

Cabinet agreed that:

1. The Ministry of Energy (ENERGY) prepare a 2017 Long Term Energy Plan (LTEP) that sets out the following goals and objectives:
 - A. Ensuring affordable and accessible energy;
 - B. Providing a flexible energy system;
 - C. Improving value and performance for consumers;
 - D. Reaffirming a commitment to conservation;
 - E. Preparing for the future and innovation;
 - F. Responding to the climate change challenge;
 - G. Supporting Indigenous capacity and leadership; and
 - H. Responding to regional priorities.
2. ENERGY implement initiatives identified in the LTEP, including:
 - A. Exploring federal and provincial infrastructure and economic development funding to support electricity transmission and distribution infrastructure that supports regional economic development;
 - B. Preparing legislative amendments and supporting regulations to implement Green Button province-wide;
 - C. Preparing legislative and regulatory amendments to expand and enhance Ontario's net metering framework, including enabling third-party ownership and related consumer protection measures, and allowing for virtual net metering demonstration projects;
 - D. Highlighting the need to protect corridor lands for a new transmission line in the Northwest Greater Toronto Area, consistent with the Provincial Policy Statement, 2014 and the Growth Plan for the Greater Golden Horseshoe, 2017;
 - E. Renewing the Smart Grid Fund with an expanded scope and more targeted investments in innovative solutions that support grid modernization for \$60 million from the tax base over 5 years;
 - F. Establishing, in collaboration with the Ministry of International Trade, the Ministry of Economic Development and Growth, the Ministry of Intergovernmental Affairs and the Federal Government, a \$10 million pilot program to support the demonstration of made-in-Ontario energy technologies in global markets; and
 - G. Supporting the development of a vulnerability assessment of the energy distribution sector.
3. ENERGY has fulfilled its requirement to report back to Cabinet on a number of CCAP initiatives: approach for establishing GHG reduction standards for drinking water and wastewater treatment plants (Minute item #75), approach for province-wide implementation of Green Button (Minute item #76), and a single portal for energy-related social benchmarking programs (Minute item #77).
4. Energy prepare an implementation directive requiring the Independent Electricity System Operator (IESO) to submit an implementation plan no later than December 31, 2017 to the Minister of Energy that outlines the steps the IESO intends to take in the development of the following:

Commented [MK(1)]: NTD: Review needed by MIT, MEDG, MOECC, MIA.

Commented [MK(2)]: Move specific direction re: LRC to a report back to LRC section and add timing.

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Commented [MK(4)]: Add TB report back fall 2017

Commented [MK(5)]: Who will do this assessment?

Commented [MK(6)]: This is specified in the minute already. Drinking water and social benchmarking are not specified in this version of the minute. If clarity is needed on completion of these items we would suggest the activities that will be undertaken in these areas be highlighted in the minute.

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Improving Energy Support Programs for Indigenous Communities

- A. In alignment with the Mid-Term Review of the CFF, IESO shall develop a report, informed by engagement with Indigenous communities, on options to improve conservation programs for First Nations and Métis communities, including improving availability with consideration for, but not limited to, programs offered under the CFF and the Demand Side Management (DSM) Framework.
- B. IESO shall review and propose options to improve energy support programs currently offered to Indigenous communities and organizations by the IESO. This evolution should be informed by engagement with Indigenous communities, and should seek to better align programming with community needs and interests and current opportunities including but not limited to activities related to the implementation of community energy plans.

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Planning for Ontario's Future Energy Needs

- C. IESO shall undertake an assessment of the electricity system impacts of increased net metering deployment including the technical and economic limits on the electricity system that impact net metering deployment; and opportunities to enhance the local and system value of distributed energy resources under a net metering framework.
- D. IESO shall work with the Ministry of Energy to develop a program to support the strategic deployment of innovative distributed energy resource projects, including near-term virtual net-metering demonstration projects, that would inform grid modernization and net metering policies; support grid interoperability; and align with market renewal.
- E. IESO shall, in coordination with the Ontario Energy Board review market rules, industry codes, and regulations to identify any remaining issues that may prevent energy storage from competing equitably with other technologies in the delivery of services, and identify appropriate mitigation strategies to address these any such issues.
- F. IESO shall develop a formal integrated bulk system planning process that ensures solutions are identified transparently as needs materialize. The process shall include a coordinated, cost-effective, long-term approach to addressing the need to replace transmission assets at end of life. This will better align investments with power system and market conditions and needs, including with respect to system operability and resilience, integration of distributed energy resources and customer reliability. In doing so, the IESO shall request information it deems necessary from transmission asset owners.
- G. IESO shall develop a competitive transmitter selection or transmission procurement process that is transparent, efficient and able to respond to changing policy, market and system needs.
- H. In addition to other details the IESO considers appropriate, the IESO shall include the following in its implementation plan:
 - i. The identification of specific pilot projects, if any, that will be subject to a selection or procurement process. The projects should be selected in

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consideration of how their scale, scope and need date make them suitable for a competitive selection or procurement process.

- ii. An implementation strategy including milestone dates and key objectives of the selection or procurement process design taking into consideration competitive tension, transparency, supporting participation of Indigenous communities in the electricity sector and other such factors the IESO considers appropriate. The IESO should also give consideration to developing a tiered transmitter selection or procurement process that is scaled to the complexity of project, if appropriate.
- I. The IESO shall identify to the Ministry any amendments to policies, statutes, regulations, or programs that would support the implementation of proposed transmitter selection or procurement processes.

Reliability Planning and Operations

- J. IESO shall review and report on the technical criteria used to assess customer reliability for the purposes of identifying and evaluating the need for and effectiveness of local area enhancements. In doing so, the IESO shall consider:
 - i. Improvements to existing customer load restoration criteria, including for locations in remote areas
 - ii. Options and considerations regarding the cost and funding for any proposed changes to the criteria, including consideration of:
 - a. Any impacts on existing electricity consumers;
 - b. Any impacts on Ontario's electricity distribution and transmission utilities and other stakeholders; and
 - c. How the IESO will engage with the public, including Indigenous Communities, and key stakeholders including electricity transmission and distribution companies and large power consumers.

Regional Planning

- K. IESO shall review and report on the regional planning process, taking into account lessons learned from the first cycle of planning, and report back with joint options and recommendations to address challenges and opportunities. In doing so, the IESO shall identify:
 - i. Barriers to the implementation of cost effective non-wires solutions such as conservation and demand management and distributed energy resources (such as distributed generation) and options to address those barriers, including any regulatory or legislative changes;

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- ii. Options to better integrate regional planning with bulk system, distribution and community energy planning, as well as ensure alignment with market-based approaches;
 - iii. Options to streamline the regional planning process; and
 - iv. Options to better integrate regional planning with the need to replace transmission assets reaching end of life.
- L. The IESO shall consider leveraging existing processes and working groups, as well as other stakeholders or experts the IESO may deem appropriate.
- 5. ENERGY prepare an implementation directive to OEB that includes:
 - M. [Placeholder]
- 6. ENERGY prepare an amending directive on conservation to the OEB that enables two key LTEP initiatives, as follows:
 - N. Behind the meter customer generation projects that use supplied fossil fuels as a primary fuel source will be excluded from eligible CDM activities, where the application for the project is received on or after July 1, 2018. Projects that use recovered energy that would otherwise be wasted, including fossil fuels, will continue to be eligible.
 - O. Allow reduced electricity consumption resulting from any measures a Distributor uses to maximize the efficiency of its new or existing infrastructure to count towards a Distributor's CDM Target for the purpose of the Distributor being eligible to receive the tiered performance incentives described in Section 1.6(i) of the March 31, 2014 direction to the OPA (now IESO) at the end of the 2015-2020 Conservation First Framework.
- 7. ENERGY report back to Cabinet in summer 2017 to seek approval of the final 2017 LTEP document and implementation directives to the OEB and IESO.
- 8. ENERGY report to Treasury Board / Management Board of Cabinet in summer 2017 to seek necessary approvals, including:
 - A. Up to \$XM for the Smart Grid Fund
 - B. Up to \$XM for the International Demonstration Fund
- 9. ENERGY prepare legislative amendments to X and Y legislation (or alternatively to implement A and B programs) and report to LRC in fall 2017 for necessary approvals.
- 10. ENERGY work with the Premier's Office and Cabinet Office on an integrated communications strategy.

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