

Ontario Energy Association's Energy Conference 17: The Age of Disruption & Transformation

Prepared for: Minister Thibeault

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- Good evening everyone.
- As many of you know, I've been in politics for quite some time...
- And it's not every day I'm given an opportunity to address an audience of esteemed energy stakeholders following a scotch tasting event.
- But maybe a taste of premium scotch is what's needed to discuss disruption and transformation in the ever-changing world of Ontario energy policy.
- In all seriousness, ladies and gentlemen, it's a pleasure to be here tonight.
- And I want to thank the Ontario Energy Association for hosting this event.
- Earlier in today's conference, an array of energy experts discussed various themes...
- From clean energy, energy planning governance and market renewal...
- To transportation fuel switching, what the utility of the future could look like, and the politics of energy.
- I'm here to provide an update on the province's energy system.
- And after more than a year at the helm of Ontario's energy portfolio – a sector undergoing rapid change...
- I have a few thoughts to share with you.
- Let's start with a brief overview of Ontario's \$20 billion electricity sector.
- As outlined in the IESO's Ontario Planning Outlook, launched ahead of last fall's Long-Term Energy Plan (LTEP) consultations...
- Ontario is well-positioned to meet its energy needs over the next 10 years.
- That's because over the past decade the Ontario government invested more than \$50 billion to modernize and upgrade our electricity system.
- The results of these investments speak for themselves.
- Our robust electricity system is clean and green.

- As proof, Ontario's electricity sector is now over 90 percent emissions-free. ⁱ
- That's because we had the foresight, as a province, to completely eliminate coal generation in 2014 – one of the biggest climate change initiatives ever undertaken in North America.
- This is an important achievement if you consider that in 2003, coal represented a quarter of our electricity supply mix.
- Equally important, the tens of billions of dollars we invested in Ontario's electricity system made it more reliable.
- But that's not all...
- I can proudly say that as a province, we're all doing our part to conserve electricity.
- According to the IESO's 2015 annual report, Conservation Results Report, between 2006 and 2015, Ontario conserved 13.5 billion kilowatt-hours of electricity. ⁱⁱ
- That's enough electricity to power the cities of London, Kingston, Brantford, Ottawa and Peterborough in 2015. ⁱⁱⁱ
- But helping create a cleaner, more reliable system came at a cost.
- A cost that resulted in higher electricity prices.
- To help relieve this cost pressure, we developed Ontario's Fair Hydro Plan, which includes:
 - Lowering electricity bills by 25 per cent for a typical residential consumer. As many as half a million small businesses and farms from across the province also benefit from this reduction;
 - Expanding the Ontario Electricity Support Program (the OESP) by increasing the on-bill credits by 50 per cent and making more Ontarians eligible for the program;
 - Providing enhanced distribution rate protection for residential consumers served by LDCs with some of the highest rates. This will let eligible consumers save as much as 40-50 per cent on their electricity bills; and
 - Funding electricity support programs with provincial revenues, not electricity revenues, which is lowering bills for all consumers.
- Ontario's Fair Hydro Plan is bringing electricity bills down.
- And, in the process, helping to make life more affordable for families and businesses alike.
- Of course, that's not the only recent initiative I want to mention.

- As many of you know, my ministry is currently finalizing the 2017 Long Term Energy Plan (LTEP), the energy sector's roadmap that will help guide the province's energy-related investments and operations.
- The Ministry of Energy expects to release the 2017 LTEP later this fall. Without giving too much away, you can expect the plan will elaborate on important government priorities including:
 - Ensuring Ontarians benefit from affordable, accessible energy;
 - Creating a more flexible energy system; and
 - Responding to the challenges posed by climate change.
- Of those three LTEP priorities, there's one particular priority I'd like to elaborate on...
- Creating a more flexible energy system.
- The province must move away from relying on long-term contracts to ensure a sufficient supply of electricity.
- This includes the Market Renewal initiative, led by the IESO.
- Market Renewal will result in a more efficient marketplace with competitive and transparent mechanisms that will help reduce costs associated with securing the electricity supply we need...
- It will also provide the flexibility the system requires to align with government policy goals and meet future challenges.
- Government policy goals aimed at meeting the objectives outlined in Ontario's Climate Change Action Plan.
- Climate change- related initiatives that will be designed to reduce GHG emissions and ratepayer costs, and meet system needs.
- By becoming more flexible, we'll be better-positioned to adopt emerging energy technologies.
- Game-changing energy storage technologies such as flow batteries, flywheels or compressed air storage.
- Or establishing a net metering framework that allows customers to offset the electricity purchased from their local distribution company (LDC) with electricity generated by their own renewable energy systems.

- Or looking into the not-too-distant future, digitalizing the grid to harness the power of data so that customers and utilities can make informed decisions about their energy use.
- But to bring about transformative change...
- It also includes providing Ontario electricity rate payers with more choice.
- A good example of this can be found in the Ontario Energy Board's recently launched pilot projects with LDCs, that will explore different ways of giving residential customers greater choice in their electricity pricing plans.
- As well as more tools to residential customers better understand and manage their electricity use.
- But above everything else, we must maintain a laser-like focus in delivering fairness for *all Ontarians* as outlined in Ontario's Fair Hydro Plan.
- This will require collaboration.
- Collaboration on the part of the IESO and OEB to ensure our regulatory and market structures are up-to-date and well-positioned to foster innovation.
- Collaboration on the part of my ministry as well.
- But more importantly, collaboration on the part of local distribution companies – the face of electricity for most Ontarians...
- And the ones who deliver energy-related programs to communities across this province.
- Working together – to borrow from this conference's theme – the province will be in a good position to navigate an energy future increasingly defined by disruption and transformation.
- And with that I'd like to again thank the OEA for inviting me to speak today.
- Thank you.

ⁱ Page 4, the IESO's Ontario Planning Outlook

ⁱⁱ IESO's 2015 Conservation Results Report, page 1: <file:///C:/Users/ImlayPa.CAC/Downloads/Conservation-Results-Report-2015.pdf>

ⁱⁱⁱ Page 2, CRED's Conservation Housebook note: