

Remarks for Minister of Energy Glenn Thibeault

OEA ENERGYCONFERENCE 16: Energy Gala Keynote “State of the Union”

Address

September 27, 2016

INTRODUCTION

- Thank you Vince [Brescia, OEA President] for that kind introduction.

- And I do want to recognize:
 - *Insert VIPs*
 - *Agency CEOs/Chairs*
 - *Deputy Minister*
 - *Hydro One*
 - *MergeCo.*
 - *Etc.*

- It's a pleasure to be here with you this evening. This summer I have learned many things as Ontario's new Minister of Energy, 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 on 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.

WHAT I SEE / THANK YOU

- 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 just fifteen years ago, and compare that to our current situation, the transformation you have led is truly extraordinary.
- Together, the people in this room closed the coal plants and installed more than 15,000 megawatts 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 alike 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, and put quite simply, 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.

[PAUSE]

WHAT WE NEED TO DO

- With a clean and steady system secured, it's time for the leaders sector to take on it's 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 that wants it.
- Coming from Northern Ontario, I know that energy access is not equitable in Ontario.
- Here in Toronto, we take electricity so much for granted that power outage lasting just a few hours makes the news.
- But we must remember that many families and communities in Ontario do not take energy access for granted.

- 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 can not continue to be the case.
- There are also entire towns and cities in rural and northern Ontario that could be connected to natural gas, liquefied or not, but who don't currently have access to this affordable source of heat.
- 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 always 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 all provincial taxes on monthly bills starting January 1, 2017.
- What's more, the proposed legislation is one

part of a comprehensive package of reforms that would take effect on the same day.

- For rural customers, who have been especially affected by increasing costs, we are updating the Rural or Remote Rate Protection. An impact of 20% cost reduction for Ontario's approximately 330,000 eligible rural electricity consumers.
- For businesses, we will be lowering the threshold for participating in the Industrial Conservation Initiative from 3 megawatts (MW) to 1 MW. This would give more businesses the incentive to significantly reduce their electricity costs by reducing their consumption during peak

hours. This would lower electricity system costs by deferring the need for 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 government; focusing on ensuring our system is working in the best interests of families and businesses.

[SHORT PAUSE]

- Two weeks ago, shortly following the announcement in the Speech from the Throne, I had the opportunity to sit down with the head 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 I'm challenging this sector to re-think old orthodoxies or set ways of doing things, and undertake a singular focus to delivering cost reductions of ratepayers and more equal 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 he was appointed Minister of Energy in 2013, Bob Chiarelli took a combined set of actions that reduced system costs by nearly \$25

billion when compared to the 2013 Long Term Energy Plan.

- But more must be done.
- As Minister of Energy, I will follow this precedent and take a careful second look at every policy decision that has been made and determine if there is work we can do to reduce costs to Ontarians.
- Many of you will have no doubt heard of my first action in this regard today with the suspension 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 15,900 MW of renewable generation online as well as approximately 2,000 MW contracted and under development, 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 advice of our experts.

[SHORT PAUSE]

- 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 in the IESO's conclusions 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 more electricity supply 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, intended to procure of up to 980 MW of renewable energy projects.
- Instead, we will, and review the role of continued 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 can continue to 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 cancel the LRP II process is expected to save \$3.6 billion in electricity system costs relative to the LTEP 2013 forecast, saving the typical residential electricity consumer an average of approximately \$2.10 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 our renewed Long Term Energy Plan together.

[PAUSE]

LTEP 2017 AND CONCLUSION

- Ontario is a leader in so many ways.
- Other jurisdictions are in a position where they

will play catch-up with us for years to come.

- 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, 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 all prepare for LTEP consultations, you 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.