

Remarks for

The Honourable Glenn Thibeault, Minister of Energy

**Association of Power Producers of Ontario (APPrO) 2016:
28th Annual Canadian Power Conference
& Networking Centre**

Tuesday, November 15, 2016

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Thank you, **XX [XX, XX]** for that kind introduction.

It's a pleasure to be here today.

I want to begin by thanking the members of APPrO, for your advocacy, facilitation and leadership.

In particular, I want to thank **Dave Butters** [President and CEO, APPrO] for being such a strong advocate for the membership of APPrO and for his leadership in the sector.

[PERSONAL ACKNOWLEDGEMENTS]

It's a real pleasure to be able to address so many of Ontario's key energy players in one place.

Your dedication to excellence has made Ontario a global trailblazer in innovation and technological advancement. Your leadership is central to an energy system that drives our economy and creates jobs.

Your advice and expertise helped us develop an outstanding blueprint for moving our energy system forward: the 2013 Long-Term Energy Plan (2013 LTEP), *Achieving Balance*.

And we will continue to rely on your input, perspective and ingenuity as we develop our next long-term plan , as well as to bring meaningful change and transformation to our energy sector.

The Ministry of Energy is developing its next Long-Term Energy Plan (or "LTEP"). The LTEP sets out the direction for Ontario's energy future that balances the principles of

cost-effectiveness, reliability, clean energy, community and indigenous engagement, and emphasis on conservation and demand management.

We plan to build on the success of the 2013 Long-Term Energy Plan, which was the most comprehensive consultation and engagement process the Ministry of Energy has ever undertaken.

Public consultations are being supported by an electricity technical report prepared by the Independent Electricity System Operator (IESO), and a fuels sector technical report prepared by Navigant Consulting. Both of these documents were made public in September, prior to the start of consultations and can be accessed on the Ministry of Energy's website.

Consultations are in full swing and will include in-person sessions, online consultation tools, and the opportunity for stakeholders to provide submissions through the Environmental Registry. I encourage you to visit **ontario.ca/energytalks** to learn more about the LTEP engagement process.

I'm also here this **evening** to talk about the tremendous innovation, progress and excitement in Ontario's energy sector, led by many of the people in this room.

[PAUSE]

This is also a great opportunity for me to reflect on what I've been learning this summer as I've prepared to take over this complex file. This **evening** I'd like to use my time to share some of my initial observations with you.

WHAT I SEE / THANK YOU

And the first of these observations — one that's apparent from the get-go — is that the

leadership in this sector is nothing short of remarkable.

When I look at where Ontario was in 2003 and compare that to our current situation, the transformation is inspiring.

Together, we (and by that I mean the province together with you) have taken a system that was underpowered and aging and brought it into the 21st century.

Take coal closure, for example.

Now, Ontario closed the last coal-fired power plant in 2014, so that's old news to some of you.

But we should not lose sight of the fact that we are leaders in taking this action. Many jurisdictions are still using coal to generate electricity.

Meanwhile this step still stands as one of the largest greenhouse gas reduction initiatives in North America.

Coal closure eliminated more than 30 megatonnes of annual greenhouse gas (GHG) emissions. It is the equivalent of taking up to seven million vehicles off our road.

[PAUSE]

I am also proud of Ontario's leadership in replacing dirty coal with clean, renewable power.

Ontario has approximately 18,000 MW of wind, solar, bioenergy and hydroelectricity capacity online or under development.

We should be proud of our leadership in renewables. Over the years, we have also

become more sophisticated in our procurement process. Projects contracted through our Large Renewable Procurement process and the Feed-in Tariff program, ably managed by the IESO, have attained new levels of community support while helping bring costs down.

[PAUSE]

Overall, the beauty of Ontario's energy system is the way we rely on a variety of generation sources.

But I've also learned the workhorse of our system is nuclear power, which has been reliable, clean, cost effective and a key contributor to Ontario's technology development and job creation.

Today, nuclear power represents about 60 per cent of Ontario's electricity generation, making it the backbone of Ontario's low-emissions electricity system and a key player in our clean energy economy.

That's why Ontario's 2013 LTEP committed to refurbishing 10 nuclear units at the Darlington and Bruce Generating Stations.

These nuclear refurbishments – the first of which is now officially underway at Darlington – will continue to boost economic activity across Ontario, create jobs, ensure savings for ratepayers and secure a clean supply of reliable electricity.

[PAUSE]

A couple more areas where we lead, before I move on.

I've been interested to learn about Ontario's smart grid. This new infrastructure opens up exciting possibilities for new technology, which can help us manage our energy use and drive the development of new, high-skilled jobs in the smart grid and clean tech

sectors.

WHAT WE NEED TO DO

As I studied the sector over the summer, I was impressed by the great strides we have taken in building a clean and reliable system.

But now, you may be wondering what's next... What will my priorities be as the new Minister of Energy.

And I can tell you that the area where I feel we have an opportunity — more than that, an *obligation* — to improve on meeting our commitments, is in ensuring affordability and accessibility throughout Ontario.

Coming from Sudbury, I know that energy access is not equitable in Ontario. Here in Toronto, we take electricity so much for granted that a power outage makes the news.

But right now, as we head into fall and the days are getting shorter, we must remember that Ontario has remote communities that are not connected to the grid and, were it not for diesel generators, would have no electricity at all.

As well, we have communities that could be hooked up to natural gas, but who don't currently have access.

And electricity prices in rural and northern communities present challenges to the consumers who live and work there.

It is my intent as Minister to show that Ontario has not lost sight of our commitment to affordable electricity.

As we recently announced, our government has introduced measures that will benefit ratepayers in a lasting, meaningful way.

Suspending the second round of LRP (LRP II) and the Energy-from-Waste Standard Offer Program is expected to save up to \$3.8 billion in electricity system costs relative to the LTEP 2013 forecast.

And the Ontario Rebate for Electricity Consumers Act, 2016 will provide an eight per cent (8%) rebate equal to the provincial portion of the HST for about five million residences, small businesses and farms, starting on January 1, 2017.

What's more, the legislation is one part of a comprehensive package of reforms that would take effect on the same day.

For rural customers living in low-density areas we are updating the Rural or Remote Rate Protection. This represents a significant rate relief for Ontario's approximately 330,000 eligible rural electricity consumers. This proposed funding increase to Rural or Remote Rate Protection together with the eight percent rebate will result in electricity relief of approximately \$45 per month.

For businesses, we will be lowering the threshold for participating in the Industrial Conservation Initiative from 3 megawatts (MW) to 1 MW. This would give more businesses the incentive to significantly reduce their electricity costs by reducing their consumption during peak hours. This would lower electricity system costs by deferring the need for peaking generation.

The government also intends to recycle a portion of the cap and trade auction proceeds to keep rates affordable for commercial and industrial electricity consumers.

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But in addition to this, we need to look at ways to look a ways to take costs out of the system beyond LRP II, and our next Long-Term Energy Plan will consider the complete picture of Ontario's needs and how best to deliver savings for ratepayers in the years

ahead.

These initiatives would ensure electricity is affordable for families, farms and businesses across Ontario.

LTEP 2017 AND CONCLUSION

Along with the legislation and reforms, as I mentioned earlier, the Ministry of Energy is developing our next LTEP.

I would particularly like to see the new plan address these challenges head on.

I'm also keen to see the new plan emphasize innovation.

As I mentioned earlier, Ontario is a leader in so many ways.

Other jurisdictions are in a position where they are playing catch-up with us.

That doesn't mean we should take a break, or look over our shoulders to see how close they're getting. Instead, let's think about what's next — what our next round of bold, sweeping accomplishments will be.

And when I say "let's," I do mean all of us together.

As you know, consultation is enshrined in the LTEP process.

And the Ministry of Energy is committed to working closely with agencies and stakeholders to develop the plan.

Consultations have already begun, using a variety of tools to enhance participation. Consultations are supported by technical reports including the Ontario Planning Outlook, the Fuels Technical Report, as well as a discussion guide. Consultations will include local engagement sessions with Indigenous communities, on-line tools, and a

formal process to submit feedback through the Environmental Registry.

The LTEP will address both electricity and fuels used in Ontario and will consider the government's commitments to both greenhouse gas reduction and affordability.

As I said at the outset, I have the greatest respect for the leadership demonstrated in this sector.

I hope you will take part and help us chart the way forward.

One more thing before I leave you.

I need to reiterate again that it's your dedication to excellence, which has made Ontario a global trailblazer in innovation and technological advancement. Your leadership is central to an energy system that drives our economy and creates jobs.

Together we are building up Ontario and building up our economy.

Thank you and enjoy the rest of your evening.