

****Check Against Delivery****

Remarks for
Hon. Glenn Thibeault, Minister of Energy
at the Ontario Energy Association Gala

September 27, 2016

Thank you David [McFadden, OEA Board Chair] for that kind introduction. It's a pleasure to be here with you this evening. I spent the summer immersing myself in the role of Ontario's Minister of Energy. Briefing, agency introduction, stakeholder engagements, indigenous interaction, interprovincial coordination and weekly cabinet meetings. But most importantly, I learned that this is truly not a function to miss. So rarely does an event bring together all facets of this industry in one evening, and I value the opportunity to lay out a bit of what I've learned since taking over this portfolio, and share with you a bit about our plans for the future. And the first of these observations — one that's apparent from the get-go — is that the leadership in this sector is nothing short of remarkable. When we look at where Ontario was about a decade ago, and compare that to our current situation, the transformation you have led is truly extraordinary.

Together, the people in this room closed coal plants and installed or contracted about 18,000 megawatts of renewable energy. You rebuilt more than 10,000 kilometers of aging power lines, extending energy access to new communities and ensuring no manufacturer or industrial leader need wonder if reliable power will be delivered to their operations. You've ensured Ontario will continue to benefit from an emissions-free system for generations to come, with an abundant supply of refurbished nuclear power remaining the backbone of that supply. Working together, utilities and generators have positioned Ontario to take advantage of emerging, 'smart' technologies that empower consumers to manage their own energy use — and position Ontario to be a key player in distributed generation.

You've also set a strong and inspiring example for the ways in which an industry can partner with First Nation communities in the generation and delivery of power, ensuring both economic and social progress.

Taken together, your leadership has meant that blackouts, brownouts, and smog days are a thing of the past. And you've positioned Ontario as a leader in the clean energy economy of today and tomorrow, allowing us all to take pride in one of the cleanest and most reliable power systems across the globe. The imperative to get this job done, and get it done right, was not a matter of government policy or political deliberations – it took all of you to make it happen. And the people of Ontario - including my two young daughters, will benefit from your leadership for a lifetime, and I want to thank each and every one of you for the role you played in making it happen.

With a clean and steady system secured, it's time for this sector to take on its next great challenge with renewed focus. There is an opportunity - more than that, an *obligation* - for this sector to ensure that access to our energy system is provided to everyone in this province.

Coming from Northern Ontario, I know that energy access is not always equal in Ontario. Here in Toronto, we take electricity so much for granted that a power outage lasting just a few hours makes the news. But we must remember that some families and communities in Ontario do not have the same luxury. There are remote first nations communities not connected to

our electricity grid and still relying on dirty, diesel generators. And let me say, in 2016, in a nation as wealthy as ours, this simply cannot continue to be the case. There are also entire towns in rural and northern Ontario that have not yet been connected to natural gas... who don't currently have access to this affordable source of heating. And importantly to me, affordable access to electricity, for families in every part of Ontario, remains a significant concern for many, especially those in regions not feeling the impact of Ontario's economic resurgence.

So, it is my intent as Minister to show that Ontario has not lost sight of our commitment to providing affordable power. As we recently announced, our government is acting to benefit ratepayers in a lasting, meaningful way. The proposed *Ontario Rebate for Electricity Consumers Act, 2016* will instantly and permanently rebate the provincial portion of the Harmonized Sales Tax on monthly bills starting January 1, 2017.

For rural customers, who have been especially affected by increasing costs, we are updating the Rural or Remote Rate Protection plan. Resulting in a reduction of about 20% off their monthly hydro bills for eligible rural electricity consumers. For businesses, we will be lowering the threshold for participating in the Industrial Conservation Initiative to 1 megawatt. This will give more than one thousand businesses the incentive to significantly reduce their electricity costs by reducing their consumption during peak hours. And as you know well, in the long run this will lower overall electricity system costs and defer the need for new peaking generation.

And, as outlined in the 2016 Budget and the Climate Change Action Plan, the government intends to recycle a portion of the cap and trade auction proceeds to offset the impact of cap and trade on industrial and commercial electricity consumers to keep rates affordable. These actions build on the successful implementation of the Ontario Electricity Support Program, which has been helping vulnerable consumers with up to \$75 in on-Bill reductions. And I want to thank the Ontario Energy Board and utilities across Ontario for helping establish this program so efficiently.

Taken together, this plan represents our path forward as a sector under Premier Wynne's leadership, ensuring our system is working in the best interests of families and businesses.

Two weeks ago, shortly following the announcement in the Speech from the Throne, I had the opportunity to sit down with the Executive Director of the United Way down in Bruce County to discuss some of her ideas for how we can work to make electricity more affordable. As a former leader of a United Way in Sudbury myself, I could understand where she was coming from as she voiced the fear and frustration many families she serves are feeling. But what was truly remarkable, and something I know every Ontarian can relate to, is that looking past any of those emotions, she had concrete, achievable ideas on how we can improve our system, and in particular, programmes like the Ontario Electricity Support Program and the Low-Income Emergency Assistance Program.

I liked those ideas, and my staff are already hard at work moving them forward. It's in that spirit that I'm challenging this sector to re-think established orthodoxies and paradigms, to undertake a singular focus to delivering cost reductions for ratepayers and more equitable access to energy. In order to achieve these goals, as a government we will lead by example and deliver on responsible system management and cost containment wherever possible. Since his appointed in 2013, the former Minister of Energy Bob Chiarelli took a combined set of actions that reduced system costs by nearly \$25 billion when compared to previous forecasts.

But more must be done.

As the new Minister of Energy, I will follow this precedent and take a prudent second look at every policy decision that has been made and determine if there is work we can do to reduce costs to Ontarian's. Many of you will have no doubt heard of my first action in this regard today with the suspension of the second phase of the Large Renewable Procurement.

I do want to be clear - our government is proud of the work everyone in this sector has done to establish Ontario as a North American leader in clean energy initiatives. With 18,000 MW of renewable generation contracted or online, Ontario will continue to be a leader and remains committed to clean, renewable energy. Though as part of that commitment, we must consider the options before us and seek the best

advice of our experts.

On September 1st, our electricity sector experts at the Independent Electricity System Operator delivered the Ontario Planning Outlook. As I know nearly all of you would have spent time reading and re-reading the details of that report, I won't revisit it's conclusions in detail, but what was abundantly clear to me in the OPO was that Ontario will continue to have a strong and steady supply of power for the next ten years. In short, the IESO's advice was that there is no urgent need to pursue additional electricity capacity in Ontario.

Given these conclusions, it only makes sense that as a government, and as a new Minister, we look carefully at our procurements and make common-sense adjustments where required. And therefore we have decided to suspend the second phase of the Large Renewable Procurement process, as well as the Energy from Waste standard offer program, deferring the procurement of more than one thousand megawatts of energy projects. Instead, we will review the role of these procurements as part of the next Long-Term Energy Plan consultations, which I know many of you are looking forward to taking an active part in when we get underway later this fall.

Ontario will honour the renewable contracts that have been signed, including those signed earlier this year under the first LRP process. However, we will not proceed with any other planned procurements for

large, utility-scale wind, solar, biomass bioenergy or waterpower projects. Based on the evidence from the IESO, we are confident that we will maintain among the cleanest, most reliable electricity systems in North America. When our experts tell us we can do this without procuring additional generation, it's up to us to heed that prudent and responsible advice and ensure savings for electricity consumers.

Today's decision to suspend the LRP II process is expected to save \$3.8 billion in electricity system costs relative to the LTEP 2013 forecast, saving the typical residential electricity consumer an average of approximately \$2.45 per month on their electricity bill. While our government remains committed to clean energy – as I said, all contracts that have already been signed will be honoured – we are taking a responsible, evidence-based approach to adjust to evolving needs. And our next Long-Term Energy Plan will consider the complete picture of Ontario's needs and how best to deliver savings for ratepayers in the years ahead.

That's what Ontarians expect their leaders to do, and this must be our focus as we move towards renewing the Long Term Energy Plan together.

Ontario is a leader in so many ways. Other jurisdictions are in a position where they need to spend years playing catch up with us. And while we can and should take pride in these achievements, we cannot take a break, or look over our shoulders to see how close they're getting. Instead, let's all of us think about what's next — what our next round of

accomplishments will be. As you know, robust consultation is enshrined in the LTEP process. And the Ministry of Energy is committed to working closely with agencies and stakeholders to develop a plan that maintains our commitment to responsible management of a clean, reliable system, and delivers savings to consumers.

And so I ask that as you prepare for LTEP consultations, consider helping our government achieve these goals. Consultations will take place this fall, and the Ministry is working hard to prepare a variety of tools to enhance participation – both from stakeholders and the public at large.

I look forward to engaging with all of you throughout that process, and I look forward to your insights and ideas as we continue to supply clean, reliable, and most of all, affordable power.

Thank you very much.