

Deputy Ministers' Panel on Cap and Trade

Date: November 7, 2017

Time: 8:30 AM – 9:30 AM.

Venue: Mississauga Grand

Address: 35 Brunel Road, Mississauga

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- Thanks for that kind introduction, (X person from the CME)
- And thanks to my two esteemed Deputy Minister colleagues, slated to speak following me this morning: Paul and Giles.
- I also want to thank the CME for organizing today's event.
- The overarching theme of this morning's session is: Growth through Energy Competitiveness.
- And in my role as Deputy Minister of Energy – a portfolio I've managed since April 2012 – I will discuss some themes of particular interest to Ontario's business community.
- But because I don't want to steal Giles' thunder – I'll let him elaborate on energy policy from a business competitiveness perspective...
- For context, I'll begin by providing a brief update on Ontario's energy sector.
- A topical and timely task given the recent release of my ministry's 2017 Long-Term Energy Plan.
- Or the LTEP as it's commonly referred to in energy policy circles.
- For those of you not familiar with this document, the 2017 LTEP provides a road map that broadly sets out the future of Ontario energy policy over the next 20 years.
- This is the third LTEP my ministry has completed – with the first and second LTEPs launched in 2010 and 2013, respectively.
- Developing a forward-looking, energy policy-driven document on the LTEP's scale is a truly collaborative process.
- A process that involved the most extensive consultations and engagement my ministry has undertaken to date.
- Consultations that involved thousands of organizations, communities, businesses and business organizations, and Ontarians from all walks of life who took the time to write to us.

- Or attend stakeholder sessions and public open houses held in 17 communities across the province.
- Officials from the Ministry of Energy also engaged with representatives from more than 100 different First Nation and Métis organizations and communities.
- So, what are the big takeaways from the 2017 LTEP?
- For starters, Ontario's electricity system is well-positioned to serve the people of this province for the next two decades.
- This means, collectively, we will continue to benefit from a robust, reliable and diverse supply of electricity.
- It also means we're in a position of strength to meet any challenge that may arise over the next 20 years...
- And by extension, pursue any or all opportunities that may arise in that same 20-year timeframe.
- Equally important, a robust, reliable supply of electricity is also good for business.
- That's because businesses the world over prefer certainty to conduct medium-to-long-term business planning.
- And this certainty is in short supply of late give today's global context.
- The second take-away from the 2017 LTEP is the fact that Ontario's electricity grid is clean and green.
- In fact, our electricity system is more than 90 per cent free of emissions that cause climate change.
- And added to this: Ontario's electricity sector is forecasted to account for only about 2 per cent of our province's total GHG emissions in 2017.ⁱ
- That's an important accomplishment in and of itself.
- But I'll let Paul elaborate on how this positively impacts his ministry's Climate Change Action Plan.
- The third takeaway from the LTEP 2017 is encapsulated in the document's title: *Delivering Fairness and Choice*.

- But what do words like “fairness” and “choice” mean for Ontario’s business community?
- And by extension: what is the Ministry of Energy doing to make electricity more affordable in this province?
- Well, I can answer that.
- In terms of fairness, the Ontario government will do its part to ensure that consumer protection remains a top priority.
- In terms of choice, we will strive to give consumers – be they residential or business consumers – more choice in their energy use.
- And in terms of making electricity more affordable, this is an ideal segue to discuss , Ontario’s Fair Hydro Plan, which came into effect this past June.
- Thanks to this important piece of legislation electricity bills were reduced by an average of 25 per cent for residential consumers.
- This includes the eight per cent rebate introduced in January of this year...
- Ontario’s Fair Hydro Plan also builds upon previously announced initiatives to deliver broad-based relief on all electricity rates.
- In addition, any increases in residential electricity prices will be held to the rate of inflation for four years.
- But that’s not all.
- Thanks to Ontario’s Fair Hydro Plan half a million small businesses and farms will also benefit from the reduction.
- As well, the cost associated with certain social programs has been removed from the Regulatory line on electricity bills, representing a savings of 2 to 4 per cent for businesses.
- Ontario’s Fair Hydro plan also expanded the Industrial Conservation Initiative (ICI) – a program designed to help eligible industrial consumers save money by reducing their electricity consumption during peak hours.
- On average, the ICI’s eligible participants have reduced their electricity bills by one-third.
- As part of the recently expanded ICI, we made two changes to the program.
- These include:

- Removing sector-specific restrictions on eligibility – which means over 1,000 electricity consumers are now eligible to participate; and
 - Expanding the eligibility requirements to include small manufacturers and greenhouses with an average peak demand greater than 500 Kilowatts.
- Both these measures took effect on July 1 – and no, that wasn't meant to coincide with Canada Day.
 - Joking aside, in the long-term as outlined in the 2017 LTEP, my ministry will partner with other ministries, agencies, and utilities to help Ontario businesses – be they small, medium or large – transition to a low-carbon economy.
 - And for their part, electricity and natural gas conservation programs will continue to support businesses in their efforts to reduce and better manage their energy use.
 - On top of this the Green Ontario Fund – recently launched by our colleagues at the Ministry of Environment and Climate Change – will provide a coordinated, one-window approach to encourage conservation across multiple energy-related sources and programs
 - Finally, looking far into the future, Ontario's economy will continue to be powered by a reliable and steady supply of clean and green electricity.
 - An economy powered by a near-complete de-carbonized grid that places Ontario well ahead of the curve in the transition towards a low-carbon global economy.
 - A transition that is not only inevitable...
 - But is absolutely critical to maintain a sustainable planet for future generations of Ontarians.
 - And on that note, I'd like to pass the microphone to Paul Evans, the Deputy Minister of Ontario's Ministry of the Environment and Climate Change.
 - Thank you.