

## **KEY MESSAGES**

- Ontario is taking action to reduce ratepayer impacts and remove system costs in the interest of maintaining an affordable, clean and reliable electricity system.
- As confirmed by the Independent Electricity System Operator in the Ontario Planning Outlook (OPO), Ontario has a strong supply of reliable power for the foreseeable future and there is no need to procure a large amount of additional power at this time.
- The Independent Electricity System Operator (IESO) has provided assurance that Ontario is well-positioned to meet provincial needs until the mid-2020s, even while nuclear plants are under refurbishment.
- The long-term energy planning process will ensure that there is an adequate supply of clean, reliable power to meet the needs of the province.
- In future years, if there is a need to procure more electricity supply, there will be time and options to meet the need.
- Suspending LRP II is expected to save up to \$3.6 billion in electricity system costs relative to the LTEP 2013 forecast. This would save the typical residential electricity consumer an average of approximately \$2.10 per month on their electricity bill.
- This decision doesn't require the IESO to break any contracts.

**Commented [JP1]:** This is consistent with the OPO Demand Outlook A, B, C, D.

## **QUESTIONS AND ANSWERS**

### **Q1. How will this impact green energy jobs in Ontario? What about manufacturers in the Samsung agreement?**

Ontario is a global leader in clean energy development. We have attracted both Ontario-based and international companies to produce renewable energy in the province.

Ontario firms are now poised to export their products and expertise as other jurisdictions accelerate their efforts to procure clean energy technologies following the 2015 United Nations Climate Change Conference in Paris (COP21).

The Ministry is working with industry partners to develop and support trade initiatives that will strengthen international relationships and produce new business opportunities. This way, Ontario can leverage its growing energy innovation expertise for the benefit of Ontarians.

Ontario is also continuing to procure further renewable energy generation capacity to meet the targets established in the 2013 Long-Term Energy Plan, including:

- The FIT program for projects larger than 10 kW and generally up to 500 kW; and
- The microFIT program for projects 10 kW and smaller.

The government is also in the midst of developing an updated and streamlined net metering program, which will support customer choice in generating clean, renewable energy; align with value to the electricity system; and enable innovative technologies and customer-utility relationships. Continued deployment of small scale renewables will also contribute to the clean energy industry in this province.

Ontario's partnership with Samsung under the Green Energy Investment Agreement (GEIA) has led to significant investments in Ontario, and helped create a clean energy industry in the province.

We recognize and appreciate the investments Samsung and other companies have made in Ontario's renewable energy sector over recent years, and the opportunities these investments will continue to provide to communities across the province.

## **Q2. What will happen to FIT?**

The next round of the Feed-In Tariff (FIT) program, FIT 5, will proceed as planned. The IESO is scheduled to open the FIT 5 application window on October 31, 2016.

In keeping with our April 5, 2016 direction, FIT 5 has a procurement target of at least 150 MW for small renewable energy projects greater than 10 kW and up to 500 kW in size. In addition, any capacity that becomes available as a result of prior microFIT or small FIT contract terminations will be added to this base target amount.

The IESO will publish the final FIT 5 procurement target by December 31, 2016.

Importantly, the continued deployment of small scale renewables will contribute to a clean and diverse electricity system and aligns with the province's goals of low carbon buildings and transportation. It will also help the province to reduce greenhouse gas (GHG) emissions, in support of our Climate Change Action Plan.

## **Q3. How will this affect the LTEP targets for renewable power?**

Our government recognizes the sound, prudent long-term energy planning is essential to a clean, reliable and affordable energy future.

Ontario has approximately 15,900 MW of wind, solar, bioenergy and waterpower renewable generation online, as well as approximately 2,000 MW contracted and under development. As confirmed in the Ontario Planning Outlook (OPO), Ontario has one of the cleanest and most reliable grids in North America. We also have one of the most reliable grids, one that is well-positioned to meet provincial needs until the mid-2020s and there is no need to procure a large amount of additional electricity supply at this time.

The long-term energy planning process will ensure that there is adequate supply of clean, reliable power to meet the needs of the province.

The Ministry of Energy will launch LTEP consultations later this fall, which will provide an opportunity for a province-wide discussion on future energy demand and the need to meet that demand with clean, reliable, affordable supply. The next LTEP is scheduled to be released in Spring 2017.

#### **Q4. Are you just kicking the can down the road to next spring?**

As confirmed in the Ontario Planning Outlook (OPO), Ontario **is well-positioned to meet provincial needs until the mid-2020s**, even while our nuclear plants are under refurbishment

**Commented [JP2]:** This is consistent with the OPO Demand Outlook A, B, C, D.

The long-term energy planning process will ensure that there is adequate supply of clean, reliable power to meet the needs of the province.

In future years, if there is a need to procure more electricity supply, there will be time and options to meet the need.

#### **Q5. Is this a response to municipalities that were opposed to wind development?**

As confirmed in the Ontario Planning Outlook (OPO), Ontario **s well-positioned to meet provincial needs until the mid-2020s** and there is no need to procure a large amount of additional power at this time.

**Commented [JP3]:** This is consistent with the OPO Demand Outlook A, B, C, D.

Our long-term energy planning process will ensure that we always have an adequate supply of clean, reliable power to meet the needs of the province.

Our decision to suspend the second Large Renewable Procurement (LRP II) is not one we take lightly. This would maintain system reliability and would save up to \$3.6 billion in electricity system costs relative to the LTEP 2013 forecast.

We will continue to work with municipalities and Indigenous communities to ensure there is meaningful involvement in electricity system planning while maintaining the reliability of the electricity system.

#### **Q6. Will this mean Ontario will no longer need to sell surplus power in US states?**

While the province is currently in a strong supply position, we will begin taking nuclear units out of service for refurbishment beginning this Fall. There will be a much smaller surplus when refurbishment starts.

Ontario has a number of tools to reliably and effectively mitigate SBG (e.g., electricity exports, wind dispatch, etc.).

Ontario efficiently exports and imports a significant amount of electricity as part of the regular operation of its electricity market. In 2015, exports contributed **\$228 million** towards meeting Ontario's electricity system costs, which would have otherwise been paid for by Ontario ratepayers. Finally, exports reflect the prevailing market price and are scheduled when it is economic for both Ontario and the associated importing jurisdiction.

**Q7. What happened to the plan to let existing projects get contracts to improve their efficiency and output?**

The IESO's recently released Ontario Planning Outlook (OPO) highlights that Ontario has one of the cleanest in North America. We also have one of the most reliable grids, one that is well-positioned to meet provincial needs until the mid-2020s and there is no need to procure a large amount of additional electricity supply at this time

Given our strong energy position, it only makes sense that we assess our procurements and make adjustments with ratepayers in mind.

That being said, the procurement of technological upgrades to and optimizations of existing renewable energy projects could be considered under the upcoming long-term energy planning process.

The Ministry of Energy will launch the LTEP consultations later this fall, which will provide an opportunity for a province-wide discussion on future energy demand and the need to meet that demand with clean, reliable, affordable supply. The next LTEP is scheduled to be released in Spring 2017.

**Commented [JP4]:** The OPO did not actually suggest Ontario has one of the most reliable grids in North America, although the IESO is comfortable with the statement. The language has also been updated to reflect more accurately that we are good until the mid-2020s, under all OPO scenarios. Outlook C and D suggest we could have needs after that timeframe depending on the pace of electrification and other demographic and economic considerations.