

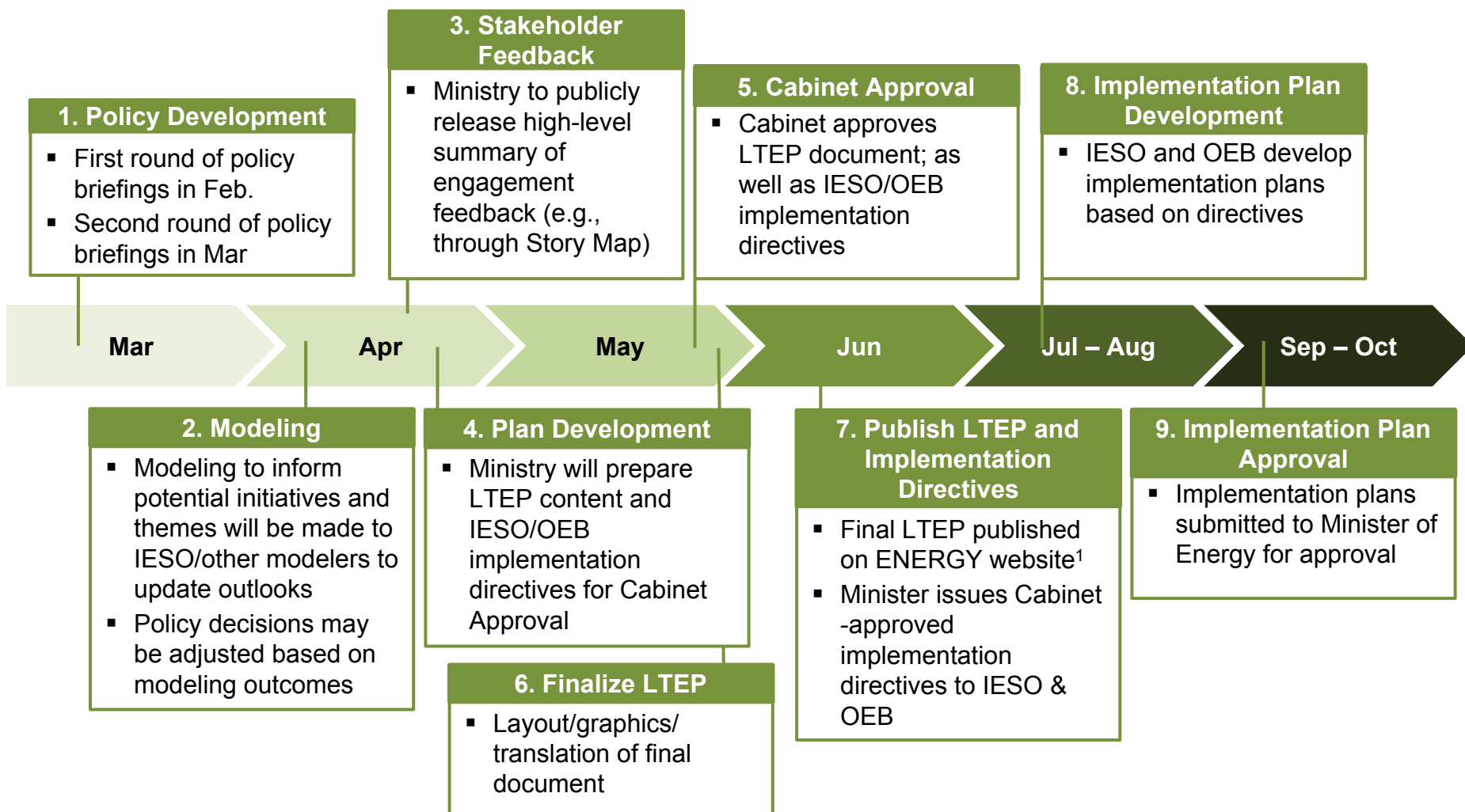
Long-Term Energy Plan Update

March 7, 2017

Purpose

- The Ministry of Energy is continuing to develop the next Long-Term Energy Plan. This presentation provides an update on the following:
 1. Process Overview and Timeline
 2. Policy Briefings
 3. Modeling
 4. Plan Development and Cabinet Submission
 5. Next steps

1. LTEP Process Overview and Timeline



¹ The final release date is dependent on Cabinet approval and finalization of the production schedule.

1. LTEP Process Overview and Timeline

- Ministry staff have developed an initial timeline, by LTEP development phase, for consideration.
- The timeline is based on an mid-May Cabinet date and mid-June LTEP release.
- Changes to either of these key milestones would have significant upstream impacts on other LTEP phases and activities.
- Communications advises more time may be required for document production.

2. Policy Briefings

- The first round of policy briefings, held between January and February, identified over 50 initiatives to be included in LTEP.
- A second round of briefings will take place between March and April. For each theme, the briefings will discuss:
 1. **Recommendation:** Identify the specifics of the initiative that will be highlighted in the LTEP and/or implementation directives
 2. **Implementation Strategy:** Next steps for moving forward with the initiative
 3. **Timeline:** Major milestones in implementing the initiative
 4. **Collaborators:** Agencies, utilities, stakeholders, ministries etc. involved in implementation
 5. **Considerations/Risks:** Any other issues to consider with the initiative
 6. **Cost:** Cost estimates and source of funding (rate base; tax base; other)

Decision(s) /Approvals Required

- New initiatives identified in the second round of policy briefings.
- If initiatives from the first round of briefings need to be updated given recent announcements, then appropriate approvals/decisions for these items may be required.

3. Modeling

Electricity

- To illustrate the impacts of LTEP initiatives on demand, cost etc., the IESO requires a base-case that can be used to compare initiatives contemplated for LTEP.
- The IESO plans to use Outlook B from the Ontario Planning Outlook (OPO) with updates occurring since the report was released. The Ministry will request the base case includes the impacts of the Fair Hydro Plan.
- The IESO requires confirmation of its assumptions provided to the Ministry.

Fuels

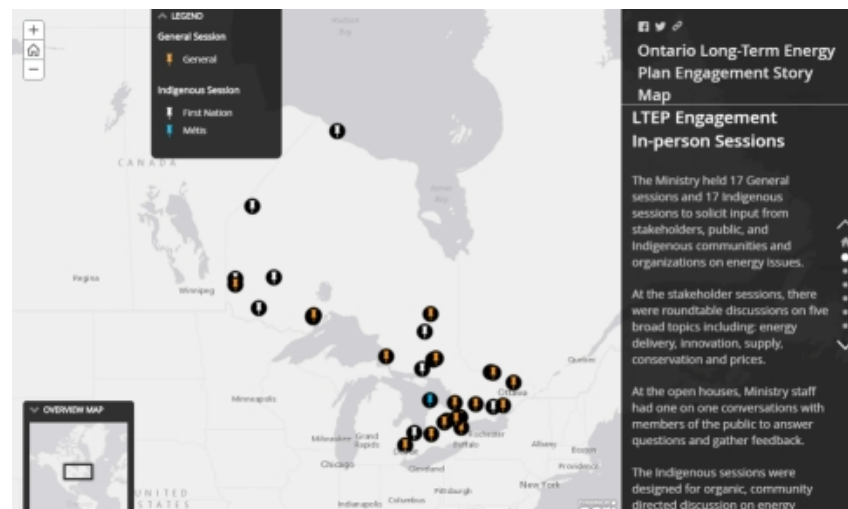
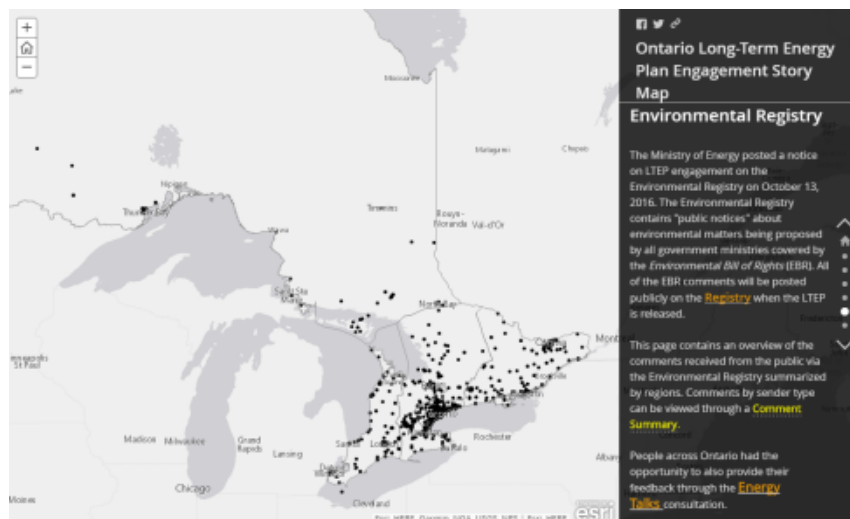
- The Fuels Technical Report includes outlooks that correspond to those in the OPO. The Ministry can use this information to assess some decisions (e.g., impact of electrification on fuels demand).
- New initiatives not contemplated in the FTR may require additional modeling.

Decision Required

- Are there other initiatives that need to be included in the IESO base case?
- Should the Ministry procure additional resources for modeling related to the fuels sector?
- How should supply-mix be presented given direction towards technology-agnostic planning?

4. Report-back on LTEP Engagement

- The ECO's report recommends the Ministry of Energy release and consult the public on a draft LTEP prior to finalizing the plan.
- The Ministry does not recommend this approach as the Ministry already completed a comprehensive engagement process and this proposal would lead to delays in the release of the plan.
- To help address the recommendation, the Ministry has developed an interactive story-map that highlights what was heard during the engagement process.



Decision Required

- Should the Ministry move forward with plans to release the LTEP Story Map publicly?

4. Document Preparation & Cabinet Approval

- As decisions are finalized through the policy briefing process, the Ministry will work with the LTEP writer to develop a draft document.
- The Ministry could track to a mid-May Cabinet date and seek approval on:
 1. **Decision Deck:** Identify LTEP initiatives with an analysis of cost, stakeholder, and other impacts
 2. **Implementation Directives to IESO and OEB**
 3. **LTEP Document:** Final edits can be made to reflect any requested changes from Cabinet.
- Following Cabinet approval, the Ministry requires approximately 1-2 months for final sign-off, production, and communications development.
- Based on this schedule, tentative release date for final LTEP and directives is **mid-June**.

Decision Required

- Does a draft LTEP document go to Cabinet, or a summary presentation?
- Are there issues with the timing schedule presented?
- Should directives be released the same day as the LTEP document?

5. Next Steps

- **Policy Briefings:** The second round of policy briefings will begin the week of March 13th.
- **Modeling:** Ministry to confirm IESO assumptions; IESO to run its base case. Ministry to finalize modelling requests for IESO. Ministry to procure fuel-specific modelling capacity, if needed.
- **Plan Development and Lay-Out:** Communications to work with Ministry policy staff and LTEP writer on lay-out of the plan. Ministry staff will provide writer with required materials as policy briefings occur.
- **Directive Development:** In step with plan development, Ministry staff to identify items for direction to IESO and OEB and begin drafting language.
- **Report-Back on Engagement Feedback:** Determine next steps for release of engagement feedback.