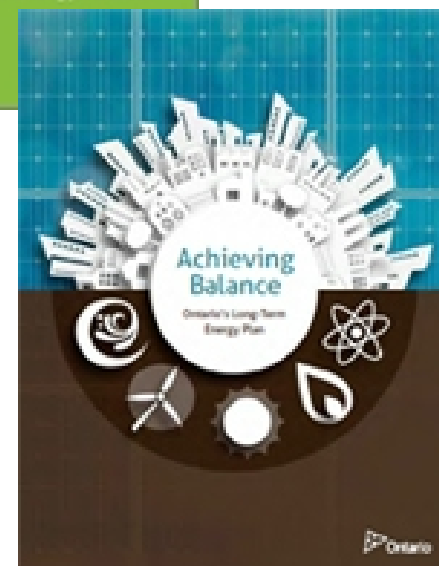
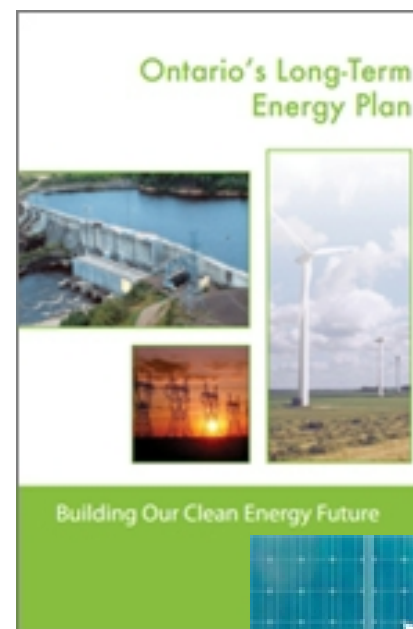

Long-Term Energy Plan Update

Premier's Office Briefing
August 17, 2016

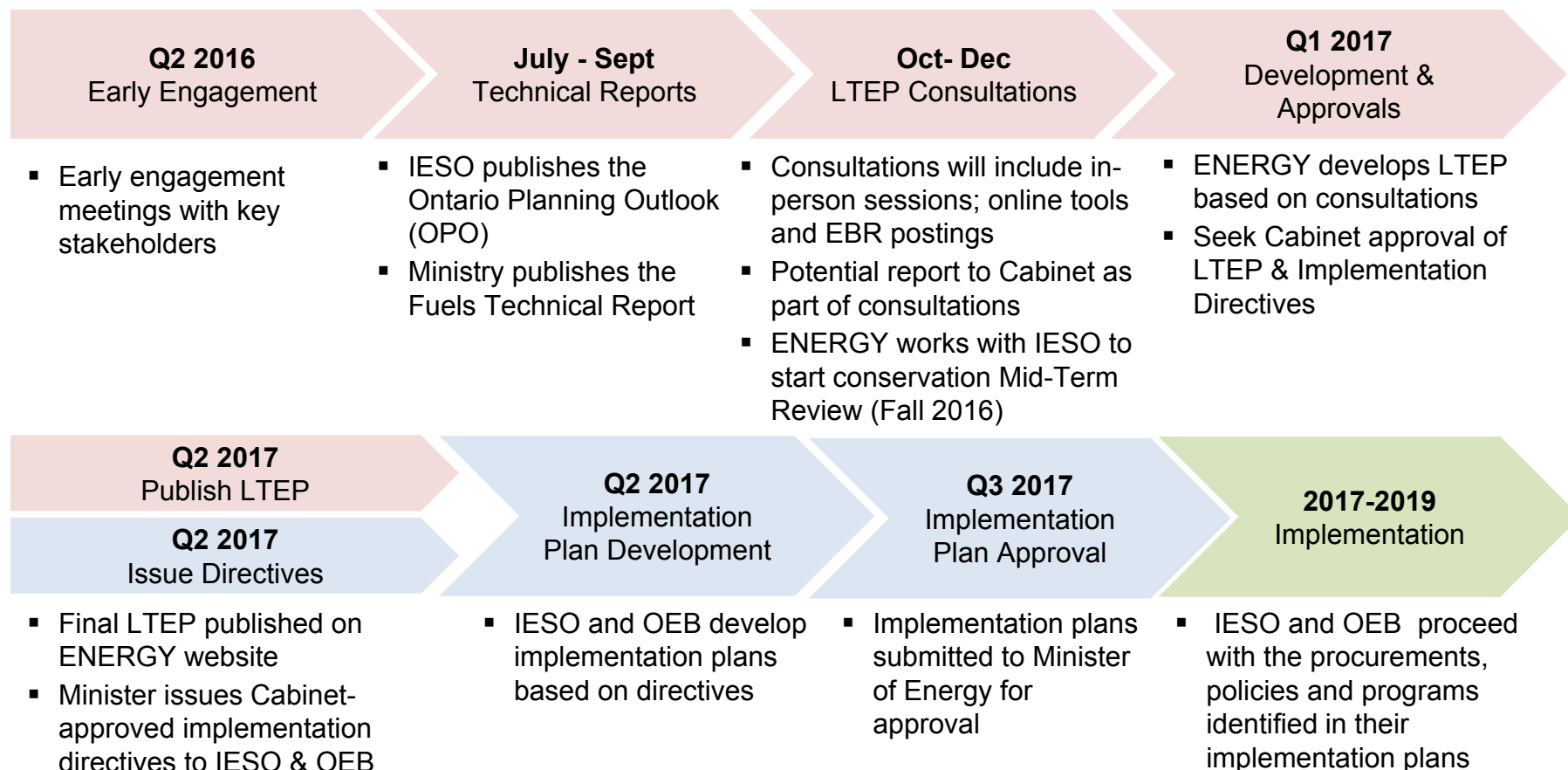
Introduction

- The Long-Term Energy Plan (LTEP) is the energy sector's roadmap, with a focus on integrated policy and setting the direction for Ontario's energy future.
 - The 2013 LTEP included content on both Ontario's electricity as well as fuels sectors.
- Developing the LTEP is a highly collaborative process in which ENERGY and IESO directly engage with stakeholders, indigenous communities and the public.
- The development of the next LTEP will follow the process outlined in the Energy Statute Law Amendment Act (Bill 135).
- The following presentation provides an overview of the LTEP process.



Preliminary LTEP Timing and Phasing

The timeline below illustrates estimated timing for LTEP milestones:



IESO Technical Report

- The first step in the LTEP process will be for IESO to publish the OPO on the adequacy and reliability of electricity resources.
- The purpose of the OPO is to allow the Ministry and stakeholders to start from a common point of understanding in terms of forecasted electricity demand and supply in advance of LTEP consultations.
- On June 10, 2016 the Minister of Energy wrote the IESO to request the OPO be completed no later than September 1, 2016.
 - The letter requested that the OPO forecasts consider other government commitments, including the Climate Change Action Plan, the *Climate Change Mitigation and Low-Carbon Economy Act, 2016* and the *Vancouver Declaration*.
- The IESO has begun work on the OPO. The OPO will include a ten-year review (2005-2015) and a twenty-year outlook (2016-2035) for the electricity system with respect to key variables including conservation, demand, and supply resources.
- The IESO is working with MOECC to incorporate CCAP assumptions into its forecast.

Ontario Planning Outlook

- The OPO includes a range of four demand outlooks driven by varying degrees of electrification:
 - **Outlook A:** Low Demand
 - **Outlook B:** Flat Demand
 - **Outlooks C & D:** Higher Demand
- The outlooks are consistent with objectives in the CCAP to 2020. Long-term IESO projections reflect the near-term CCAP impacts. Demand projections are net of expected conservation, and are influenced by changes to Ontario's economy, and electricity use for transportation, space and water heating, and industrial processes (see assumptions in appendix).
- The IESO identifies a number of resource options that could be used to meet the various demand outlooks, however it does not propose a specific resource mix since this will be determined through the LTEP process.
- The IESO also considers the transmission/distribution, emissions and system cost impacts of the different demand cases.

Fuels Sector Working Group

- Fuels play an essential role in the daily lives of Ontarians, supplying three quarters of the province's primary energy use.
- Given the importance of the fuel sector to Ontario's quality of life and economy, Ontario is looking to expand and deepen its assessment of the fuels sector. This includes:
 - Enhancing collaboration with the fuels sector and key stakeholders to identify future pathways for Ontario's fuels sector (i.e., through a new **Fuels Sector Working Group** to discuss policies, programs and initiatives).
 - Procuring an expert third party to develop a technical report on Ontario's fuels sector, similar to IESO's OPO on the electricity sector. Navigant was engaged in the spring of 2016 to prepare the report.

Fuels Technical Report and Working Group

- Navigant is continuing work on the Fuels Technical Report with support from the Fuels Sector Working Group. The report is expected to follow a similar style and structure of IESO's OPO.
- The Fuels Technical Report will include:
 1. Existing fuels demand and supply data including conservation;
 2. Multiple demand outlooks to 2035 incorporating IESO's OPO assumptions with additional fuels-only decarbonisation elements; and
 3. Description of the Ontario sector infrastructure and fuels including alternative and renewable fuels.

Considerations

- With the limited coverage of fuels in previous LTEPs, the Fuels Technical Report is expected to require a greater degree of description of the sector than the OPO. The majority of this could be positioned in modules.
- Timing of the Fuels Technical Report will be dependent on finalizing direction on the OPO and the ongoing engagement with the Fuels Sector Working Group.
- ENERGY will engage key partner ministries and IESO where appropriate to support development of the report.

Fuels Sector Working Group Membership

- The Fuels Sector Working Group is chaired by Ministry of Energy officials and is comprised of representatives from key industry and consumer associations, agencies and companies:
 - Canadian Fuels Association
 - Canadian Gas Association
 - Canadian Oil Heat Association
 - Canadian Propane Association
 - Renewable Industries Canada (formerly Canadian Renewable Fuels Association)
 - Consumers Council of Canada
 - Enbridge Gas Distribution
 - Independent Electricity System Operator
 - Industrial Gas Users Association (IGUA)
 - Union Gas Limited

LTEP Engagement

- LTEP consultations are expected to begin in fall 2016 after the release of the electricity and fuels sector technical reports.
- The Ministry is also preparing a discussion guide to help inform consultations.
- Consultations will include:
 - Opportunity for submissions on the Environmental Registry
 - In-person stakeholder/public sessions
 - Telephone town hall sessions
 - Online Survey
 - Energy “Talks” tool
 - Interactive Power Play Game



LTEP Indigenous Engagement

- The Ministry will host regional sessions on LTEP for Indigenous communities in parallel with other consultations. Subject to feedback from Political-Territorial Organizations (PTOs), communities and other appropriate organizations, Indigenous sessions will be held in 16 locations (see map on slide 12).
- Indigenous LTEP sessions invite stories about and showcase Indigenous successes in the energy sector, inform and get feedback about programs and funding for energy sector participation, educate about billing and the energy system, and empower Indigenous community members to become more involved in energy issues through targeted sessions with youth, business, and other key groups.
- Letters were sent in May, 2016, to First Nation Chiefs and leaders of PTOs, Tribal Councils and the Métis Nation of Ontario to inform them of the upcoming LTEP and to solicit input into the planning process.
- The ministry met with the Chiefs of Ontario (COO) to provide an overview of and invite comments on its LTEP engagement plan. The IESO has also met with COO and is renewing its funding support for COO energy-focused staff.
- As with the last LTEP, an external facilitator will be retained for the First Nation sessions and eligible travel costs would be reimbursed for all participants.

Engagement Locations



Produced by Ontario Ministry of Energy, August 2016

LTEP Engagement Within Government

Multi-Ministry Engagement

- ENERGY hosted a multi-ministry launch event in May 2016. The next multi-ministry update will take place on August 19, 2016. The IESO and Navigant will provide updates on their respective technical reports during the next multi-ministry meeting.
- ENERGY is organizing an LTEP ADM's Forum to provide updates to other ministries at a staff level. The first meeting is currently scheduled for September 2016.
- Staff from ENERGY and MOECC are meeting regularly to discuss alignment between CCAP and LTEP.

Cabinet Updates

- Going forward, there will also be report-ins to Cabinet, such as:
 - Update to Cabinet on Consultations in (estimated Fall 2016); and
 - Seek Cabinet approval of LTEP and implementation directives (estimated Q1 2017), with targeted public release of LTEP in Q2 2017.

Next Steps

Immediate Next Steps

- Continue to work with IESO to finalize the Ontario Planning Outlook. IESO is targeting September 1 to publish the report.
- Continue to work with the Fuels Sector Working Group to support the development of the Fuels Sector Technical Report. Navigant is targeting a September release of the report.
- Continue to work with the IESO to use the LTEP process to help inform the IESO Conservation First Framework Mid-Term Review.
- Continue planning for LTEP consultations including finalization of list of locations and dates, and development of the consultation discussion guide.

September – December 2016

- Release the OPO and the Fuels Sector Technical Report
- LTEP consultation process takes place.
- ENERGY to report to Cabinet on consultations.