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# **Long-Term Energy Plan: Themes Discussion**

March 28, 2017 v1.2

# Need for Overarching Themes

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- The following slides propose three overarching themes for the Long-Term Energy plan.
- The themes can be used to i) communicate the focus of the 2017 LTEP; ii) explain how it is unique relative to past LTEPs; and iii) structure writing to ensure sections are consistent.
- The benefit of identifying the theme at this stage is to evaluate how policy initiatives support the theme. Staff can begin to shape how they communicate initiatives based on the theme.
- The themes are meant to be **overarching**. Policy initiatives may cut across and support more than one theme.
- The themes are preliminary in nature and based on key messages and feedback that have emerged from LTEP engagement and policy briefings thus far. The themes may evolve as briefings and internal discussions continue.

# Context

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- **Policy Briefing Topics:** After LTEP engagement, the Ministry grouped specific issues and initiatives into key topics to be used for internal policy briefings
- **Overarching Themes:** The Ministry has prepared draft themes to evaluate policy initiatives and communicate how they support the plan..
- **Key Communication Messages in LTEP:** The Ministry intends to use key messages to help communicate the theme(s) above throughout the LTEP (e.g., we're in a strong supply situation, cost pressure in the out years)

# LTEP Audience and Key Messages

- LTEP will have a broad audience and will require a balance between messaging and technical information. It could contain the following key messages, consistent with its legislative objectives and reflective of public engagement:

## **Legislative Objectives for all future LTEPs**

- *Cost-effectiveness*
- *Reliability*
- *Clean energy*
- *Community and indigenous engagement*
- *Conservation and demand management*
- *GHG emissions*

## **Potential key messages**

- Smart customers need a smarter grid that is modern, more efficient and gives customers real choice. The LTEP will enable LDCs to modernize and achieve these goals.
- The Province is taking measures to ensure system investments are paid for more fairly.
- Ontario is enhancing its commitment to Conservation.
- Ontario is in a good electricity supply situation,
- The Province is committed to promoting Indigenous energy capacity and leadership
- The Province will build upon its already clean electricity supply by further decarbonizing its energy system.
- The Long-Term Energy Plan builds upon the direction outlined in the Climate Change Action Plan.
- There are long-term cost pressures that need to be managed in the electricity sector
- Ontario will enable innovations and new technologies in the energy sector
- Ontario is moving towards a technology-neutral future
- By learning from past planning processes, the Province is moving to more flexible market-driven electricity supply planning.
- The Province will support specific needs of energy customers across the regions.

# Option 1: One Overarching Theme

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- One overarching theme for LTEP can be used as a lens for how policy initiatives are selected and communicated.
- Two potential options for the overarching theme include:



## **Option 1A: Maximise Fairness**

- Continues direction from Fair Hydro Plan by emphasizing how initiatives can help reduce system and consumer costs.
- Emphasises the differences in consumer and regional needs
- Recognises customers should be given more options and product offerings.



## **Option 1B: Encourage Flexibility for the Future**

- Provides a framework for the Province to enable and take advantage of new technologies and processes
- Promotes flexibility in supply planning (capacity market) and through consumer products (more options)

# Potential Themes & Key Messages

| Overarching theme | 1A. Maximise Fairness                                                                                                                                                                               | 1B. Encourage Flexibility for the Future                                                                                                                                                                                                         |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Headline      | <ul style="list-style-type: none"> <li>This LTEP will focus on the energy consumer- providing choice and value while recognising consumer situations differ across the province.</li> </ul>         | <ul style="list-style-type: none"> <li>LTEP will position the sector to take advantage of future technologies and innovations to benefit consumers. These innovations will also assist with efforts to decarbonize the energy system.</li> </ul> |
| Key Messages      | <ul style="list-style-type: none"> <li>LTEP will enable a market-driven system helping to ensure that capacity is secured at the lowest cost, leading to lower bills for consumers.</li> </ul>      | <ul style="list-style-type: none"> <li>LTEP will enable new market-driven system that provides capacity when it is needed and is technology neutral.</li> </ul>                                                                                  |
|                   | <ul style="list-style-type: none"> <li>LTEP will provide consumers more options and tools to reduce their energy consumption.</li> </ul>                                                            | <ul style="list-style-type: none"> <li>The LTEP will enable new technologies and resources to reduce energy consumption.</li> </ul>                                                                                                              |
|                   | <ul style="list-style-type: none"> <li>By building on provincial climate change policy, the LTEP will help ensure future generations have clean energy supply and a healthy environment.</li> </ul> | <ul style="list-style-type: none"> <li>The LTEP's market-based supply framework will work with provincial climate change policy to incent reduced emissions and clean supply.</li> </ul>                                                         |

## Option 2: Three Overarching Themes

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- Based on the key messages, three potential overarching themes emerge.
- These three themes can be woven throughout the LTEP, assess policy initiatives and communicate the unique objectives of LTEP 2017.
- Policies may intersect across the three overarching themes.



### **Focus on the Consumer**

LTEP will focus on the energy consumer, recognising consumer needs and situations differ across the province.



### **Maximise Efficiency and Value**

LTEP will provide a framework that maximises value and ensures system costs are borne fairly.



### **Encourage Flexibility for the Future**

LTEP will position the sector to take advantage of future technologies and innovations to benefit consumers. These innovations will also assist with efforts to decarbonize the energy system.

# Potential Themes & Key Messages

| Overarching Themes  | Focus on the Consumer                                                                                                                                                                                                                                                                                       | Maximise Efficiency and Value                                                                                                                                                                                                                                                                                        | Encourage Flexibility for the Future                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Headline</b> | LTEP will focus on the energy consumer, recognising consumer needs and situations differ across the province.                                                                                                                                                                                               | LTEP will provide a framework that maximises value and ensures system costs are borne fairly.                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>LTEP will position the sector to take advantage of future technologies and innovations to benefit consumers and reduce emissions.</li> </ul>                                                                                                                                                                                                                                   |
| <b>Key Messages</b> | <ul style="list-style-type: none"> <li>The LTEP will focus on initiatives that empower consumers and provide more choice</li> <li>Previous plans have been system focussed; this LTEP focusses on the consumers</li> <li>Plan will recognize regional differences and fairness for all consumers</li> </ul> | <ul style="list-style-type: none"> <li>Ontario is in a good energy supply situation</li> <li>Ontario remains committed to Conservation First.</li> <li>There are long-term cost pressures that need to be managed in the electricity sector, and can be delivered by taking a technology-neutral approach</li> </ul> | <ul style="list-style-type: none"> <li>The Province is committed to clean electricity supply and further decarbonisation of energy system</li> <li>The LTEP will enable the sector to take advantage of innovations and disruptive technologies in the energy sector</li> <li>By learning from past planning processes, the Province is moving to more flexible market-driven electricity supply planning.</li> </ul> |