

Minister Thibeault Remarks

Association of Power Producers of Ontario (APPrO) 2017

Westin Harbour Castle Hotel Conference Centre, Toronto | Monday, Nov. 20

Thanks for that kind introduction **First Name**
[*last name, position, organization*].

I also need to acknowledge and thank the
Association of Power Producers of Ontario for
inviting me to speak at tonight's event.

Good evening everyone.

Over the past couple of days, a broad range of dedicated experts from an ever-evolving energy sector brought a host of topics to the forefront.

Topics that remain top-of-mind for all of us in this room – ranging from nuclear refurbishment to market renewal;

To helping foster innovation and better governing the energy sector;

To contemplating the future of Local Distribution Companies and our central agencies.

All of these topics against the backdrop of an Ontario economy transitioning towards a low-carbon, more electrified version of itself.

And as Ontario's Minister of Energy, I'm here to add to this dialogue.

In doing so, I'd like to begin by providing a brief update on Ontario's energy sector.

This is especially timely given last month's release of Ontario's 2017 Long-Term Energy Plan: *Delivering Fairness and Choice*.

As you all know, our Long-Term Energy Plan is a road map that broadly sets out the future of Ontario energy policy over the next 20 years.

This is the third Plan our government has released to date – with the first and second launched in 2010 and 2013, respectively.

Now, projecting energy-related trends is not easy in the short or medium-term.

And projecting energy-related trends over a 20 year timeframe is even more difficult.

Trying to get it right is an all-hands-on-deck process in the truest sense.

And for our 2017 Plan, this process involved the most extensive consultations and engagements the Ministry of Energy has ever undertaken.

I want to thank all of you who participated in this conversation and for your important contributions to our Long-Term Energy Plan.

What then are the major takeaways from this Plan?

For starters, I can say that we have a robust, reliable and diverse supply of electricity through our partnership.

Together with our power producers – we are in a strong position to serve the people of this province moving forward and meet any and all opportunities and challenges that may arise in the long-term.

At the same time, we should take into account how we arrived at this position of strength.

And give credit where credit's due.

This means recognizing that Ontario's strong and stable supply situation is largely a result of the nearly \$70 billion we've invested in the electricity system since 2003.

With the brunt of this heavy lifting done by current rate payers, we need to continue to maximize these existing energy assets.

This means, going forward, our government aims to manage future cost increases for Ontario's electricity consumers by maximizing the use of our already existing energy assets.

We're well on our way to meeting this goal, because many of our electricity generation facilities were built in the last decade.

Some of these assets are expected to be able to generate power beyond their planned contract life.

That's a big advantage for our province and its ratepayers.

And in the coming years, forward-thinking, game-changing initiatives such as market renewal coupled with the back-to-basic need to maximize our existing energy assets will continue to play a foundational role in our long-term energy planning.

In the process, these initiatives will help drive down the cost of electricity in this province.

And keep costs down, as I vowed to do upon assuming the role of Ontario's Minister of Energy nearly a year and a half ago.

As mentioned, market renewal is a key building block of our government's plan to press forward with a transformative fix to the foundation of our electricity system.

It aims to do so by creating a more dynamic and adaptive energy market, including a capacity market in which all resources, including energy storage and other new and innovative technologies, compete on an equal footing.

In the long-term, market renewal is expected to provide about \$5 billion in savings between 2021 and 2030.

But looking to the short-term and next steps in this exciting transformation, I am encouraged that APPrO and its members are involved as participants in the IESO-led Market Renewal Working Group.

I urge you to continue to stay engaged in this process.

Working collaboratively, your expert advice and your unique perspectives will be essential in creating a made-in-Ontario solution.

A solution that builds on the key themes of our Long-Term Energy Plan: *Delivering Fairness and Choice*.

We want to work with you to ensure this transformation results in a system that puts electricity generators on an equal playing field.

[Andrew, is this an opportunity to highlight IESO's RFI proposal?]

Another major takeaway from Ontario's 2017 Long-Term Energy Plan is that our electricity system is over 90 per cent free of the emissions that cause climate change.

And the system is forecasted to account for a tiny 2 per cent of our province's total GHG emissions this year.

This near-complete greening of our electricity system should serve as a point of pride for everyone in this room.

Working together, we had the fortitude to eliminate coal-fired electricity generation.

And to invest in clean generation.

Cutting out coal was by no means easy.

Especially when you consider that in 2003, it made up 25 per cent of Ontario's electricity supply mix.

There's something else to consider.

And that's the indisputable fact that eliminating coal placed Ontario at the tip of the spear in combating climate change – one of this generation's greatest challenges.

More specifically, it puts us an important step closer in meeting the objectives outlined in our Climate Change Action Plan.

On a national scale, ridding our grid of coal-fired electricity positioned Ontario sixteen years ahead of the federal government's target to phase-out all provinces' use of coal-fired electricity by 2030.

As indicated in the 2017 Long-Term Energy Plan, renewables now comprise 40 per cent of Ontario's installed capacity.

Renewables also generate about one-third of the electricity this province produces.

And when combined Ontario's nuclear advantage, clean fuel sources of electricity generated approximately 90 per cent of our province's power last year.

Looking more broadly, a de-carbonized grid will help Ontario transition to a low-carbon economy.

And, in the process, spur the de-carbonization of other sectors.

This includes our transportation sector and its continued adoption of electric vehicles.

According to our Plan's forecasts, some 2.4 million electric vehicles will be operating on Ontario's roads by 2035.

This is in addition to the planned electrification of public transit in Hamilton, Mississauga, Kitchener, Toronto and Ottawa.

But of all the many recommendations and policy directions encapsulated in the 2017 LTEP...

Our commitments, as a government don't end there.

As Minister of Energy there's two things I am continually focused on.

First, in maintaining a steady and robust supply of clean and reliable electricity, affordability must remain at the heart of everything we do.

[Is this an appropriate venue to talk about the current state of negotiations with Quebec? A deal wouldn't bring benefits to ratepayers, so Ontario isn't moving forward with an agreement]

And secondly, consumers in this province must be provided with more choice with respect to their energy use.

Because at the end of the day, everyone in this room – including me – serve the same constituency.

The people of Ontario.

And on that note, I'd like to thank APPrO again for inviting me to speak tonight.

Thank you.

[*End. First name, position, organization, to thank Minister*]