Messaging to MPPs from September 12 to October 24, 2016

throne speech and reset/priorities

-Sent Thursday Sept. 8 by Kyle Richardson at GHLO; KMs about Monday's upcoming Throne Speech

Key Messages

- Pleased to announce the Legislature will return on Monday September 12th as originally planned with a Speech from the Throne to mark our new session.
- The speech from the throne is an opportunity for the government to outline what it is doing for people, and what it will be focussing on for the second half of the mandate.
- The Premier has put in place a strong Cabinet to implement our four-part plan over the next 20 months.
- In the first two years of our mandate, we've made historic investments in transportation so that people spend less time in traffic and more time with their family.
- We've introduced a Climate Change Action Plan to protect our environment, grow our economy, create jobs and lead the fight against climate change.
- And we lead the way toward an enhanced CPP ensuring that all Canadians can enjoy a safe and secure retirement.
- Now, at the mid-way point of our mandate, our focus is on implementing our plan so we can continue to deliver on our top priority — jobs and growth.
- This will include working to make everyday life easier for Ontarians.
- We will continue to build Ontario up in a way that is responsible and sustainable — both environmentally and financially.
- Our plan is working, but our work is far from done, the speech from the throne is a normal tradition for a government and will allow us to refocus our priorities, re-set the legislative agenda with a new set of government priorities.
- No sitting days will be lost, as the legislature is resuming on September 12, 2016 in accordance with the Parliamentary calendar.
- We have asked the NDP and the PCs if they have any priority private member bills they would like carried to the next session.
- We will also re-introduce the Election Finances Act on the first day back, as amended by committee.
- In addition we intend to re-introduce all the government bills that died on the order paper, however some might include amendments and others will be merged to include new government priorities.

-Sent Tuesday Sept. 12 by Caroline Banas on behalf of OPO; Throne Speech KMs for Caucus in English and French

- Ontario's 2016 Speech from the Throne — A Balanced Plan to Build Ontario Up for Everyone — outlines our plan to continue creating jobs and growth and help people in their everyday lives

We have responded to people's concerns about the cost of electricity

- We have reduced electricity costs where possible, while maintaining system reliability

- We have removed the Debt Retirement Charge from residential electricity bills, made electricity more affordable for low-income families through the Ontario Electricity Support Program and are investing more than $2.6 billion to help homeowners and businesses reduce energy use to save money

- On top of these measures, today's Throne Speech announced that we will provide additional relief on electricity bills by introducing legislation that would rebate — directly on consumers' monthly residential electricity bills — the provincial portion of the Harmonized Sales Tax

- This eight per cent saving would go into effect on January 1, 2017 and would result in savings of about $130 a year for a typical Ontario residential consumer

- Eligible small businesses would receive the rebate

- Eligible rural and remote customers would receive additional savings, which would result in an on-bill monthly saving of about 20 per cent — about $45 a month or $540 a year

- And eligible larger businesses would benefit through the expansion of the Industrial Conservation Initiative—participating industrial customers will be able to find cost savings of up to 34 per cent, depending on their ability to reduce peak electricity consumption

We will help families find the affordable child care they need by creating an additional 100,000 licensed spaces within the next five years, starting in 2017

- We will double the current capacity for the 0-4 age group, creating spaces for about 40 per cent of infants, toddlers and pre-schoolers

- This will help working families and give more children the quality care they need to have the best start in life

We will reintroduce election finance reform legislation

- It will be introduced with all the amendments agreed to at the committee stage prior to prorogation of the legislature

- And we intend to move amendments during the committee stage of the bill to prohibit MPPs in all parties from attending fundraising events

<u>We are continuing to make sure that our young people have the right tools for a changing workforce</u>

- We are putting new emphasis on math skills, expanding experiential learning and encouraging more young people to turn their good ideas into start-ups

- The new Ontario Student Grant will help tens of thousands of low- and middle- income students by making average college and university tuition free

<u>We are building a health care system everyone can rely on</u>

- We are investing in front-line workers, helping seniors with the cost of prescription drugs and reducing wait times for specialists

- We are helping families by adding an estimated 350,000 hours of nursing care and 1.3 million hours of personal support, enhancing home and community care

- We are delivering on our primary care guarantee—connecting a doctor or nurse practitioner to everyone who wants one

<u>We are investing at record levels to build new hospitals, schools, roads, bridges and transit in communities across Ontario</u>

- Through the largest infrastructure investment in Ontario's history — about $160 billion over 12 years — we are helping people in their everyday lives by reducing road congestion and the time spent in traffic or transit

<u>We are building a competitive business environment driven by innovative, low-carbon industries that is attracting investment from around the world</u>

- The Business Growth Initiative is helping our highly skilled workforce compete through innovation

- Our automotive sector is helping invent and build the cars of the future

- Ontario will continue to lead in the fight against climate change
- Proceeds from our cap and trade program will be transparently invested in green projects that help households become more efficient and help businesses become more innovative

We played a leadership role in enhancing retirement security

- We will continue to work with federal and provincial partners to enhance the CPP to ensure that Ontarians achieve a secure retirement

Our plan continues to create economic growth and good jobs — our number-one priority

- And our plan is working —jobs numbers are up and Ontario's economy has grown by 6.1 per cent in the last two years
- We will balance the budget next year, in 2017-18
- Ontario's debt-to-GDP ratio is levelling and will start to decline, a sign of economic strength and fiscal responsibility
- Our plan is working. Now is the time to keep building to ensure that everyone experiences the benefits of Ontario's resurgence in their everyday lives

While some who would rather cut services and raise taxes, we choose to invest in our province and its people and focus on growth

- We choose to build Ontario up and help people in their everyday lives

electricity prices and energy investments

-Sent Monday Sept. 12 by David Foster at Energy; Ministry of Energy: News - Electricity Rate Relief

During the throne speech, it was announced that later this week our government will introduce new legislation to assist individuals, families, farms and businesses of all sizes with their electricity bills.

Our plan involves three key actions

1. Families, farms, and small businesses rebated Ontario’s portion of the HST on their bills; leading to savings of 8% - or $130 annually.

2. Eligible northern, rural and remote family bills reduced by 20% - savings of $540 annually - a necessary relief to help offset the higher cost of supplying power (delivery charge) to these areas.

3. More businesses will be empowered to receive approximately 34% in savings as a result an expanded Industrial Conservation Initiative.

These actions expand on the supports currently available, such as Ontario Electricity Support Program, the Ontario Energy and Property Tax Credit, the Low-Income Energy Assistance Program, the saveONenergy Residential and Business programs, the Northern Ontario Tax Credit and the Northern Industrial Electricity Rate.

Key Messages and some preliminary Q+A’s are below.

Key Messages:

• As announced in today’s Speech from the Throne, Ontario is taking action to reduce the cost of electricity bills for families and businesses (small and large); and will reduce northern, rural and remote bills even further.

• Over the last decade we’ve build a clean and reliable system; and now are ready to take the next step and ensure Ontario’s electricity bills as affordable as can be.

• Our government has heard from Ontarian's that they’re not all feeling the impact of the economic recovery when they go to pay the bills each month; so we’re committed to helping where we can with the cost of everyday living.

• And after many years of careful fiscal management are leading to a balanced budget in 2017-18, and we believe that Ontarians should be the first to benefit.

• Through a three point plan, our government will reduce the cost on electricity bills across the board, including:

1. Families, farms, and small businesses rebated Ontario’s portion of the HST on their bills; leading to savings of 8% or $130 annually.

2. Eligible northern, rural and remote family bills reduced by 20% - savings of $540 annually - a necessary relief to help offset the higher cost of supplying power (delivery charge) to these areas.

3. More businesses will be empowered to receive approximately 34% in savings as a result an expanded Industrial Conservation Initiative.

- Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.

- This plan builds on our government's commitment to provide affordable access to energy, including providing support for low-income families, expanding natural gas to more communities, and grid-connecting remote First Nations communities.

If asked about

Why today and not last week or two months ago;

The new Minister of Energy was appointed to his position to take action on prices, and since being appointed in June, that's exactly what he's done.

Work on this project has been undertaken over the course of the last three or four months, and the results of that were included in today's throne speech.

Our government has heard from Ontarian's and is committed to helping them with the cost of everyday living. Through this three point plan, our government will reduce the cost on electricity bills across the board.

Families, farms, and small businesses will be rebated Ontario's percentage of HST on their bills which is a savings of 8% - a significant saving

Manufacturers will receive approximately 34% in savings as a result of the Industrial Conservation Initiative - which is a benefit in return for their continued commitment to meeting conservation targets.

Northern, rural and remote communities will be rebated 20% - a necessary relief for families to help offset the cost of supplying power (delivery charge) to these areas.

Is this because Ontario's electricity rates are skyrocketing?

Our government has heard from Ontarian's and is committed to helping them with the cost of everyday living. We`ve heard from Ontarians about their concerns, and so we`re acting to help where we can. Through this three point plan, our government will reduce the cost on electricity bills across the board.

In a recent report, the independent Financial Accountability Officer refuted many of the claims made about energy policy, and confirmed that the average family in Ontario spends less money on electricity than in every other province, except British Columbia. It also confirmed that total home heating and cooling costs are in the middle of the pack when compared to the other provinces.

Ontario's electricity prices are in line with comparative jurisdictions; and Ontario's prices are nearly half of what they are in American cities like Chicago, Boston, New York, and Los Angeles.

What’s really remarkable about comparing Ontario to other provinces/states is that we’ve already done the heavy lifting in rebuilding our system and getting off dirty/cheap coal. While other provinces/states still need to undertake that work, Ontario will benefit from our leadership.

What is the cost of this program?

After many years of careful fiscal management are leading to a balanced budget in 2017-18, and we believe that Ontarians should be the first to benefit.

The rebate of HST will represent about $1 billion in taxes returned to families and small businesses on their bills.

Why will this take until January? What will people do until then?

The start of the next tax year begins January 1st. This is an aggressive timeline, and we are taking action to reduce the cost of electricity bills for families, businesses both small and large and reducing northern, rural and remote bills even more.

Our government currently has programs in place to assist low-income families, or families in a crisis, including the Ontario Electricity Support Program (OESP) and the Low-Income Energy Assistance Program (LEAP). I encourage customers to contact their local utility to find out what programs are available to them.

Program Names:

- Ontario Energy and Property Tax Credit
- the saveONenergy Home Assistance Program
- the Northern Ontario Energy Credit
- Ontario Electricity Support Program
- Low Income Energy Assistance program (LEAP) - provides emergency financial support to families and individuals up to $600

Can you predict where prices will go now?

Ontario`s government does not set electricity rates. Rates are set by the independent Ontario Energy Board.

As well, no utility, distribution company, government can predict the future; but our long term energy plan recognizes that electricity costs will rise in every part of Canada. Though, recently the FAO noted that prices in Ontario have increased at a slower pace than other provinces – including Quebec.

But, our government has heard from Ontarian's and is committed to helping people with the cost of everyday living. So, we’re taking action; we are reducing the cost of electricity bills for families, businesses both small and large and reducing even more for northern, rural and remote communities. We currently offer many programs, for example the Ontario Electricity Support Program and now can add another benefit for Ontarian's.

This next step is a billion dollars in taxes that we are giving back to Ontario families. The people of Ontario deserve to be the first to benefit from the hard work we have put into balancing our budget and meeting our fiscal targets.

-Sent Tuesday Sept. 13 by David Foster at Energy; Ministry of Energy: News - Electricity Rate Relief

Price Mitigation Initiatives
September 2016
Key Messages/Questions and Answers
Last updated by: Comms, SNAP, ESP MO

KEY MESSAGES

- Ontario is taking action to reduce electricity bills for families, farms, and businesses.

- We're doing this because we know that families need help with the cost of everyday living. Despite consistent economic growth since the global recession, many families aren't feeling Ontario's resurgence in their everyday lives.

- We also recognize that rebuilding and cleaning up Ontario's electricity system has come at a cost. Over the last decade we've rebuilt our transmission and distribution grid, we've invested in clean generation, and we've closed the last dirty coal-fired power plant. But we need to take the next step in ensuring that clean, reliable system is affordable.

- We're able to take action now because years of careful management is leading to a balanced budget in 2017-18; and we believe that Ontarians should be the first to benefit from the province's fiscal discipline.

- Recognizing this, we are introducing new measures that would take effect January 1, 2017, including:
    - Rebating provincial portion of the HST to reduce bills by 8% ($130 annually)
    - Cutting delivery charges for the most rural customers by 20% ($540 annually)
    - Empowering industrial businesses to reduce bills by one third through the Industrial Conservation Initiative

- Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.

- This plan builds on our government's commitment to provide affordable access to energy, including providing support for low-income families, expanding natural gas to more communities, and grid-connecting remote First Nations communities.

<u>QUESTIONS AND ANSWERS</u>

<u>Top Line</u>

Q. Is this because Ontario's electricity rates are skyrocketing?

Our government has heard from Ontarian's and is committed to helping them with the cost of everyday living. We`ve heard from Ontarians about their concerns, and so we`re acting to help where we can. Through this three point plan, our government will reduce the cost on electricity bills across the board.

In a recent report, the independent Financial Accountability Officer refuted many of the claims made about energy policy, and confirmed that the average family in Ontario spends less money on electricity than in every other province, except British Columbia. It also confirmed that total home heating and cooling costs are in the middle of the pack when compared to the other provinces.

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The start of the next tax year begins January 1st. This is an aggressive timeline, and we are taking action to reduce the cost of electricity bills for families, businesses both small and large and reducing northern, rural and remote bills even more.

Our government currently has programs in place to assist low-income families, or families in a crisis, including the Ontario Electricity Support Program (OESP) and the Low-Income Energy Assistance Program (LEAP). I encourage customers to contact their local utility to find out what programs are available to them.

Program Names:

- Ontario Energy and Property Tax Credit
- the saveONenergy Home Assistance Program
- the Northern Ontario Energy Credit
- Ontario Electricity Support Program
- Low Income Energy Assistance program (LEAP) - provides emergency financial support to families and individuals up to $600

Q. Isn't this just another version of the Ontario Clean Energy Benefit (OCEB) – except it's 8% instead of 10%? Why didn't you just keep the OCEB?

Ontario has made a decision to effectively-eliminate provincial taxes from electricity bills. The fastest, most efficient way to achieve this is through an immediate on-bill rebate of the provincial part of the HST.

Completely removing the tax from bills altogether would have involved years of talks with the federal government – and we are determined to take immediate action to help families and small businesses.

It's also important to remember that on January 1, 2016 the Debt Retirement Charge was eliminated from residential bills and the Ontario Electricity Support Program was launched to provide low-income families with up to $75 each month.Taken together, families are receiving far more than through OCEB.

Q. Can you predict where prices will go now?

Ontario`s government does not set electricity rates. Rates are set by the independent Ontario Energy Board.

As well, no utility, distribution company, government can predict the future; but our long term energy plan recognizes that electricity costs will rise in every part of Canada. Though, recently the FAO noted that prices in Ontario have increased at a slower pace than other provinces – including Quebec.

But, our government has heard from Ontarian's and is committed to helping people with the cost of everyday living. So, we're taking action; we are reducing the cost of electricity bills for families, businesses both small and large and reducing even more for northern, rural and remote communities. We currently offer many programs, for example the Ontario Electricity Support Program and now can add another benefit for Ontarian's.

This next step is a billion dollars in taxes that we are giving back to Ontario families. The people of Ontario deserve to be the first to benefit from the hard work we have put into balancing our budget and meeting our fiscal targets.

Q. Why is the government introducing these price mitigation measures? Is the government finally acknowledging that electricity prices are too high?

The new Minister of Energy was appointed to his position to take action on prices, and since being appointed in June, that's exactly what he's done.

Work on this project has been undertaken over the course of the last three or four months, and the results of that were included in today's throne speech.

Our government has heard from Ontarian's and is committed to helping them with the cost of everyday living. Through this three point plan, our government will reduce the cost on electricity bills across the board.

Families, farms, and small businesses will be rebated Ontario's percentage of HST on their bills which is a savings of 8% - a significant saving

Manufacturers will receive approximately 34% in savings as a result of the Industrial Conservation Initiative - which is a benefit in return for their continued commitment to meeting conservation targets.

Northern, rural and remote communities will be rebated 20% - a necessary relief for families to help offset the cost of supplying power (delivery charge) to these areas.

Q. Even with these price mitigation efforts, Ontarians will still likely struggle to pay their electricity costs. What are you going to do to stop further increases in the future?

We are committed to ensuring that the safe, clean, and reliable system we have built over the last ten years is as affordable as can be to Ontarians.

Ontario has already done the heavy lifting in terms of rebuilding aging transmission infrastructure and transitioning off coal-fired generation. Because of these investments, Ontarians aren't forecast to see the kind of energy cost increases coal-dependent provinces like Alberta and Saskatchewan are.

It's also important to remember that Ontario has already removed the Debt Retirement Charge and introduced the Ontario Energy Support Program – which provides targeted relief to low-income families.

Going forward, no utility, distribution company, or government can predict the future with certainty. We are acting now to put ensure access to our clean and reliable electricity system is as affordable as can be for all Ontarians.

Q. If the government is looking to reduce electricity system costs, why not simply cancel expensive renewable energy projects?

Ontarians elected our government to invest in clean energy and fight climate change, and that's exactly what we've done.

A diverse electricity supply of emissions free power improves our system by reducing our dependence on any one source. It is one of the greatest strengths of Ontario's electricity system.

Under Ontario's new competitive procurement process for renewable energy, we are driving down costs for Ontario consumers - removing about $3.3 billion in costs from our system when compared to the 2013 long term energy plan.

With the recently announced Large Renewable Procurement contracts, the price for wind power is now on a level playing field with other forms of generation in Ontario; and the price contracted for solar power represents the lowest cost solar projects that have been contracted in Canada to date.

Ontario is committed to investing in a clean, modern and reliable electricity system that reduces greenhouse gas (GHG) emissions and provides cleaner air for this and future generations of Ontarians.

Each of our supply mix elements, including hydroelectric, nuclear, natural gas, non-hydro renewables, conservation and clean imports, plays a unique role in delivering a reliable and cost-effective source of energy to Ontarians.

Q. Was there any consultation with the public or businesses when developing these price mitigation measures?

This initiative is a reflection of the hard work we have put into balancing our budget and meeting our fiscal targets. We believe that the people of Ontario deserve to be the first to benefit from our sound financial position.

Our government has heard from Ontarians and is committed to helping them with their everyday living costs, and that's why we've brought forward these measures.

This year, the Ministry of Energy is also beginning to develop its next Long-Term Energy Plan (LTEP). Developing the LTEP is a highly collaborative process. The Ministry works closely with its agencies and stakeholders during LTEP consultations and development.

LTEP consultations are expected to take place in over the next several months and we encourage all Ontarians to take part in the discussion of Ontario's energy future.

Q. When will these mitigation measures take effect?

We are introducing legislation to support the proposed 8% rebate on September 15, 2016 (TBC). If passed, residential consumers, small businesses and farms will start receiving the rebate on January 1, 2017.

This start date will be aligned with the start of the next fiscal period of January 1st, and represents an aggressive timeline.

Our government has many programs currently in place to assist Ontarian's with their everyday energy costs, including the Ontario Electricity Support Program which we introduced earlier this year. We encourage customers to contact their local utility to find out what programs are available to them.

Q. Will Local Distribution Companies (LDCs) be ready to implement the bill changes? What happens if they are delayed? Will consumers be compensated retroactively?

Early reaction from LDCs suggests that they will be able to meet our implementation targets. However, we will work with the Ontario Energy Board and Local Distribution Companies (LDCs) to ensure the necessary adjustments are made to LDC billing systems.

LDCs already have experience with the implementation of billing changes like those associated with the OCEB and the Ontario Electricity Support Program (OESP).

8% rebate for residential consumers, small businesses and farms:

Q. How will customers receive this rebate? Is it permanent? Are there any requirements to be eligible? Who will be receiving this rebate?

The proposed rebate will be available to all consumers eligible for the Regulated Price Plan (RPP) – this includes about five million residential consumers, small businesses and farms.

The HST rebate will remove 8% from all of these customers' bills. That is a significant savings.

Consumers won't have to do anything to receive the rebate, it will be automatically added to their bills.

Q. How much can an average customer expect to save off their electricity bill?

The average customer in an urban area will see the provincial portion of the HST rebated to them. That means their bills will be reduced by 8%, or $130 annually - a significant savings.

Northern, rural, and remote communities will see their bills reduced even more through a lower delivery charge on their bills. These customers will see a reduction of 20% on average, or $540 annually – once again, a significant savings for families in these regions of Ontario.

Q. Will any other programs be affected by this rebate? For example, will recipients of the Ontario Electricity Support Program also receive the rebate?

The proposed rebate would apply to all RPP-eligible consumers regardless of income, status or location.

That means the rebate will work with other existing programs, such as the Ontario Electricity Support Program (OESP).

Q. Are consumers really receiving an 8% rebate when taking into account the costs associated with the other price mitigation measures you're announcing today (i.e. RRRP and ICI)?

With today's announcement the RRRP is nearly doubling. Currently it's a $175 million program. It will be increased by $110 million to provide eligible rural customers a cumulative 20% reduction in their hydro bills.

The Ontario Energy Board sets the policy for who is an urban, R1 and R2 customer and it is driven by density considerations and the high cost of serving remote, rural and northern customers as compared to compact, downtown urban cores.

As this is a ratebase program, the Ontario Energy Board will need to opine on how the costs are allocated so it's difficult to come up with a specific numbers on bill impact. However, the current program cost is about $1 per month.

However, each utility provides similar equalization within their own customer base – think about downtown Toronto, with dozens of high-rise condo towers and within the same LDC (in this case Toronto Hydro), the slightly more expensive to service suburban customers (again, density) all pay the same distribution rate. So the RRRP is a province-wide mechanism that recognizes that cost of service differential and provides rural and remote customers with a modest, but meaningful support.

Q. Doesn't the rebate reward those who use more electricity – how does this encourage conservation?

Our government remains committed to Putting Conservation First.

Conservation is good government policy – it empowers individuals to lower their own bills, while reducing system costs and saving all Ontarians the cost of new generation and transmission infrastructure.

This rate mitigation is a result of what we have heard from Ontarians and our commitment to helping people with their everyday costs.

The mitigation package does not change our conservation goals.

<u>Expansion of the Industrial Conservation Initiative (ICI):</u>

Q. Why are you expanding the Industrial Conservation Initiative? How will the expansion of ICI help businesses with their electricity costs?

The Industrial Conservation Initiative (ICI) allows large electricity consumers to save on their electricity costs by reducing their demand during peak hours. Reducing consumption during peak hours benefits the companies' bills, while also benefiting the electricity system at large by reducing demand on the system during peak times.

Our expansion of the ICI will lower the threshold for participation in the program, expanding access to the program to over a thousand new businesses across the province, while also increasing the benefit to the system at large.

It will be up to individual businesses to decide whether and how to participate in the program. Participating businesses could see savings on their electricity bills of up to one third of their total costs.

Q. How much can ICI participants expect to save in terms of electricity costs? When will they start to see the benefit financially?

ICI participants save approximately one-third on their electricity bills.

Companies that opt in to the program in 2017 will begin to see these significant savings on their bills in 2018.

If pressed:

Companies that opt-in to ICI would see the impact in 2018 due to the time required to implement the expansion and the need to set a one-year baseline.

Q. How many companies will be eligible for the ICI once the expansion happens?

Currently there are about 300 consumers in the ICI program.

Over a thousand more Ontario businesses will be eligible to benefit from the ICI program after these changes, helping them stay competitive and grow.

Q. What about companies that can't shift their operations to off-peak hours? Will they be penalized financially by having to pay higher rates?

As outlined in the 2016 Budget and the Climate Change Action Plan (CCAP), 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.

These efforts are in addition to the programs Ontario already has in place to help industrial consumers address the cost of their electricity.

Companies in the province will continue to benefit from these programs.

Ontario's electricity rates are already extremely competitive with other jurisdictions. The combination of our hybrid electricity market, using regulated, contract and competitive market pricing, provides long-term price stability for industrial and smaller customers.

If pressed on what programs currently exist:

(see GHG Recycling Account messaging below)

In addition to the ICI, there are many existing programs and incentives available to support industrial consumers.

For example:

- Participants in the Northern Industrial Electricity Rate Program (NIERP) receive a rebate of two cents per kilowatt hour. On average, industrial electricity prices can be reduced by up to 25%

through the program. In 2015, the Ontario government announced the commitment to an ongoing NIERP beyond March 2016.

- The Industrial Electricity Incentive (IEI) offers reduced electricity rates for companies starting or expanding operations in Ontario. To date, IESO has awarded 22 contracts to electricity-intensive companies across the province through the program.

- The Industrial Accelerator Program (IAP) provides financial incentives to eligible transmission-connected companies to fast track capital investment in major energy conservation projects.

- The IESO holds annual demand response auctions, which provide availability and utilization payments to successful participants that commit to reducing their electricity consumption when called upon to do so.

- The IESO's saveONenergy for Business conservation programs for commercial and industrial consumers offers financial incentives to distribution-connected small businesses, commercial, institutional and industrial consumers, to install energy-efficient equipment and improve the energy efficiency of their buildings.

As we move forward we will continue to look at all options to strike the balance between reliability and affordability, while continuing our work on modernizing our electricity system.

Q. If new ICI participants will be getting a break on their bills, where will the money come from? How will costs get shifted?

An ICI participant's share of peak demand is used to calculate some electricity charges. The remainder of these charges not allocated to ICI participants would be shared across remaining consumers.

Over the long-term, system benefits from ICI include reducing electricity use during peak periods and reducing the need for new peaking generation.

Impacts will depend on a number of factors, including how many eligible companies decide to opt-in and their ability to reduce their electricity demand during peak hours.

If pressed:

The combination of the RRRP and ICI expansions are estimated to cost ratepayers about $1.74/MWh in 2018. To put this into context, this represents about $1.31 per month for the average household. This small cost will be more than offset by the other elements of our rate mitigation package.

<u>Rural or Remote Rate Protection (RRRP) Update:</u>

Q. What is Rural or Remote Rate Protection (RRRP)? How is RPPP being updated? What kind of relief will it provide to ratepayers that currently receive it?

Customers in Northern, rural, and remote communities face higher distribution charges due to the high cost of delivering electricity to these areas.

The RRRP is a program that provides a subsidy to these customers to help with these costs.

As part of our rate mitigation efforts, we are almost doubling the RRRP to help these customers with their bills. This will mean an average savings of $540 per year for these individuals and families.

The level of RRRP has not been changed since 2003, which has resulted in diminishing relief for customers over the years.

That's why are going to increase the support to these consumers by updating the RRRP.

Q. Why are urban customers subsidizing rural consumers? Isn't this just a tax on some to provide relief for others? How does this rate relief benefit the electricity system?

The RRRP has been in place since 2001 and replaces a similar program that was in place prior to 1998.

It provides relief for the high distribution charges faced by Northern, rural, and remote customers as a result of the high cost of delivering electricity to these areas.

The cost of this program to an average urban family has been about $1.00 per month since 2003, and would increase by about $0.60 for the average customer with these changes in January.

This increase is more than offset by the 8% HST rebate that we are including in this rate mitigation package, which will save the average family $130 per year.

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<u>Additional QAs provided by the Ministry of Finance</u>

Q. How would the Ontario Rebate for Electricity Consumers impact Ontario's plans for a balanced budget?

The Ontario Rebate for Electricity Consumers would help make everyday life easier for Ontario families, small businesses and farms with electricity costs by providing a rebate that is equal to the eight per cent provincial portion of HST. This eight per cent rebate would appear directly on the consumer's electricity bill.

The government remains committed to balancing the budget by 2017-18 while continuing to invest in the economy, our people and a healthy, clean and prosperous low-carbon future. These investments will help enhance the public services that Ontarians rely on, as well as stimulate economic growth.

Q. Do other provinces provide harmonized sales tax (HST) rebates related to energy?

Currently, there are no federally-administered point-of-sale rebates for electricity in any of the other provinces participating in the HST.

Nova Scotia is the only province with a provincially administered home energy rebate program that is equal to the provincial portion of the HST, and applies to all sources of residential use energy, including electricity.

Newfoundland and Labrador had a “Residential Energy Rebate” that was eliminated, effective July 1, 2015. The rebate, which came into effect October 11, 2011, was a provincially administered energy rebate equal to the provincial portion of the HST on energy used for residential purposes, including electricity.

Q. Would the rebate affect HST paid by consumers?

No. The HST on electricity costs remains at 13 per cent.

Q. What happens to input tax credits claimed by businesses?

Most businesses engaged in commercial activities can claim input tax credits to recover the HST they pay to operate their business.

Following the introduction of the eight per cent rebate, businesses would continue to be able to claim the credits as usual.

With this rebate, businesses across Ontario would have even more opportunity to be competitive and manage their energy costs.

Q. How is Ontario helping to lower electricity costs for residential consumers?

Ontario has a number of programs in place to help low-to-moderate income individuals and families with energy costs, including the Ontario Energy and Property Tax Credit, the Ontario Electricity Support Program, the Ontario Sale Tax Credit.

The Ontario Rebate for Electricity Consumers would be another program that would help Ontario families, small businesses and farms with electricity costs in addition to the above mentioned programs, if consumers were eligible.

-Sent Tuesday Sept. 27 by David Foster at Energy; Ministry of Energy: News - Suspension of LRP II

Large Renewable Procurement
Key Messages/Questions and Answers
Last updated by: MO

<u>KEY MESSAGES</u>

- To reduce electricity costs, Ontario will immediately suspend Large Renewable Procurement.
- In September the Independent Electricity System Operator advised the Minister of Energy that Ontario will benefit from a strong supply of electricity over the coming decades.
- Consultations on the government's renewed Long Term Energy Plan will begin this fall, which will provide an opportunity for the public and for stakeholders to participate in a review of any continued procurements.
- Since being appointed Minister of Energy in June 2016, Minister Thibeault has focused on assessing all options to reduce electricity costs to help people with the cost of everyday living.
- Suspending the LRP will save $3.8 billion in costs for the electricity system, reducing consumer bills by $2.45 per month.
- This action follows directly on a decision by the government permanently and instantly rebate all provincial taxes from electricity bills, and to expand programs that reduce rural delivery charges and industrial business costs.
- Ontario's government remains focused on doing everything it can to reduce electricity system costs and responsibly manage a clean, reliable supply of power.
- Since 2003, Ontario has established itself as a global leader in clean energy investment, and we have now secured more than 18,000 megawatts of renewables installed or under construction.
- Consultations for Ontario's renewed Long Term Energy plan will being this fall. This process will provide the public and stakeholders the opportunity to contribute to Ontario's long term system planning, including options for a diverse, clean supply of electricity.

QUESTIONS AND ANSWERS

Q1. What will happen to existing clean energy contracts?

Ontario will honour all existing contracts with renewable developers. The decision to suspend the latest round of Large Renewable Procurement will have no effect on existing clean energy contracts, including those entered into as a result of the first round of the LRP program (LRP1). These contracts will continue as planned, and successful proponents of the LRP1 process will continue to advance contingent on the necessary licenses and approvals.

Unlike the opposition, this government will not consider ripping up clean energy contracts, which would cost ratepayers billions of dollars and send the message to investors that contracts don't count for much in Ontario.

Q2. How will this impact green energy jobs in Ontario? What about manufacturers in the Samsung agreement?

Over the last decade, Ontario is and will remain a global leader in clean energy development, attracting both Ontario-based and international investment. There are currently about 18,000 MW of renewable power online or contracted in Ontario.

Ontario firms are already exporting their products and expertise as other jurisdictions. Recently, Siemens in Tillsonburg announced a significant export agreement with the United Kingdom for their windmill blade manufacturing plant in Tillsonburg with 300 employees. We expect this opportunity to increase as 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 on an international scale, for the benefit of Ontarians.

The government will continue to support a number of clean energy investments. These include procurements made through the FIT (for projects between 10kW-500kW) and microFIT programs (10kW 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, among other benefits. Continued deployment of small scale renewables will also contribute to the clean energy industry in this province.

We recognize and appreciate the investments that companies including Samsung and many others have made in Ontario's renewable energy sector over recent years. These investments will continue to provide opportunities to communities across the province.

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

Our government recognizes that sound, prudent long-term energy planning is essential to a clean, reliable and affordable energy future. That's why, in 2015, we enshrined the long-term energy planning process into law.

The process for LTEP 2017, to be released this coming spring, has already begun. It will involve extensive consultations with communities, stakeholders, and Indigenous groups. One of the focuses of discussion will be future energy demand and the need to meet that demand with clean, reliable, and affordable supply.

One of the first steps in the LTEP process was the release of the Ontario Planning Outlook (OPO) by the province's independent system operator this fall. As confirmed in the OPO, Ontario has one of the cleanest electricity 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. Ontario has about 18,000 MW of wind, solar, bioenergy and waterpower renewable generation currently contracted or online. These sources accounted for an impressive one-third of all power generation in the province in 2015.

Based on the strong supply situation revealed in the OPO, there is no need to procure a large amount of additional electricity supply at this time. The Minister's focus is on the affordability of the system, and consistent with this goal the Ministry has decided to suspend the LRP to reduce costs for Ontarians.

Q4. Is this a permanent suspension? Or 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

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. The Large Renewable Procurement's competitive model will serve as a strong foundation on which to undertake any future renewable power procurement.

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

The LRP process was designed to strike the right balance between early community engagement and achieving value for ratepayers by putting an emphasis on cost. The new process had many successes, with the majority of projects enjoying support from municipalities, landowners, and Aboriginal communities. It also resulted in prices for wind power on a level playing field with other generation sources, and solar contracts that are the lowest cost to have been contracted in Canada to date.

The Ministry's decision in this case was a result of our strong supply situation, and the Minister's focus on assessing all options to reduce electricity costs and help people with the cost of everyday living.

As confirmed in the Ontario Planning Outlook (OPO), Ontario is 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. 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 will maintain system reliability and 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. 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 electricity supply mixes 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 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.

Q7. What will happen to FIT?

The FIT program will not be impacted by the suspension of LRP. The next round of the Feed-In Tariff (FIT) program, FIT 5, will proceed as planned. The FIT 5 application window is scheduled to open on October 31, 2016. FIT 5 has a procurement target of at least 150 MW for small renewable energy projects.

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

HST Rebate vs Ontario Clean Energy Benefit

- The Ontario Clean Energy Benefit (OCEB) was a five year **temporary program** that ended – **as planned** – last year.
- It was introduced to help consumers as we transitioned from coal towards a **clean, modern and more reliable** electricity system.
- The good news is that we've already done the heavy lifting in terms of **rebuilding aging infrastructure** and **transitioning off of coal.**
- **Because of these investments**, Ontarians won't see the cost increases coal-dependent provinces like Alberta and Saskatchewan will.
- But we need to take the next step in ensuring that our clean, reliable system is **affordable**.

- Despite **consistent economic growth since the global recession**, many families aren't feeling the impact of the recovery in their everyday lives.

- Recognizing this, **we are taking the single largest action to reduce costs for electricity consumers** in the province's history.

    - Rebating provincial portion of the HST to reduce bills by 8%
    - Cutting delivery charges for the most rural customers by 20%
    - Empowering industrial businesses to reduce bills by one third through the Industrial Conservation Initiative

- These **permanent** new measures, which build on a number of other assistance programs, will take effect January 1, 2017.

- When combined with removing the Debt Retirement Charge, we're saving the average family $195/year, **more than what these same customers saved under the OCEB.**

- This is on top of existing programs like the **Ontario Electricity Support Program**, which is saving families in need another $430/year on average.

- We've also nearly doubled the **Rural or Remote Rate Protection** program, saving rural and remote customers an additional $324/year on average.

- Our plan provides needed assistance to consumers of all sizes, and it **targets support to those that need it most**.

- We're doing this because **we know that families need help with the cost of everyday living**.

Background

Removing the Debt Retirement Charge saved the average family $65/year (4%, or $5.42/month)

The HST rebate is an average of $130/year (8%, or $11/month)

OCEB for these same customers would be, on average, $162.50 (10%, or $13.54/month)

Net, these customers are still seeing $32.50 in additional savings under the new set of programs. (2%, or $2.71/month)

That means that our efforts over the past year not only save every family more than they ever did under OCEB (as seen above), but families most in need of help have been given even significant support over and above that baseline.

-Sent Friday October 14 by David Foster at Energy; Ministry of Energy: News – Darlington Refurbishment

Darlington Breaker Event

ENERGY – Questions and Answers

Event date: October 14, 2016

Last reviewed/updated by: Issues and Media

KEY MESSAGES

- **Nuclear energy is the backbone of Ontario's supply mix, providing about 60 per cent of the power used by Ontarians every day.**

- **Consistent with the 2013 Long-Term Energy Plan (2013 LTEP), Ontario is moving forward with nuclear refurbishment at the Darlington Generating Station. This will support the Government's plan for supplying reliable emission-free power over the next 40 years.**

- **Refurbishment is expected to generate $14.9 billion in economic benefits to Ontario, and will create 8,800 jobs per year over the course of the project and 11,800 jobs at its peak.**

- **Once complete, the refurbishment of Darlington Generating Station will secure 3,500 MW of affordable, reliable and emission-free power.**

- **Ontario Power Generation (OPG) is commencing refurbishment of Unit 2 – the first unit to be refurbished at Darlington. The project is on track and within the approved budget.**

- **To protect Ontario ratepayers and ensure OPG delivers refurbishment on-time and on-budget, the government has established off-ramps that require OPG to seek government approval prior to proceeding with each of the remaining unit refurbishments.**

- **The average cost of power from Darlington after refurbishment is within the range assumed in the 2013 LTEP for refurbished nuclear energy and lower than the average price of electricity generation in Ontario.**

QUESTIONS AND ANSWERS

Darlington Refurbishment

Q. How will this project benefit the province?

Refurbishing Darlington is an investment in Ontario. It's good for the customers, it's good for the economy and it's good for the environment.

Nuclear power provides around 60% of the energy used by Ontarians, and through the refurbishment of units at the Darlington Generating Station and the Bruce Generating Station, nuclear will continue to provide safe, clean, and reliable energy across the province.

Nuclear refurbishment will boost economic activity across Ontario by creating jobs, and securing a clean and affordable supply of reliable electricity for consumers.

The project is expected to contribute $15 billion to Ontario's gross domestic product (GDP) throughout the project and create up to 11,800 jobs annually.

Q. Is the project on schedule?

The project remains on track to commence the refurbishment of the first unit (i.e., Unit 2) in October 2016.

Q. How will the Government protect against cost overruns?

All costs for the Darlington refurbishment are subject to review and approval by the Ontario Energy Board (OEB) through a public and transparent process. As OPG's sole shareholder, the Government receives regular updates from OPG on the progress of the refurbishment project.

The Government has built a number of off-ramps into the refurbishment process to ensure that ratepayers are protected from cost overruns and unexpected changes. After each reactor, the decision to proceed with refurbishment is returned to Cabinet for confirmation before projects continue. This prudent project structuring provides substantial protection to the Government and ratepayers.

The Government retained an Independent Oversight Advisor to provide regular updates on the progress of the Darlington Refurbishment project during the planning phase. The Government will continue to ensure robust oversight of the project and has developed an oversight structure for the execution phase.

OPG provides regular public updates on the progress of the refurbishment project.
Semi-annual Performance Reports by OPG communicate major milestones and outline progress against timelines and budgets.

Q. What is Government doing to minimize risk to ratepayers during refurbishment?

Our government is taking significant steps to ensure the refurbishment at Darlington is done right. During refurbishment, Ontario Power Generation (OPG) will be subject to strict oversight to ensure safety, reliable supply and value for ratepayers.

In order to minimize risk to ratepayers and Government, refurbishment of Ontario's nuclear assets will be guided by principles set out in the 2013 LTEP. The actions taken include the following:

- **Lessons learned from other major projects have been incorporated in an extensive and robust planning process.** OPG has undertaken six years of detailed planning and preparation, including building a state-of-the-art full size reactor mockup – the first of its kind in the world – to test specialized tools and train workers;

- **OPG requires government approval prior to commencing the refurbishment of each nuclear unit, providing a natural off-ramp at each of these points in time.** The decision to proceed with future Darlington unit refurbishments will depend on performance on preceding refurbishments; and

- **OPG has structured its vendor contracts to hold the vendors accountable for price and schedule.** OPG and vendor teams have also implemented improvements to nuclear safety culture, increased field engineering, and construction support;

- **OPG has implemented a multi-layered oversight structure for the project including internal and external expertise.** In addition, the government has retained an independent oversight advisor to report to the Minister of Energy and ensure continued effective oversight during the execution phase of the project;

- **The Ministry has facilitated a Memorandum of Understanding (MOU) between OPG and Bruce Power to collaborate during the refurbishment period.** This builds on a strong, long-standing relationship as successful nuclear operators, and will allow for best practices and information to be shared. In addition, the two companies will report annually to the public and the Ministry on their activities

Q. How does this fit with your decision to suspend LRP 2? Don't you already have adequate supply?

Nuclear power currently provides around 60% of the electricity used by Ontarians and produces no greenhouse gas emissions.

Ontario's nuclear reactors are designed to provide electricity generation for approximately 25 – 30 years. Refurbishment and replacement of key reactor and station components is necessary to allow for continued operation for approximately 30 additional years.

Refurbished nuclear is the most cost-effective generation resource available to Ontario for meeting base load requirements.

Existing stations are located in supportive communities with access to high-voltage transmission.

During refurbishment, Ontario Power Generation (OPG) and Bruce Power will be subject to strict oversight to ensure safety, reliable supply and value for ratepayers.

All of these factors were taken into consideration before the decision to suspend the second round of the Large Renewable Procurement Process was made.

Consultations for Ontario's renewed Long Term Energy plan will being this fall. This process will provide the public and stakeholders the opportunity to contribute to Ontario's long term system planning, including options for a diverse, clean supply of electricity.

Q. Are there environmental benefits to this?

Nuclear power generation produces no greenhouse gas (GHG) emissions. Refurbishment will ensure 3,500 MW of GHG emissions-free power over the long-term and help reduce Ontario's GHG emissions to the equivalent of taking two million cars off the road each year.

Q. How much will the power cost?

The price of power from the refurbished station is expected to be between $72 and $81/MWh (or 7 and 8 cents per kilowatt hour).

Both prices are within the range assumed in the 2013 LTEP for refurbished nuclear energy and are lower than the average price of electricity generation in Ontario, which in 2015 was $92/MWh (or 9.2 cents per kilowatt hour).

Q. Why is the government proceeding with a costly refurbishment when it could import electricity from neighbouring jurisdictions?

Ontario currently imports a significant amount of electricity on the spot market as part of the regular operation of our electricity system. These imports compete with domestic sources, allowing the least expensive resource to supply electricity to the system.

Replacing a significant amount of nuclear generation with imported electricity would require the establishment of firm contracts with neighbouring jurisdictions that guarantee that power is available when we need it.

At the request of the Minister of Energy, the former Ontario Power Authority (OPA) and Independent Electricity System Operator (IESO) released a report in October 2014 that focused on the technical capabilities of Ontario's interties and transmission system.

The report found that a large, firm import agreement would require significant transmission investment, and possibly generation investment in the exporting jurisdiction.

As recommended in the report, we continue to investigate the potential for smaller import agreements and the potential participation of imports in IESO capacity auctions.

Bruce Station Refurbishment

Q. When is the scheduled start date for refurbishment of the Bruce Station?

On December 3, 2015, the government announced an updated agreement with Bruce Power to secure 6,300 MW from the Bruce Nuclear Generation Station.

Under the amended Bruce Power Refurbishment Implementation Agreement (BPRIA), refurbishment of the first of six units will begin in 2020.

The amended BPRIA provides a long-term contract for the whole Bruce facility.

The amended BPRIA covers the refurbishment of the four Bruce B units, in addition to two Bruce A units.

Safety related to refurbishment

Q. In December 2015, the Canadian Nuclear Safety Commission (CNSC) announced its decision to grant Ontario Power Generation (OPG) a 10-year operating licence renewal to allow for the Darlington Generating Station to operate for another 30 years.

Are there any safety concerns?

Nuclear safety and security are top priorities for the government and Ontario's nuclear operators.

For the CNSC to allow refurbishment to proceed, the project proponent must demonstrate that adequate provisions for the protection of the environment and the health and safety of people will be made.

As part of its licensing process, the CNSC requires technical and environmental assessments be completed before authorizing a refurbishment project.

CNSC arrived at its licencing decision after undertaking a comprehensive public hearing process during which it considered submissions from OPG and 281 intervenors, as well as CNSC staff's recommendations.

CNSC will continue to provide ongoing oversight of the performance of Darlington NGS as well as the Darlington Refurbishment Project over the 10 year license period. Note that CNSC has full-time staff at Darlington NGS to perform inspections and to verify compliance with regulatory requirements and license conditions.

Q. In May 2016, an anonymous letter was sent to CNSC expressing concerns related to the licencing process for nuclear power plants in Ontario.

Was this ever investigated? Is there any legitimacy to the claims?

CNSC has taken swift action to thoroughly investigate the claims in the letter.

On August 3, 2016, the Canadian Nuclear Safety Commission (CNSC) completed its investigation into a May 2016 anonymous letter, purportedly by CNSC staff, expressing concerns related to the licensing process for nuclear power plants in Ontario.

CNSC's investigation concluded that none of the concerns expressed in the letter point to any safety issues and confirmed once again that our nuclear plants are safe and compliant with licensing requirements.

We expect Ontario Power Generation (OPG) and Bruce Power to continue to comply with all CNSC regulations.

Safety is our top priority – and nuclear power has been safely powering our homes and businesses for over 40 years.

-Sent Wednesday October 19 by David Foster at Energy; Ministry of Energy: News - OEB RPP Rate Decision

Key Messages

- The Ontario Energy Board(OEB) has announced that residential and small business electricity prices will remain unchanged for the next price period (November – April).

- The OEB is an independent, quasi-judicial regulator with a mandate to protect the interests of Ontario ratepayers and is responsible for setting electricity rates twice a year so Ontarians know what to expect.

- The Ministry of Energy remains focused on doing everything possible to remove electricity system costs and reduce costs to consumers.

- These efforts include the recent announcement to suspend the second round of procurement for large renewable generation, forgoing nearly $4 billion in system costs.

- As well as new legislation to remove the provincial portion of the HST from electricity bills, a savings of 8% for five million residences, farms, and businesses across the province.

- Consultations are currently underway for the Province's next Long-Term Energy Plan. This will be the most extensive consultation process related to the energy sector in the history of Ontario. All consumers and stakeholders are invited to join, and to help plan for Ontario's energy future.

-Sent Friday October 21 by David Foster at Energy; Ministry of Energy: News - Ontario-Quebec Agreement

KEY MESSAGES:

- **Ontario and Quebec have achieved a landmark, seven-year agreement that will help make electricity in Ontario more affordable, clean, and reliable.**

- **Ontario will import up to 2 terawatt hours of clean hydro power from Quebec annually – enough to power the City of Kitchener.**

- **This agreement will reduce electricity system costs by about $70 million, when compared to the 2013 LTEP, and will offset reliance on natural gas power plants, reducing GHG emissions by one million tonnes each year (-25%).**

- **These imports, as well as a renewed agreement on capacity swaps, are an expansion of the provinces' existing deal. They allow each province to help each other out during their respective electricity peaks – the hottest days of summer for Ontario, and the coldest days of winter in Quebec.**

- **In addition, the provinces will also enter into a new agreement for Quebec to store power produced in Ontario. Up to 500 gigawatt hours of electricity from Ontario can be sent to hydro reservoirs in Quebec at times when the power is needed least, and brought back when Ontario needs the power most. This will achieve significant savings for Ontario's electricity system and make better use of our renewable power fleet.**

- **Working together, Ontario and Quebec are making the best possible use of electricity systems without additional costs to either province, which will deliver savings for consumers in the long-term.**

Q. What exactly is being announced today?

Today, Ontario and Québec signed an agreement-in-principle that will reduce greenhouse gas (GHG) emissions and ensure electricity system reliability and affordability for mutual benefit.

The provinces have agreed on terms for an electricity trade agreement for trading energy, capacity and storage until 2023.

Upon final negotiation of the agreement by the Independent Electricity System Operator (IESO) and Hydro Québec (HQ), the final agreement would start in December 2016 and last until the end of 2023. The agreement includes three components:

- Québec will provide energy to Ontario to offset gas production;

Ontario will import electricity during peak hours when natural gas would otherwise have been used in the province. These energy imports from Québec will be clean hydro power, resulting in reduced GHG emissions from Ontario's electricity sector.

- Ontario will provide capacity to Québec to help fill Québec's winter shortfall;

Ontario will continue to provide 500 MW of capacity from December to March to help fill Québec's winter shortfall, similar to the *Seasonal Capacity Sharing Agreement*.

- Québec and Ontario will participate in an energy storage arrangement.

Ontario will send energy to Québec in off-peak, lower-priced periods and withdraw that energy back in on-peak, higher priced periods.

This electricity trade contract would result in electricity sector GHG emissions in Ontario being reduced by approximately 1 megatonne per year from 2017-2023. This electricity trade contract would also provide savings to Ontario ratepayers.

Q. How does this agreement benefit the province and Ontario's ratepayers?

The agreement-in-principle for trading energy, capacity and storage helps to mitigate electricity sector gas emissions in Ontario, improves the reliability of Ontario's electricity system and provides savings to Ontario ratepayers.

Importing clean hydro power from Québec will also help Ontario target increased electricity sector greenhouse gas emissions, in line with our climate change policies.

Furthermore, Ontario's ability to store energy in Québec's energy reservoirs will allow Ontario to access lower cost energy supply during on-peak hours and mitigate surplus baseload generation.

Q. What kind of impact will importing Québec energy have on our electricity system?

Quebec will deliver 2 terawatt hours (TWh) of energy per year to Ontario from 2017-2023, which will target specific hours in which natural gas would have otherwise been used. 2 TWh is enough to power the city of Kitchener for a year.

The imported energy from Québec is clean hydro power, and its use will be targeted to specific hours in which natural gas would otherwise have been used in Ontario.

By using clean hydro power from Québec, electricity sector GHG emissions in Ontario are expected to be reduced by approximately 1 megatonne or up to 25% per year from 2017-2023.

Q. When would the additional electricity be imported? During on-peak hours or off-peak hours?

The imported energy from Québec is clean hydro power, and its use will be targeted to specific hours in which natural gas would otherwise have been used in Ontario, typically on-peak.

Gas-fired generation facilities help ensure the reliability of the electricity system during periods of peak demand. They complement Ontario's nuclear and hydro facilities which provide baseload power.

hydro sale

-There were no KMs sent during this period under the explicit banner of the hydro sale. There may be some messages and Q&As that reference it included as part of the electricity/ energy investments messaging.

daycare commitment

-Sent Friday Sept. 23 by Frédérique Bouchard at Education; Childcare Echo Announcements - September 23

Some of you will be out today making echo announcements on our recent commitment to create additional 100,000 childcare spaces across the province over the next five years. Just wanted to bring to your attention a story in the Toronto Star this morning. The Star reports that advocates are warning against spending that cash on for-profit centres. Daycare advocates are worried about so-called “big box” child care and corporate chains swooping in and taking over. Please find below the key messages to address these concerns.

Question: Why are you funding private child care instead of solely not-for-profit care?

Key Messages:

- We know parents across this province want the best possible start in life for their children. It’s our responsibility as a government to ensure that families have the right supports so children can grow and learn in a healthy environment.

- That’s why we’re creating 100,000 new licensed child care spaces across Ontario, which will double the current capacity for the 0-4 age group. This commitment is a significant investment that will require conversations with our community partners, families, schools and licensed child care providers to ensure we get it right. It will also require both operational and capital planning, including building and retrofitting new space as well as recruiting and training new staff. Our five-year roll-out plan will be developed as part of the government’s engagement which will begin this fall.

- Parent choice and flexibility, as well as access to affordable quality child care, are key principles to this commitment. As of March 31, 2015, 76% of licensed child care centres in Ontario are not-for-profit and this figure has remained consistent since the phased transfer of child care to the Ministry of Education in 2010.

- All child care operators, whether they are not-for-profit or for-profit, are required to meet the province’s licensing requirements established under the new *Child Care and Early Years Act, 2014*, which supports the health, safety and well-being of children in care.

- The *Child Care and Early Years Act, 2014,* makes it a matter of provincial interest that our system of child care and early years programs be responsive to communities’ needs and include services both for families who receive financial assistance and those who do not.

- The province provides funding to 47 Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) as the local service system managers for child care. These municipalities (or regions) have the authority to determine funding priorities within their local child care system, provided they comply with provincial legislation, policies and guidelines. The government’s child care funding framework includes direction to CMSMs/DSSABS to prioritize not-for-profit child care in key funding areas, such as general operating funding.

- Since 2003–04, the government has doubled child care funding to more than $1 billion annually.

Question: How are you going to make these additional spaces more affordable?

Key Messages:

- Our commitment to 100,000 new child care spaces in Ontario will absolutely include child care subsidies to support families.
- The conversation on childcare spaces can't happen without talking about affordability in the system.
- This investment is going to help Ontario families who want better access, more choices and greater convenience when it comes to licensed child care in this province.
- We have committed to $600 - $750 million in operating costs which will include subsides.
- Costing and allocations will be developed as we engage families, communities, ECEs, child care staff, employers, advocates, deliverers, Indigenous communities and other partners.
- We cannot make these kind of transformational investment without the valuable input from our partners.
- Our historic investment will make the child care system more affordable, flexible and accessible

tuition

-There were no KMs sent during this period under the explicit banner of tuition. There may be some messaging referencing tuition included in the KMs about the throne speech.