

2017 Long-Term Energy Plan

Topline:

- We've lowered rates by 25 per cent, and they will not rise by more than inflation for four years.
- Following this period, our Long-Term Energy Plan lays out a path for predictable, affordable electricity prices – with no sudden jumps.
- Since our 2010 plan, we've brought the projected average price of hydro bills in 2020 down, from \$200 per month to \$130 per month.

Cost-Curve

- Over the last several years people told us that electricity prices had increased too much, and too quickly.
- This generation of ratepayers had invested nearly \$70 billion in much needed improvements to the electricity system.
- These investments to create a clean and reliable grid and eliminate dirty coal-fired generation, will last for generations to come, and it's only fair that more than the current generation pays for them.
- And that's why we took strong and decisive action this past Spring in launching Ontario's Fair Hydro Plan.
- And ever since we launched our Plan, we've been clear with the people of Ontario that it would cost more, and take longer to pay off.
- We've lowered rates by 25 per cent, and they will not rise by more than the rate of inflation for four years.
- Following this period, our Long-Term Energy Plan lays out a path for predictable, affordable electricity prices
- Rates will increase gradually over time –but we heard from families that they can't handle the sharp increases that were taking place in previous years.

- Additionally, our government has a strong track record of taking costs out of the system and we will continue to do so.
- The 2010 Long-Term Energy Plan projected that in 2020 the average residential bill would be more than \$200 per month.
- The 2017 plan now projects that in 2020 the average monthly bill will be under \$130 per month.
- Deferring the construction of new nuclear; renegotiating the Samsung Agreement; cutting back on targets for utility-scale renewable generation are just a few examples that have reduced forecast costs by billions of dollars.
- This now includes moving forward with Market Renewal initiatives to redesign our electricity markets.
 - This undertaking is expected to save about \$5 billion between 2021 and 2030.
- Mr. Speaker, while the opposition continues to have no plan, electricity affordability will continue to be a top priority for our government, in the short term—and in the long term.

If Pressed:

- As part of a new initiative, Market Renewal, the Independent Electricity System Operator (IESO) is developing an incremental capacity auction that will use competition to secure the electricity resources the Province needs, regardless of the technology.
- This initiative will redesign our electricity markets to ensure that we're procuring electricity at the best value for Ontario's ratepayers.
- This undertaking is expected to save up about \$5 billion between 2021 and 2030.
- Additionally our government has a strong track record of taking costs out of the system.
- Deferring the construction of new nuclear; renegotiating the Samsung Agreement; and cutting back on targets for renewable generation are

just a few examples that have reduced forecast costs by billions of dollars.

- Through the Fair Hydro Plan we've lowered rates by 25 per cent, and they will not rise by more than inflation for four years.
- Following this period, our Plan lays out a path for predictable, affordable electricity prices – with no sudden jumps.
- We have the Fair Hydro Plan and now a substantive Long-Term Energy Plan. Meanwhile we're still waiting for the Opposition to come up with any ideas of their own.

20% Number from the Chart

- The 20 per cent referenced by the members opposite represents an average reduction over the calendar year, rather than a fiscal year.
- As we all know, the Fair Hydro Plan took in effect on July 1st.
- Meanwhile the number referenced by the opposition uses the calendar year from January 1st 2017 to January 1st 2018, which doesn't capture the full effect of the Fair Hydro Plan which took in effect on July 1st of this year.
- When families across the province look at their bills today, it will be, on average 25% lower than what it would have been last year.
- And when families look at the Opposition's ideas, all they'll see is price increases Mr. Speaker.
- This is just another **sad attempt by the opposition to distract from the fact** that they still have no credible or realistic plan of their own.

Northern Ontario

- Our government remains committed to delivering clean and reliable electricity to families and businesses across Northern Ontario
- A majority of the transmission projects that our government has committed to are located in North Western Ontario. Examples include the:
 - East-West Tie project,
 - North West bulk project, and;
 - The Wataynikaneyap transmission project.
- Additionally we're focused on ensuring that remote First Nations communities become connected to the electricity grid—as it lays the foundation for the critical infrastructure that communities and people rely on.
- We are working with Wataynikaneyap Power, an unprecedented partnership between 22 First Nations and FortisOntario, which is advancing the connection of 16 of the 21 connectable remote communities.
- Additionally, our Fair Hydro Plan has lowered electricity bills by an average of 25%, and this reduction is up to 40 to 50 per cent for those families in the most Northern communities paying the highest delivery charges.

Atikokan / Thunder Bay GS

- Although the Long-Term Energy Plan doesn't mention all of the province's electricity generation assets, the **Thunder Bay and Atikokan Generation Stations** remain an important part of our province's long-term planning
- As a government, we remain committed to delivering clean and reliable electricity to families and businesses across Northern Ontario

Large Industrial Consumers

- Ontario recognizes the importance of electricity prices for businesses.
- This is reflected in the many government programs that help businesses make electricity more affordable, such as:
 - The Industrial Conservation Initiative;
 - SaveOnEnergy for Business;
 - the Industrial Electricity Incentive (IEI);
 - the Northern Industrial Electricity Rate Program, and;
 - the Industrial Accelerator Program
- That said, the 2017 Long-Term Energy Plan price outlook for industrial consumers reflects average increases in line with inflation.
- Currently the electricity price for industrial electricity consumers in Ontario is lower than the average price in the Great Lakes region as reported by the U.S. Energy Information Administration.
- And rates in Ontario remain competitive with other Canadian and American jurisdictions, with prices in Northern Ontario in particular among the five most affordable jurisdictions on the continent.
- As part of the Fair Hydro Plan we expanded the eligibility of the Industrial Conservation Initiative, which allows industrial consumers to lower their bills by an average of one-third.
- While the opposition has no credible or realistic plan to lower electricity costs for the people of Ontario, we'll continue to work hard to bring costs down in the short term—medium term—and long term.

Bill Presentment

- Consumers have told both the Province and utility companies that they find current bills confusing and lacking the information they want.
- Electricity bills are the customer's main window into the electricity system, and therefore need to be more clear and understandable.

- Action is already underway to address this.
- Hydro One is introducing a redesigned bill for some of its customers later this year, and other utility companies will follow as they are ready.
- The new bills are the product of testing and research, and are expected to provide customers' with a better understanding of their electricity charges.
- To expand on this effort, our government is working with the Ontario Energy Board and utility companies to redesign bills to give Ontarians the information they have said they want on their bills.
- We're very excited about this new undertaking that will make bills easier for customers to understand and ensure they get the most useful information out of their bills.

Electric Vehicles

- Mr. Speaker, the modelling for our future demand is prepared by the Province's Independent Electricity System Operator who specializes in planning for the province's future energy needs.
- But we know electric vehicles are booming.
- Electric vehicle sales in Ontario led second quarter growth in 2017 with over 1,800 plug-in EVs rolling off dealer floors.
- That's a 58% increase over Q1, 2017 numbers and more than double the Q1, 2016.
- But while we're talking about electric vehicles, let's take a look at the facts:
 - Through the Electric Vehicle Incentive Program (EVIP), our government has provided incentives worth \$84 million to support the purchase of close to 9,600 EVs since July 2010.

- To further support the goals of Ontario's Climate Change Strategy and promote increased Electric Vehicle adoption, a modernized Electric Vehicle Incentive Program was made effective January 1, 2017.
 - Additionally, we're continuing to install more and more charges across the province.
- And we're doing this because unlike the Opposition parties, our government is serious about fighting climate change.

2017 LTEP Initiatives

- Electricity is more affordable. Ontario's Fair Hydro Plan has lowered electricity bills by 25 per cent on average for residential consumers, and will hold increases to the rate of inflation for four years.
- Following this, the 2017 LTEP confirms that electricity prices are forecast to remain below the level projected in the 2013 LTEP.
- While rates will rise gradually over time, the government remains committed to avoiding sharp increases through initiatives outlined in our Plan.
- The Ministry will work with its agency partners to enable utilities to modernize their businesses and electricity grids, with the goal of creating greater efficiency, reducing costs, and providing customers with more choice.
- The net metering program will be enhanced to empower customers to participate in generating their own clean, renewable electricity and receive a credit on their electricity bills for any extra power they send back to the grid.
- The Province intends to expand Green Button province-wide, so that consumers can take control of their energy consumption by sharing their energy data with apps and energy management tools of their choice, which can help them identify conservation and energy efficiency opportunities.
- Enhanced consumer protection by giving the Ontario Energy Board (OEB) increased regulatory authority over the 326,000 individually-metered condo and apartment units in the province.
- Eligible on-reserve residential customers will receive a First Nations Delivery Credit, giving them back 100 per cent of their delivery line; typically an \$85 per month savings.