

Minister's Message Long-Term Energy Plan 2017

Welcome to the *2017 Long-Term Energy Plan: Delivering Fairness and Choice*. This document builds on previous Long-Term Energy Plans, and outlines the future of Ontario's energy system – a future that looks extremely bright, where we have an opportunity to build on past successes to become a global leader in energy innovation.

As Ontarians, we can be proud of the energy system we have built in our province. Over the past 15 years, we have made transformative investments and built an electricity system that is clean, reliable, and on the cutting edge. More recently, we have taken the next step through the *Fair Hydro Act* by ensuring the system is as affordable as possible for all Ontarians. From this position of strength, we are able to make an important promise to Ontario's electricity consumers: that we will strive to give customers more choices in their energy use and ensure that Ontarians, their families and their future will continue to be at the heart of everything we do.

The *2017 Long-Term Energy Plan* is built on years of investment that Ontarians have made in the province's electricity system. We now have a reliable electricity system that is 90 per cent free of emissions that cause climate change. Our investments in clean generation have contributed to dramatically improved air quality in Ontario, and smog advisories have dropped from 53 as recently as 2005, to zero in 2016. This means that our children can play outside without their health being threatened by smog and air pollution. And our investments have built a robust electricity supply, one that is expected to be sufficient to meet Ontario electricity demand into the middle of the next decade, and leaves us well positioned to plan for and meet any future challenges.

The strength of our electricity system is a key factor in what makes Ontario a positive destination for business investment, and a stable place to do business. This is demonstrated by our status as the fastest growing economy in Canada, and bolstered by our ability to balance the recent provincial budget. Making smart policy choices for our economy that attract investment and growth will continue to be a top priority, while we use that position of strength to ensure that Ontario families benefit from that prosperity.

Our success in building a strong economy and a clean and reliable energy system means we can continue to sharpen our focus on helping Ontarians and their families. The government has already brought in a number of measures to increase electricity affordability. The *Fair Hydro Act* has reduced electricity bills for residential consumers by an average of 25 per cent, and will ensure that electricity rates won't rise by more than the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting from this plan. Lower-income Ontarians and those living in eligible rural and northern communities are receiving even greater reductions, as much as 40 to 50 per cent. The 2017 Long-Term Energy Plan is bringing innovative ideas on system management and cost reduction, many of which have been in development for some time, to the forefront of policy thinking.

The *2017 Long-Term Energy Plan* would not have been possible without the suggestions and advice of Ontarians. The consultation that led to this plan has been among the most extensive this Ministry has ever undertaken. Thousands of organizations, communities, businesses, and citizens wrote to us in person or on-line. Hundreds came to the 17 open houses that were held across the province. We met with representatives of over 100 different First Nation and Métis organizations and communities, and made it a priority to understand the distinctive views of Indigenous communities in Ontario.

During these meetings, we heard consumers say, among other things, that they wanted more control and choice over how they use electricity. The *2017 Long-Term Energy Plan* responds to that. It recognizes, for instance, that senior citizens in Mississauga use energy differently than a family in North Bay. Pricing pilots already underway will inform decisions on new electricity pricing plans that will give consumers increased choice, and the ability to shift consumption to manage their bills.

We also heard that consumers want utilities that are more accountable to consumers for the quality of service they provide. The new *Consumer Charter* from the Ontario Energy Board sets out the rights of the province's 8.3 million electricity and natural gas customers, as well as their responsibilities.

The 2017 Long-Term Energy Plan will also help all Ontarians adjust to a rapidly changing energy landscape. Consumers have become more engaged in their energy use and are looking at ways to manage and generate their own power, renewable energy technology costs are coming down, and new smart grid and storage technologies are commercially available. With the growth of storage and distributed renewable generation, local energy systems will be increasingly two-way in nature as homes and businesses become not only consumers of electricity, but generators as well. This evolution promises to be one of the most significant developments since Thomas Edison built the first electricity distribution system more than a hundred years ago. Updates to the province's net metering framework will broaden opportunities for consumers to generate their own renewable electricity and receive a credit toward their electricity bills for any surplus power they send to their local distribution grid.

Ontario will continue to support the involvement of Indigenous communities in the energy sector by evolving programming to better support the needs and interests of communities. The connection of remote communities to the electricity grid as well as innovations in the use of renewable powered microgrids also present opportunities for First Nation communities in the Far North to reduce their reliance on dirty, polluting, and expensive diesel generation.

The continue development and prosperity if Northern Ontario is a priority for this government, and for me personally as MPP for Sudbury. When the North is doing well, Ontario is doing well. We continue to look at transmission expansion and connection for more northern communities, while ensuring investments made are in the best interest of

ratepayers. The government's ongoing commitment to development in the Ring of Fire is unwavering, and will be a key component of our energy and economic development plans moving forward.

Conservation and energy efficiency remain our cleanest, most cost-effective resources, and through this plan we will reaffirm our commitment to a Conservation First policy. Through programs and improved codes and standards, we will drive towards our long-term electricity reduction target of 30 TWh in 2032, while continuing to assess the achievable potential for electricity and natural gas conservation. Through the Green Button program, customers will be empowered to put conservation first in their homes and businesses through secure access to their energy data, and the use of new, interactive energy management tools. Improved grid analytics and innovative technologies will open up new ways for distributors to invest in energy efficiency on their distribution systems, achieving savings for their customers.

As we continue to address the threat of climate change, Ontarians can take comfort that our investments over the past decade and a half have given us a solid foundation on which to reduce the greenhouse gases that come from fossil fuels. In 2015, the government committed to a 37 per cent reduction in GHG pollution by 2030, compared to 1990 levels. Through increasing electrification, our clean electricity system will help us implement the government's ambitious goals from Ontario's *Climate Change Action Plan*.

Energy, both electricity and fuels, is key to the well-being of all Ontarians. *The 2017 Long-Term Energy Plan* will ensure we can all depend on a reliable supply of affordable energy to power our households and businesses for many years to come.