

Ministry of Energy

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MC-2017-1543

His Worship Stephen Molnar
Mayor
Town of Tillsonburg
Chair
South Central Ontario Region
Economic Development Corporation (SCOR EDC)
4 Elm Street
Tillsonburg ON N4G 0C4

Dear Mayor Molnar:

It was a pleasure meeting with you and your delegation at this year's Association of Municipalities of Ontario (AMO) Annual Conference in Ottawa. I have given Minister Thibault a full report of our meeting, which he was pleased to receive.

Every year, the AMO conference provides an important opportunity to meet with municipal leaders and learn about the issues in their communities. I valued the opportunity to learn first-hand about the energy-related issues of interest to SCOR, including net metering. Thank you for an open and productive discussion.

Ontario's Fair Hydro Plan

Our government has heard from Ontarians across the province that the price of electricity has risen too quickly, which is why we have taken action to provide significant and immediate rate relief. As you are aware, electricity customers in Ontario are now seeing reduced bills as part of Ontario's Fair Hydro Plan, which lowers electricity bills by 25 per cent on average for residential consumers and will hold increases to the rate of inflation for four years. Ontario's Fair Hydro Plan also includes cost reductions for businesses.

The plan reflects a number of initiatives, including the refinancing of a portion of the Global Adjustment, the shifting of cost recovery for electricity support programs from electricity bills to provincial revenues and the eight per cent rebate introduced in January.

To learn more about Ontario's Fair Hydro Plan, please visit www.ontario.ca/fairhydroplan.

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Enhancing Ontario's Net Metering Framework

We appreciate the input SCOR EDC members have provided to the Ministry of Energy's stakeholder consultation process in support of our examination of potential updates to Ontario's net metering framework. The ministry recently implemented updates to the net metering framework that will allow larger projects and facilitate energy storage technology as part of net metering projects.

The ministry has been considering additional potential updates related to third-party ownership of net-metered generation and inclusion of virtual net metering models in Ontario's net metering framework. The ministry anticipates communicating policy decisions when the updated Long-term Energy Plan is released this fall.

We look forward to further discussions with SCOR EDC members about how innovative ideas can be supported while balancing the interests of Ontarians.

Natural Gas Infrastructure

Ontario is expanding access to natural gas for communities that do not currently have service, giving customers greater choice in their energy supply and aiding the economic development of their communities. Natural gas will continue to play an important role in the province's energy supply mix and can help to reduce overall energy costs.

Municipal Energy Plan Program

The Ministry of Energy supports municipalities' efforts to better understand their local energy needs, identify energy conservation and green energy opportunities, support economic development strategies, and develop plans to meet their goals through the Municipal Energy Plan (MEP) program. The program is available to all municipalities across Ontario.

The MEP program has two streams of funding. Stream 1 provides successful applicants with 50 per cent of eligible costs, up to a maximum of \$90,000 to develop a municipal energy plan. Stream 2 provides successful applicants with 50 per cent of eligible costs, up to a maximum of \$25,000 to update or enhance an existing energy plan.

I would also like to highlight Ontario's recently announced \$100 million Municipal Greenhouse Gas (GHG) Challenge Fund. All Ontario municipalities with community-wide GHG emissions reduction plans, or equivalent, and community-wide GHG inventories and targets are invited to apply. This new competitive, application-based program will fund up to 100 per cent of eligible costs for GHG emissions reduction projects proposed by municipalities. MEP program participation is a path to eligibility for the province's Municipal GHG Challenge Fund.

More information on the MEP program can be found at www.ontario.ca/page/municipal-energy-plan-program, or by contacting Michael Brophy, Manager of the Conservation Programs and Partnerships Branch at Michael.Brophy@ontario.ca.

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Long-Term Energy Plan

The Ministry of Energy is preparing to release the 2017 Long-Term Energy Plan (LTEP) later this year. The 2017 LTEP will balance the objectives of cost-effectiveness, reliability, clean energy, community and Indigenous participation and engagement, and an emphasis on conservation and demand management. Ontario is committed to keeping electricity rates affordable while maintaining a clean, modern and reliable electricity system that reduces greenhouse gas emissions and provides cleaner air for this and future generations of Ontarians.

Once again, thank you for meeting with me at AMO 2017. Minister Thibeault and I look forward to continuing to work with you to build a clean, reliable and fair energy system for Ontarians. Please accept my best wishes.

Sincerely,

Bob Delaney
Parliamentary Assistant

c: Hon. Glenn Thibeault, Minister of Energy