

PROPOSED CABINET MINUTE

WORKING DRAFT

CABINET AGREED THAT:

1. The Ministry of Energy (ENERGY) prepare for approval a 2017 Long-Term Energy Plan (2017 LTEP) that includes the following outlooks and forecasts:
 - A. For the electricity system:
 - i. A moderate demand outlook that accounts for significant electrification, in particular of the transportation sector, and continued conservation savings;
 - ii. A supply outlook that meets the projected demand while maintaining the flexibility to respond to future variations in the demand forecast;
 - iii. Residential cost outlooks that show progress from the 2013 Long-Term Energy Plan and reflect government initiatives to reduce costs, including through Ontario's Fair Hydro Plan; and
 - iv. An industrial cost outlook that is relatively flat in real dollars and reflect the elimination of the Debt Retirement Charge in April 2018.
 - B. For the fuels system:
 - i. A declining demand outlook that reflects continued conservation savings, fuel switching (i.e., including electrification), the Climate Change Action Plan implementation and the impact of carbon pricing; and
 - ii. A supply outlook that meets the projected demand while demonstrating a steady transition to renewable and lower-carbon fuels.
 - C. For the integrated energy system, a declining greenhouse gas (GHG) emissions outlook that:
 - i. Identifies opportunities to align with the provincial target of reducing GHG emissions 15 per cent below 1990 levels by 2020 and 37 per cent below 1990 levels by 2030; and
 - ii. Is consistent with the implementation of the province's climate change policies (i.e., including the Climate Change Strategy, the cap and trade program and the Climate Change Action Plan).
2. ENERGY continue to work with Ministry of Economic Development and Growth (MEDG), the Ministry Responsible for Small Business, and other relevant ministries,

to identify opportunities to decrease electricity costs for small and medium-sized enterprises that currently do not benefit from rate mitigation programs.

3. ENERGY continue to work with the Ministry of Environment and Climate Change (MOECC) and partner ministries to identify opportunities to align the 2017 LTEP (i.e., including outlooks, forecasts, modelling assumptions and supporting modules) with the province's climate change policies (i.e., including the Climate Change Strategy, the cap and trade program and the Climate Change Action Plan).
4. ENERGY continue to work with the Independent Electricity System Operator (IESO), the Ontario Energy Board and appropriate ministries to identify opportunities to remove costs and GHG emissions from the electricity system through efficiencies, other funding sources and supply mix decisions, consistent with government priorities (i.e., including ongoing discussions with Hydro Québec, storage providers and other electricity market participants).
5. ENERGY report back to Cabinet on discussions with Hydro Québec in 2017.
6. ENERGY work with the Premier's Office, Cabinet Office and MOECC on an integrated communications strategy.