaffirming a commitment to conservation;
 - E. Preparing for the future and innovation;
 - F. Responding to the climate change challenge;
 - G. Supporting Indigenous capacity and leadership; and
 - H. Responding to regional priorities.
2. ENERGY implement initiatives identified in the LTEP, including:
 - A. Ensuring affordable and accessible energy
 - i. Enhancing consumer protection by providing the Ontario Energy Board (OEB) with increased regulatory authority over unit sub-meter providers (USMPs) to gain better insight into USMP costs, rates and contractual agreements with developers. Proclaim existing (unproclaimed) provisions under the *Ontario Energy Board Act, 1998* (OEBA) that would empower the OEB to rate regulate USMPs. The OEB will define its process for establishing such a regulatory framework in its implementation plan.
 - B. Providing a flexible energy system
 - i. Requesting an updated needs assessment for the East-West Tie from the Independent Electricity System Operator (IESO) on East West Tie and retain the option of rescinding or amending the 2016 prioritization Order-in-Council at the time Leave to Construct is filed or at a future date.
 - ii. Outlining a three-phased approach to the Northwest Bulk project.
 - iii. Directing IESO to establish a formal process for planning the future of the integrated province-wide “bulk” system.
 - C. Improving value and performance for consumers
 - i. Detailing the need for a new transmission line through the Northwest Greater Toronto Area and highlight the need to protect the corridor for the line.
 - ii. Detailing the government’s policy objectives for utility reliability and quality of service and will direct the OEB and IESO to review reliability standards.
 - iii. Directing the IESO to develop a competitive transmission selection or procurement process and identify potential pilot projects.
 - iv. Directing the IESO and the OEB to take a coordinated, long-term approach when addressing the need to replace end-of-life assets.
 - v. Enhancing the regulation of LDCs by directing the OEB to amend regulatory framework to drive efficiency and continuous improvement including leveraging existing tools such as the LDC Performance Scorecard.
 - vi. Improving regulatory efficiency by requiring a cost/benefit assessment of regulatory requirements and identifying opportunities to eliminate unnecessary regulatory costs that are putting upward pressure on LDC operating expenses.

- vii. Convening a Working Group on bill redesign and introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- D. Reaffirming a commitment to conservation
 - i. Effective July 1, 2018, the IESO will cease accepting incentive project applications for behind the meter generation (BMG) projects that use supplied fossil fuels. BMG projects using recovered and renewable waste energy will continue to be eligible.
 - ii. Encouraging In Front of the Meter (IFMC) projects by allowing electricity distributors to count the electricity savings resulting from IFMC technology deployments, paid for through distribution rates, towards their electricity savings targets, under the 2015-2020 CFF. The OEB will examine and identify steps for pursuing opportunities for cost-effective modernization of the electricity system, including energy efficiency measures on the distribution system.
 - iii. Bringing forward amending legislation to mandate Green Button for electricity and natural gas distributors.
- E. Preparing for the future and innovation
 - i. Providing direction to the OEB to address regulatory and cultural barriers to grid modernization in order to encourage innovation, optimal utility investment, and customer choice.
 - ii. Renewing the Smart Grid Fund (SGF) with an expanded scope and more targeted investments in innovative solutions that support grid modernization. Seeking \$60 million from the tax-base over 5 years for SGF.
 - iii. Updating market and regulatory rules so energy storage can be introduced onto the grid where it makes technological and economic sense.
 - iv. Removing barriers to investing in cost-effective electric vehicle (EV) charging, launch overnight charging program focused on EV data collection while meeting CCAP goals, develop an EV integration roadmap, and work with partners to share EV information and data.
 - v. Developing an International Demonstration Fund (IDF) that would support Ontario energy companies by way of demonstration projects located in international jurisdictions. Seeking \$10 million from the tax-base.
 - vi. Expanding and enhance Ontario's net metering framework, including enabling third-party ownership and related consumer protection measures, and allowing for virtual net metering demonstration projects. Work with the IESO to support the deployment of near-term virtual net metering demonstration projects.
 - vii. Working with the IESO to develop a funding program to support the strategic deployment of innovative renewable distributed generation projects.
- F. Responding to the climate change challenge
 - i. ENERGY and agencies will meet with utilities and other stakeholders to share best practices to build capacity. ENERGY will support development of a climate change vulnerability assessment of the distribution sector. The OEB will provide guidance to utilities on approaches for integrating cost-effective opportunities for adaptation into their operations and planning processes. The IESO will consider adaptation in its bulk and regional planning processes.
- G. Supporting Indigenous capacity and leadership

- i. The IESO will prepare a report on options to improve conservation programs for First Nations and Métis, based on an assessment of programs offered under the Conservation First Framework and Demand Side Management Framework, as well as energy support programs.
 - ii. The IESO will review and propose options to improve Indigenous energy support programs, including options for supporting energy plan implementation, which could include small-scale renewables, conservation and other community-scale energy opportunities.
 - iii. Increasing outreach to Indigenous communities and organizations to better align policy development with local and regional needs. This includes outreach to Indigenous communities between LTEPs to update on progress and to seek ongoing feedback.
- H. Responding to regional priorities
 - i. Exploring ways to use federal and provincial infrastructure and economic development funding to support electricity transmission and distribution infrastructure that supports regional economic development.
 - ii. Directing the IESO to review the regional planning process and report back with options and recommendations to address the challenges and opportunities that have emerged, including addressing barriers to cost-effective non-wires solutions, such as demand response and distribution energy resources; integrating bulk, regional, distribution system and community energy planning; streamlining the regional planning process; and integrating the regional planning process with the need to right-size assets reaching end of life.
- 3. ENERGY to prepare the following directives:
 - i. Implementation directive to the IESO requiring the IESO to submit an implementation plan for approval by the Minister of Energy no later than December 31, 2017.
 - ii. Implementation directive to the OEB requiring the OEB to submit an implementation plan for approval by the Minister of Energy no later than December 31, 2017.
 - iii. Amending directive to the OEB amending previous directives to the OEB. The directive will support enhancements to conservation demand management.
- 4. ENERGY to report back to Cabinet for:
 - i. Approval of the final 2017 LTEP document.
 - ii. Approval of the final implementation directives to the OEB and IESO, and the amending directive to the OEB.
- 5. ENERGY report to Treasury Board / Management Board of Cabinet for:
 - i. Up to \$60M from the tax-base for the SGF.
 - ii. Up to \$10M from the tax-base for the IDF.
- 6. ENERGY to report to Legislation and Regulations Committee to:
 - i. Proclaim legislation that will empower the OEB to increase consumer protection for USMPs.

Commented [AH(1)]: Question for MO: Should this remain in the minute, and the LTEP more broadly?

Commented [AH(2)]: Should I add a report back on supply/demand, etc.?

- ii. Seek approval of legislative amendments to the *Green Energy Act, 2009* and *Ontario Energy Board Act, 1998* to implement Green Button province-wide.
 - iii. Amend regulations to ensure there is removal of barriers for energy storage in participating in the energy sector.
 - iv. Seek approval of legislative and regulatory amendments to expand and enhance Ontario's net metering framework.
 - v. Introduce regulatory amendments to simplify bill presentment.
7. ENERGY has fulfilled its requirement to report back to Cabinet on a number of CCAP initiatives: approach for establishing GHG reduction standards for drinking water and wastewater treatment plants (Minute item #75), approach for province-wide implementation of Green Button (Minute item #76), and a single portal for energy-related social benchmarking programs (Minute item #77).
8. ENERGY work with the Premier's Office and Cabinet Office on an integrated communications strategy.

Ministry to continue to work with MCSS and OEB to streamline the Ontario Energy Support Program (OESP).

Commented [AH(3)]: Is there a reason this is being dealt with in the LTEP minute? We thought it would proceed along the OFHP track, and it's not in the submission at all.