

DRAFT – For Discussion Purposes Only
Minister's Message
Long-Term Energy Plan 2017

Ontarians have done some heavy lifting to get where we are today. The investments of the past decade have given us a reliable electricity system that is 90% free of the emissions causing climate change. We also have a robust supply of electricity that is expected to continue into the middle of the next decade. All of this leaves us well positioned to meet any of the challenges that may occur over the next 20 years.

It also means we can focus on the system's customers, making sure they benefit from the work that has been done and helping them prepare for the future. Technological innovation is creating different types of customers, and we need to have an affordable energy system that meets their diverse needs and supports the province's economic development.

The *2017 Long-Term Energy Plan* is focussed on the consumer. *Delivering Fairness and Choice* starts with the recent *Fair Hydro Plan*, which will reduce electricity bills for households, small businesses and farmers by an average of 25%, which includes the eight per cent rebate introduced in January. Customers of local distribution companies with some of the highest rates are seeing their distribution charges reduced. The financial assistance for the province's poorest households has increased by 50% and customers who cannot afford to make energy efficiency improvements are also getting help from the government's Affordability Fund.

The government is bringing in more efficient and flexible procedures for acquiring and dispatching electricity to help pay for these initiatives. Instead of dictating the types of generation, the government will rely on markets to provide Ontarians with the least expensive sources of energy, regardless of the technology; the government will limit itself to setting overall policy, such as carbon reduction. The efficiencies are expected to save customers \$2-5 billion over the next 10 years.

This is not the only change in Ontario's electricity system. As the system continues to evolve, an enhanced commitment to conservation will be important. This plan builds on the significant investments made under the *2013 Long-Term Energy Plan* and the *Conservation First Framework* and these actions will help customers manage their bills. Nuclear stations or hydro-electric dams are no longer our sole generators. The addition of renewable facilities, including solar, wind and hydro-electric generation, has led to a 50% increase in Ontarians' use of renewable electricity. We expect these sources of distributed energy to continue to grow, as customers use net metering to generate and consume their own electricity, storing what they don't need or sending it back to local utilities for a credit.

These developments all rest on the Smart Grid, the sophisticated transmission and distribution system that Ontario is helping to pioneer. This modern, digital platform will allow new and existing companies to rattle the cage of existing orthodoxy, offering the types of products and

services that customers increasingly demand. Innovations are happening right here in Ontario that will make greater customer choice a reality. One example is varied rate plans that, much like mobile phone plans, will give people more control over their electricity bills. The Ontario Energy Board has several pilot projects looking at how electricity rates can be tailored to meet the needs of small businesses, seniors and people who work on shifts.

While the future is promising, it is also uncertain, so we need an energy system that keeps pace with the tempo of our innovations, the changes in our population and our efforts to reduce GHG emissions. We have already made significant progress in decarbonizing our economy by closing our coal plants, or transitioning them to using renewable fuels. This has given us the foundation we need to pursue increased electrification, the additional use of electric vehicles, and the take advantage of renewable natural gas. This *Long-Term Energy Plan* uses the government's *Climate Change Action Plan* to guide the transition, integrating both electricity and fossil fuels in its planning.

As the government and its agencies begin implementing this plan, I want to thank all the Ontarians who helped build it. It was one of the largest consultations this government has ever undertaken. Thousands of residents and stakeholders took part on-line, through written submissions or participated in one of the sessions that were held around the province. We made engagement with Indigenous communities a priority and met with representatives of over 100 different First Nation and Métis organizations and communities to get their unique perspectives. The suggestions and ideas we gathered from all of you helped remind us that Ontarians, their families and their future should be at the centre of everything we do.