RE: Media request: QP Briefing

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Minor edit below, thanks

From: Nekolaichuk, Colin (ENERGY)
Sent: August-14-17 3:47 PM
To: @OPO-Media Relations and Issues Management
Cc: Berry, James (ENERGY); Campbell, David (ENERGY); Coker, Meaghan (ENERGY)
Subject: Media request: QP Briefing

Hi all,

We've learned that tomorrow morning the CD Howe Institute will be releasing a report title "Ontario's Green Energy Experience: Sobering Lessons for Sustainable Climate Change Policies." The report contrasts the negative economic impact of rising electricity rates with what it calls marginal gains in environmental outcomes. I've attached the report and the release here. They will also be hosting a conference call with the author of the report on Thursday (https://www.cdhowe.org/essential-public-policy-events/inside-access-ontarios-green-energy-experience-sobering-lessons-sustainable-climate-change-policies)

QP Briefing has asked us to comment on the three main ideas of the report, as follows:

- The *Green Energy Act*'s Commitment to renewable energy policies in Ontario has dramatically increased users' electricity charges over the past eight years.
- These policies have yielded modest environmental benefits. They have also had a likely negative effect on employment in the province.
- A revenue- and technology-neutral carbon tax (or cap-and-trade equivalent) would be a much more cost-effective policy than massive subsidies to technologies or users, with subsidies restricted to supporting basic R & D on new abatement technologies.

Here is our suggested response:

Over the last decade, green energy has played a key role in completely eliminating dirty coal generation as a source of electricity in our province. The last coal plant was closed in 2014, marking the completion of what remains the biggest climate change initiative ever undertaken in North America. Smog days in Ontario are virtually a thing of the past, and the health benefits from that initiative are undeniable. A Toronto Vital Signs report shows that premature deaths and hospitalizations as a result of air pollution having dropped by 23 per cent and 41 per cent respectively since 2004. This has saved billions in health care costs over the years.

~~While electricity rates have gone up in recent years,~~ Ontario sits in the middle of the pack in terms of energy costs among Canadian provinces according to the independent Financial Accountability Officer. In 2015, Ontario's average industrial electricity prices were 8.35 c/kwh in the South and 6.35 c/kwh in the North. These rates are lower than New York 8.72 c/kwh, Pennsylvania 9.59 c/kwh, Michigan 9.13 c/kwh, and the U.S. industrial average of 8.71 c/kwh. What's important about these comparisons is that even though these jurisdictions continue to rely heavily on dirty fossil fuels, our electricity rates are still cheaper. The good news is that Ontario is in this position even after doing the heavy lifting in terms of rebuilding aging infrastructure and transitioning off of coal. Ontario's Fair Hydro Plan has expanded savings programs for industrial consumers, and reduced all residential household electricity bills by an average of 25 per cent – half a million small businesses and farms are also benefitting. Those Ontarians living in the most rural and Northern communities are seeing even bigger rate reductions – upwards of 40 to 50 per cent. Our plan also holds any rate increases to the rate of inflation for four years.

Along the way, our investments launched a modern clean tech industry in Ontario – an industry that has created and supported more than 40,000 jobs over the years. We now have the fastest growing clean tech sector in Canada. In just ten years, the province has become a North American leader in the development, use, and manufacturing of clean energy. In those ten years, the rapid growth of Ontario's clean tech and renewable energy sectors has attracted billions of dollars in investment to Ontario.

While Ontario is home to about 30 solar and wind manufacturers, the clean energy industry is maturing into innovation and education. Schools like Fanshawe College, St. Lawrence College and St. Clair College train wind power technicians and other experts in the renewables sector. We also have an industry based in innovation, which we're exporting to other countries and jurisdictions looking to follow our lead on green energy policy.

We are confident that as Ontario looks towards the future, green energy will remain an important part of both our electricity supply mix and our economy, supporting jobs and growth all across the province.

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