

Energy
Release of 2017 Long-Term Energy Plan

Cabinet July 26, 2017	Cabinet August 31, 2017	Cabinet October 25, 2017	Public Release October 26, 2017
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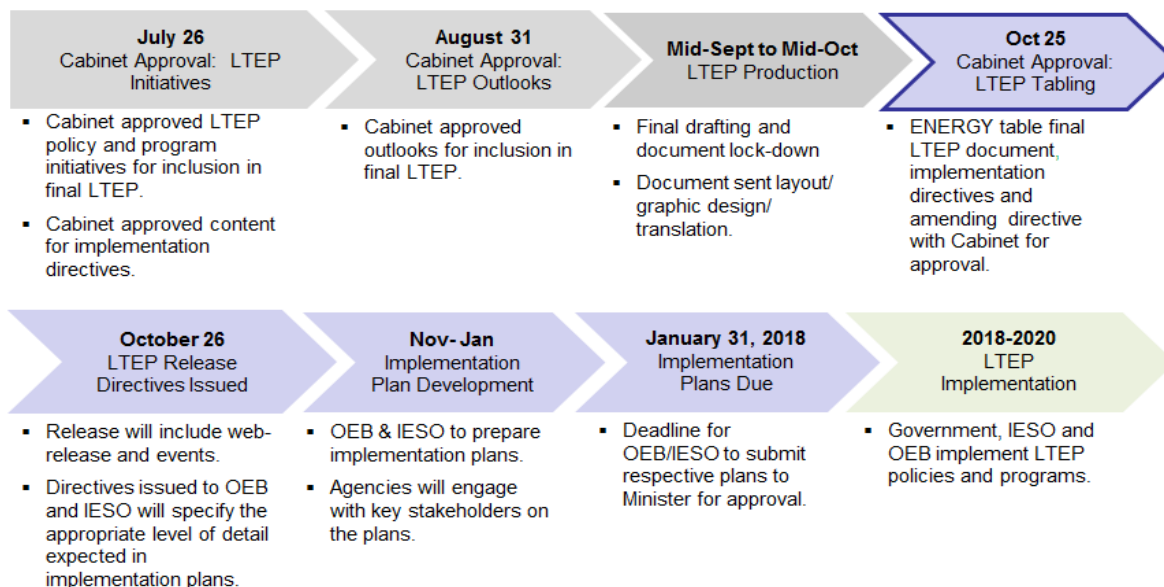
Summary of Proposal

The proposal is consistent with government direction and priorities [TBC].

This proposal follows Cabinet direction on the components of the proposed 2017 Long-Term Energy Plan (2017 LTEP). The LTEP is the energy sector's roadmap and generally identifies the needs for investments over the shorter term, while broadly mapping out the direction of the energy sector over a 20-year timeframe.

Consistent with the requirements of the *Electricity Act, 1998*, for long-term energy plans, the Ministry of Energy is seeking Lieutenant Governor in Council approval of the 2017 LTEP document, LTEP implementation directives to the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB), and an amending directive to the OEB to align previous direction with the 2017 LTEP. Following LGIC approval, the ministry plans to publicly release the 2017 LTEP on October 26, 2017.

What are the key steps to deliver this proposal?



* Per O.Reg. 355/17, LTEP must be released by November 30, 2017

How will the changes be communicated?

If approved, the Ministry is planning for public release of the 2017 LTEP on October 26, 2017. Communications will be proactive and sustained in anticipation of high stakeholder and public interest. Themes in the LTEP will be leveraged to create a strong narrative, and messaging will highlight the benefits for consumers, including improved affordability, innovation and customer choice.

In addition to a News Release and Backgrounder issued the morning the LTEP is released, proposed tactics include a technical briefing for media, and separate discussions with stakeholders and Indigenous leaders. In the days following launch, 2017 LTEP initiatives will be announced through smaller, community based announcements similar to the new Pricing Pilots announced in Barrie on August 28, 2017. A robust issues management plan is also in development to mitigate potential negative reaction to components of the plan.

Terms you need to know

- **Ontario Energy Board (OEB)** – A Crown Agency that independently regulates Ontario's electricity and natural gas sectors in the public interest. Implements an open and transparent process to allow for stakeholders to comment on various items.
- **Independent Electricity System Operator (IESO)** – An independent corporation and agency of the Ministry that operates the electricity market in Ontario. Balances the supply of and demand for electricity in Ontario and then directs its flow across the province's transmission lines, including interties with other jurisdictions.

Cabinet Office Analysis

Introduction:

Development of the 2017 LTEP followed a new process defined in the *Electricity Act, 1998* which was updated through the *Energy Statute Law Amendment Act, 2016*. This included the requirement to conduct thorough public, stakeholder, and Indigenous engagement to inform the development of the plan as well as the process for approvals for the final plan and its implementation. A frequency regulation established under the Act outlines the need to publish the 2017 LTEP no later than November 30, 2017, and then approximately every three years after this point.

The 2017 LTEP contains the following chapters to organize the key initiatives and government objectives for the energy sector:

- A. Ensuring Affordable and Accessible Energy
- B. Ensuring a Flexible Energy System
- C. Innovating to Meet the Future
- D. Improving Value and Performance for Consumers

- E. Strengthening our Commitment to Energy Conservation & Efficiency
- F. Responding to the Challenge of Climate Change
- G. Supporting Indigenous Capacity and Leadership
- H. Regional Priorities.

The directives proposed for approval, and that will be issued to the IESO and OEB concurrently with the release of the LTEP, are the main tools through which the Ministry will oversee and ensure alignment of implementation with the LTEP and its policies. The Ministry will work closely with the IESO and the OEB to ensure consistent and appropriate implementation of the plan, according to the proposed directives. Under the directives, the IESO and OEB will have until January 31, 2018 to submit their respective implementation plans for approval by the Minister of Energy.

The implementation directives generally align with government direction. In most respects the directives are straightforward and specific, which limits the opportunities for misalignment with government policy objectives. However, there are a few specific examples where elements of the directives are either very broad or have included additional details on expectations than have been previously outlined (see below).

Risks and Considerations:

Delivery/Implementation

Unlike the 2010 and 2013 LTEPs, the 2017 LTEP sets out high level policy goals and objectives, leaving the Independent Electricity System Operator (IESO) and Ontario Energy Board (OEB) flexibility to implement the plan. This approach is consistent with the requirements under the *Electricity Act, 1998*, which requires the agencies to prepare implementation plans in line with the directives and the LTEP for the Minister of Energy's approval.

Interpretation of Directives

Commented [SNAP1]: Request to CO:

As currently written, this is not an accurate description of the LTEP process. Please remove this section to reflect the intent and design of the legislation.

Rationale:

With respect to the implementation directives, the legislated LTEP process was drafted to:

- provide the agencies with the flexibility to make recommendations around the implementation of initiatives;
- focus on objectives and work collaboratively with agencies throughout the implementation process; and
- respect, and avoid pre-empting, the agencies' engagement processes;

ENERGY will work with the agencies in drafting implementation plans following LTEP release. The implementation plans are to be submitted to the Minister for approval. When the plans are submitted to the Minister, Ministry staff will review to ensure the plans align with the objectives requested in the directives.