

Communications Snapshot

2017 Long-Term Energy Plan

Prepared: August 25, 2017

Communications Objectives

- Publish the 2017 LTEP in accessible formats targeted to stakeholders and consumers
- Recognize contributors and echo their feedback
- Sustain positive relationship with energy sector stakeholders
- Mitigate risks
- Showcase good news stories in the 2017 LTEP

Context

- Ontario released its first Long-Term Energy Plan (LTEP) in 2010; the LTEP is reviewed and updated every three to four years. Its purpose and implementation are established in the Electricity Act. The 2013 and 2017 LTEPs featured input from Ontarians: industry, stakeholders, Indigenous communities and the public.
- Electricity prices are an ongoing major communications issue. Since 2006, electricity prices in Ontario have risen considerably. These costs have drawn criticism from ratepayers, industry, media and political critics. The government took action. Specifically, in September 2016, the government introduced an 8 per cent rate subsidy for residential, farm and small businesses, which took effect on January 1, 2017. Then, in March 2017, the government launched Ontario's Fair Hydro Plan (OFHP) which reduces electricity bills for all residential consumers by 25 per cent on average, as of July 1, 2017.
- The intention was to bring rate relief immediately and to more fairly and evenly share the cost of system improvement across generations – costs would have to be recovered, creating bill increases over time.
- Additional elements of the OFHP include:
 - Any rate increases held to the rate of inflation over four years;
 - New cost mitigation for some rural and Northern customers, on-reserve First Nations residential customers and low-income customers;
 - The cost of social programs, including the Ontario Electricity Support Program (OESP) and Rural or Remote Rate Protection (RRRP) program, moved to the tax base from the rate base.
- Regardless, media coverage of the OFHP has been neutral to negative in tone, focusing in large part on a leaked draft price forecast that showed a significant rise in electricity bills following the four year inflationary cap. On the other hand, recent opinion polls found that while electricity issues continue to be top of mind, the salience of the issue has declined since early 2017.
- The other major component of the 2017 LTEP, namely fuels, has also had some communications salience, particularly through the government's Climate Change Strategy and Climate Change Action Plan.

Target Audiences

- Ontario electricity rate payers
- Industry (i.e., associations, LDCs, local and provincial Chamber of Commerce, etc.)
- First Nations and Indigenous organizations and leadership
- Participants in the 2017 LTEP engagement process
- Internal and other energy sector partners (i.e., IESO, OEB, OPG, Hydro One, intra-ministry)

Key Messages

- The Long-Term Energy Plan (LTEP) is a road map that sets out the direction for Ontario's energy future for the next 20 years.
 - We engaged with and listened to Ontarians in the development of our plan.
 - What we heard has led this LTEP to be focused on energy affordability, innovation and customer choice.
- We have made necessary investments in the energy system that will serve us for generations to come.
- Ontario's grid is reliable and ready for the technological innovations coming to the energy sector.
- We are enhancing our commitment to conservation to improve affordability and choice for Ontarians.
- This long term energy plan delivers fairness and flexibility to help Ontarians adjust to a rapidly changing energy future.

Strategic Approach

- Assure Ontarians the government has established a clean, reliable and affordable energy system that is ready for the future.
- Create and execute a modest multi-platform strategic communications plan.
- Host a 2017 LTEP launch press conference with the Minister of Energy, along with experts on hand to answer technical questions.
- Return to first principles of Ontario's Fair Hydro Plan and its necessity in response to negative coverage on the residential electricity prices outlook cost curve.
- "Loop back" with engagement participants.
- Deliver targeted messaging by telling stories locally, where they matter. Decouple them from "LTEP".
- Set and evaluate key performance indicators (KPIs) to measure the public reception of the 2017 LTEP launch and rollout.

Issues & Mitigation

- The 2017 LTEP will draw public criticism, despite the substantial amount of good news in its actual content.
- Likely contentious items included in the 2017 LTEP will be:
 - An electricity price curve, including OFHP impacts, that is better than was reported in media earlier this year, but still presents a communications challenge (over the decade 2021-30, residential bills are forecast to increase ~50%; over the years 2021-25, bills are forecast to increase almost \$40 a month);
 - Emissions forecasts that could create vulnerabilities, including through implications for natural gas bills (note: the 2017 LTEP would not show a forecast residential natural gas bill); and
 - A clear statement of the end to a number of energy sector procurements and associated economic development implications.

Issue/Consideration	Mitigation Strategy	Key Message
Electricity Bills Forecast Curve ▪ The 2017 LTEP will show a 20-year residential electricity bill forecast. This has been updated since cabinet briefing materials published by news media in May 2017. ▪ Between 2021 and 2030, electricity bills are forecasted to increase approximately 50%. ▪ Natural gas cost forecasts will not be included in the LTEP document. ▪ While the near-term shows the substantial drop in prices as a result of Ontario's Fair Hydro Plan, the medium-term (2021-2027) sees consistent and significant annual increases in bills, of approximately 5% per annum. This takes bills up higher than they were at OFHP launch. The forecast then shows bills remaining at that level for the rest of the forecast period. ▪ An obvious communications challenge, this aspect of the 2017 LTEP will overshadow the near-term drop in bills and other good news initiatives.	▪ Acknowledge that electricity bills are going to rise but clarify that government has a plan to moderate this. ▪ Convey sensitivity to the cost pressures on Ontarians that existed prior to the OFHP, and the need for immediate action at that time. ▪ Stress that the forecast is lower than released in May and our work on finding cost savings continues. ▪ Develop an optimistic message track leaning on the immediate and medium term benefits that the OFHP is bringing for Ontario families, farms and small/medium businesses. Remind consumers of the immediate relief they are already feeling now as a result of the OFHP, along with other OFHP programs that are reducing electricity bills for vulnerable Ontarians, those in the most rural and Northern areas and on-reserve First Nations consumers now and over the long-term. Existing conservation programs that can help customers find more savings opportunities can also be highlighted,	1. <u>The government heard you, and took action.</u> • Ontarians said that their electricity bills were too high. Relief was needed and something had to be done right away. • We have spread out the costs of Ontario's clean energy investments over a longer period of time to allocate the costs of these investments more fairly among current and future ratepayers. • The government delivered the Ontario Fair Hydro Plan as of July 1, 2017, to save Ontario families, and as many as half a million farms and small businesses 25% on average on their bills. 2. <u>We've been clear all along. Down the road, rates will have to rise, but we are driving savings every day.</u> • Ontario has already taken a number of actions to lower electricity costs and we've found billions of dollars in savings for all consumers by: ○ Not going ahead with building new nuclear generation; starting the refurbishments at Bruce in 2020 instead of 2016; ○ Adopting new electricity market approaches that will improve cost effectiveness and efficiency. • Over the coming years, Ontario will continue to drive costs out of the electricity system: ○ The Minister of Energy directed the IESO to reform the energy market and find efficiencies and cost savings. An independent third party report estimates that

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		benefits from IESO's Market Renewal could reach up to \$5.2 billion over a ten-year period beginning in 2021. ○ Future innovations will also bring savings opportunities. • The 2017 LTEP bill forecast is lower than the one in the 2013 LTEP thanks to our cost cutting efforts. 3. <u>The government will continue to protect low-income, rural and remote families with programs like the Ontario Electricity Support Program (OESP), Distribution Rate Protection and the First Nations On-Reserve Delivery Credit.</u> • We increased the eligibility criteria and monthly OESP on-bill credits (between \$40 and \$75) to the most vulnerable among us who need a helping hand. • Ontarians living in the most remote communities, where power is expensive, are supported through lowered delivery costs. • On-Reserve First Nations families are already saving almost \$1,000 per year. 4. Conservation Programs for residential and business customers continue to provide customers with opportunities to manage their energy use and find energy cost savings.
Emissions Forecast and Fuels Bills ▪ The 2017 LTEP will include a 20 year forecast of greenhouse gas (GHG) emissions from the energy sector ○ Emissions from the energy sector (fuels and electricity) currently make	▪ Reiterate the government's commitment to lowering GHG emissions, given the risks of climate change. ▪ Include the context of the broader Climate Change Strategy in the forecast. ▪ Commit to providing support to Ontario businesses and	▪ Ontario is committed to doing its part to reduce GHG emissions and prevent climate change. ▪ The emissions forecast in the 2017 LTEP shows that we have a plan in place that will deliver real results. ▪ To get there, our approach to energy use will have to change, and the government will have the

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up approx. 75% of total Ontario emissions. ▪ The rate of emissions reduction and how the forecast compares to broader targets set out in the Government's Climate Change Strategy is likely to be of interest to media and stakeholders. ▪ Meeting the Climate Change Strategy targets will likely require significant sectoral change. ▪ The government is likely to get questions as to whether the commitments and the changes detailed are reasonable, either economically or technically. ▪ In addition, the impact of Cap and Trade and adoption of renewable natural gas will result in increasing natural gas bills for consumers.	households as they make the changes to their buildings, vehicles and behaviour that will reduce provincial total emissions. ▪ Present a picture of what a cleaner, technologically-advanced future energy system looks like. ▪ Clarify throughout that these goals are reasonable and attainable. ▪ MOECC will be in-market with advertising in Fall 2017, and could provide mitigation.	programs and supports in place to help Ontarians make that shift.
Ending Procurements ▪ Previous LTEPs have provided substantial commitments to procurement of new energy contracts (e.g., FIT, nuclear refurbishment, transmission lines). ▪ The 2017 LTEP does not have any procurement commitments or announcements on the same scale as previous LTEPs. ▪ The lack of extensive new electricity supply procurements in the 2017 LTEP will not be a surprise to sector stakeholders. ▪ Since late 2016, the Minister of Energy has stated repeatedly that the government would not be undertaking further procurements. ▪ While sector activity is expected to decline with the reduction in procurement, the government's stated prioritization of electricity system cost containment, in part	▪ Bridge to messages about additional opportunities for economic growth in the sector, even if not through the same mechanism of technology-specific procurements as in previous LTEPs.	▪ Reducing electricity prices is our priority. ▪ We are now in a strong supply position. It is appropriate to slow down new procurement. ▪ We encourage our partners in the sector to participate in the market renewal process. ▪ The market renewal program underway will still provide opportunities for new development, within a framework of efficiency, technological specialization and cost competition. ▪ While renewable energy opportunities are changing due to Ontario's strong energy supply position, Ontario remains committed to ensuring that opportunities for First Nation and Métis communities and organizations in the sector continue.

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achieved through procurement restraint, is consistent with the general public's main concern: price.		

Tactics & Rollout

Launch Event

Proposed Date and Time	Location
Launch date: Mid October TBC	TBD
Description (<i>What is the event, who is leading it? If it's a third party event, how does it connect to the announcement?</i>)	
Technical briefing for media - Ministry to host a technical briefing for media the morning of the LTEP launch - Presenters will provide an overview of the 2017 LTEP Press Conference led by the Minister following the technical briefing	
Visual/Photo-op (<i>Describe the backdrop (e.g., protected greenbelt forest) and describe any planned photo ops (e.g., boarding a new TTC streetcar).</i>)	
Podium for Minister's comments.	
Speakers & Attendees	
- Minister of Energy - Deputy Minister of Energy - ADM leads on the LTEP file Other speakers: - Agency partners (e.g., IESO, OEB) Estimated number of attendees: 50	

	Pre-Launch	Launch	Post-Launch
Regional Rollout Examples: - MPP Template - Speeches - Media event - Op-ed, media pitch - Editorial board meeting			- Regional/ local echo media events, including London Hydro and Oshawa PUC Regulated Price Plan (RPP) pilot announcements, Smart Grid Fund project announcements, including MPP template products, expansion of net-metering media pitch (TBC)
Earned Examples: - News release, etc. - Remarks - Event - Calls/emails to targeted audiences - Multilingual media - Fact sheets - House Statement	- 2017 LTEP document - Consumer-focused summary brochure - Postcards (approx. 4-5)	- Media kit, including News Release and Backgrounder(s) - Technical briefing with Press Conference - And one or more of: ▪ House statement ▪ Speech for the Minister of Energy	- Targeted stakeholder briefings - Stakeholder correspondence - Evaluation
Digital / Social Examples: - Web content - Twitter/Facebook - Keyword / interactive web - Blogger outreach - Videos		- Web page	- Organic social media networking - Evaluation
Paid <i>(must include budget)</i> Examples: - TV/radio/newspaper - Online banners/ads - Advertorial - Householder/direct mail	n/a	n/a	n/a

Evaluation

News media

- Use media measurement system to evaluate, track and record each news article and editorial (broadcast, print, web) including re-prints of wire services and broadcast syndication, record verified reach, apply a scale to evaluate key message pickup, photo and tone

Social media

- Reach and engagement for organic posts

Website

- Measure unique visitors and engagement to LTEP page

Correspondence

- Track the number of letters and emails referring to the LTEP and tone