

Energy Issues - November 21

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Good morning,

Please find below Energy's issues and messaging for today:

1) Opposition Day Motion – Exports (and OSPE report on 'wasting clean electricity')

- Electricity exports reduce costs for Ontarians by hundreds of millions of dollars every year, as estimated by IESO.
- The agreements we have with neighbouring jurisdictions ensure mutual benefit from electricity trade.
- Our supply provides grid reliability and affordability which we lacked before 2005, when Ontario was a net importer of electricity.
- It's important to note that **ALL jurisdictions regularly import and export electricity.**
- This regular electricity trade contributes to ensuring both **reliability and cost-effectiveness** in electricity supply.
- **Today, Ontario is a net exporter. In 2016, the net benefit of those exports to ratepayers was \$236 million, as estimated by the independent system operator. These benefits translate into reduced costs to the ratepayer.**
 - o In 2014, these benefits were \$320 million; in 2013, they were \$300 million.
- Ontario's electricity trade is managed by the independent system operator, and it is the market that determines the price of electricity. We only export electricity when the trade is a benefit to Ontario ratepayers.
- Our government will continue to participate in the electricity market, increasing the reliability and cost-effectiveness of our system.

OPPO Contrast

- Under the former Conservative government, Ontario used to be an importer of electricity.
 - o As a result, our system was dependent on unreliable and expensive electricity from neighbouring jurisdictions, often forcing us to dramatically overpay for electricity.
- In 2002 and 2003 alone, under the PC government, Ontario paid \$900 million just to import electricity.
- Reliability was a major concern – which led the PCs to increase the use of dirty coal by 127%

Spilling (wasting clean electricity)

- The Conservatives continue to mislead the people of Ontario about our energy sector.
- They like to claim that power is wasted when water is spilled at Hydro-electric generating stations.
- This just shows us how little they know about the electricity system.
- One advantage of our clean, reliable and flexible system that we have built is that we are able to procure energy on an as-needed basis.
- This means that we only use the electricity that is produced at the cheapest cost at that time.
- Anytime a generator is not producing electricity, it is because there were cheaper options available at that time
- This means that a Hydro facility will generate power when it can offer into the market at a low price, and it is not used when its offers are too expensive relative to other sources of energy.
- Do the PCs really think we should be running these generators at a higher cost?

2) FAO Report on Nuclear Refurbishment

- We thank the Financial Accountability Office (FAO) for providing this important analysis.
- The FAO report confirms that our government has carefully considered the financial risks of nuclear refurbishments and has built in strong protections and oversight measures to prevent cost overruns.
- The FAO report also makes it clear that there is currently no alternative clean generation which could replace nuclear generation at a comparable cost for Ontario ratepayers.
- Nuclear power is clean, reliable and affordable – supplying about 60 per cent of the power used by Ontario families and businesses.
- The refurbishment of Ontario's nuclear fleet will ensure we have safe, reliable, clean energy where and when we need it.
- And when it comes to providing a boost to Ontario's growing economy, the refurbishments at Bruce and Darlington will support Ontario's globally recognized nuclear supply chain, with more than 180 companies and 70,000 jobs across the province.
- Nuclear power forms the backbone of the safe, clean, reliable and affordable electricity system we've built here in Ontario.

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