

Remarks for Minister of Energy Glenn Thibeault

OEA ENERGYCONFERENCE 16: Energy Gala Keynote “State of the Union” Address

September 27, 2016

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INTRODUCTION

Thank you [NAME] for that kind introduction.

I also want to thank:

- *Insert acknowledgments*

It's a pleasure to be here with you this evening. I understand that it's an OEA tradition that the Minister of Energy provides the dinner address at the conference, and I am honoured to have the privilege.

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 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.

We set a target to have 20,000 megawatts of renewable energy online by 2025, representing about half of Ontario's installed capacity — and already, Ontario already has approximately 15,900 MW of wind, solar, bioenergy and hydroelectricity energy online with nearly 2,000 MW more contracted and in development.

We should be proud of our leadership in renewables. Over the years, we have also become more sophisticated in our procurement process. Our Large Renewable Procurement and FIT programs, ably managed by the IESO, have attained new levels of community support and helped 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 more than 50 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 Long-Term Energy Plan (or "LTEP") committed to refurbishing 10 nuclear units at the Darlington and Bruce Generating Stations.

These nuclear refurbishments 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.

And last, but most definitely not least, I want to thank the LDCs, who are on the cutting edge [of what? Dan's notes...]

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 the clean and reliable system that we committed to in LTEP.

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 LTEP 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 rural and 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 legislation that would benefit ratepayers in a lasting, meaningful way.

The proposed Ontario Rebate for Electricity Consumers Act, 2016 would provide an eight per cent (8%) rebate for about five million residences, small businesses and farms.

If passed, the legislation would take effect on January 1, 2017. That's less than four months from now.

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

For rural customers, who have been especially affected by increasing costs, 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 RRRP and 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.

And as outlined in the 2016 Budget and the Climate Change Action Plan, the

government intends to recycle a portion of the cap and trade auction proceeds to offset the impact of cap and trade on industrial and commercial electricity consumers to keep rates affordable.

This legislation, along with our other reforms, would ensure electricity is affordable for families, farms and businesses across Ontario.

LTEP 2017 AND CONCLUSION

Along with [above], the Ministry of Energy is beginning to develop 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 will take place this fall using a variety of tools to enhance participation. Consultations will be supported by technical reports publicly released in advance (including the Ontario Power Outlook, recently released by the IESO), and a discussion guide; and will include local engagement sessions with Indigenous communities, telephone town-halls, 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 governments'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'd just like to remind everyone to save the date for the Energy Leaders Summit coming up May 24-26, 2017.

For anyone not already familiar, this is an international conference and trade show, being put on by my ministry in association with the IESO and the MaRS Advanced Energy Centre. The conference theme is Rethink Energy, and it will provide a forum to discuss the changing nature of technology and consumer demand and the implications for policy, regulation and operations.

A big thanks to Bob Huggard for getting the Summit off the ground. I look forward to seeing you there.

Thank you and enjoy the rest of your evening.