

Long-Term Energy Plan

Final First Nation Engagement Event

May 17, 2017

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AGENDA

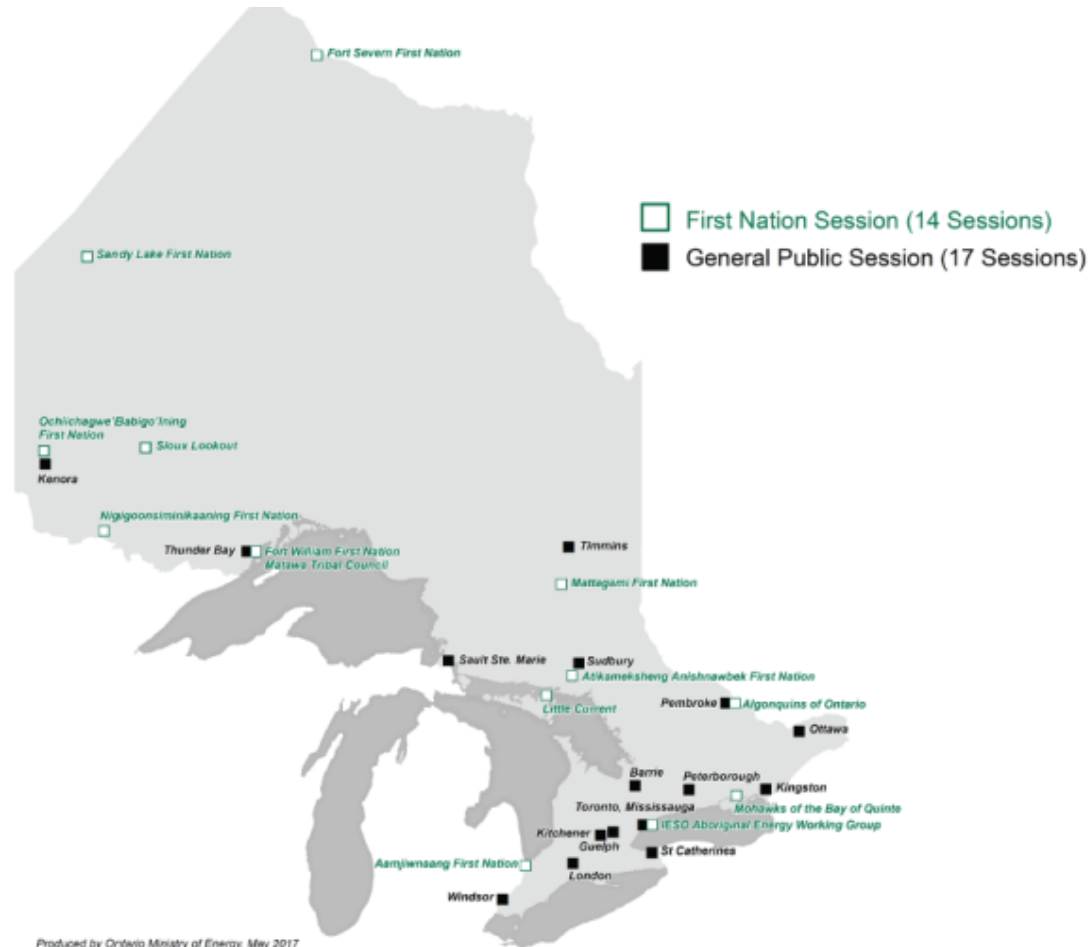
- 11:00 – 11:15 **Welcome and Opening prayer** (*15 minutes*)
- 11:15 – 12:00 **Introductions and Conversation Goals** (*45 minutes*)
- 12:00 – 12:30 **Lunch** (*30 minutes*)
- 12:30 – 1:00 **Long Term Energy Plan** (*30 minutes*)
 - Engagement Process
 - What We Heard
 - First Steps
 - What's Next?
- 1:00 – 2:45 **Discussion** (*45 minutes*)
- 2:45 – 3:00 **Next Steps** (*15 minutes*)
- 3:00 – 3:15 **Closing Remarks** (*15 minutes*)
- 3:15 – 3:30 **Closing Prayer** (*15 minutes*)

LONG-TERM ENERGY PLAN: ENGAGEMENT PROCESS

WHAT WE DID

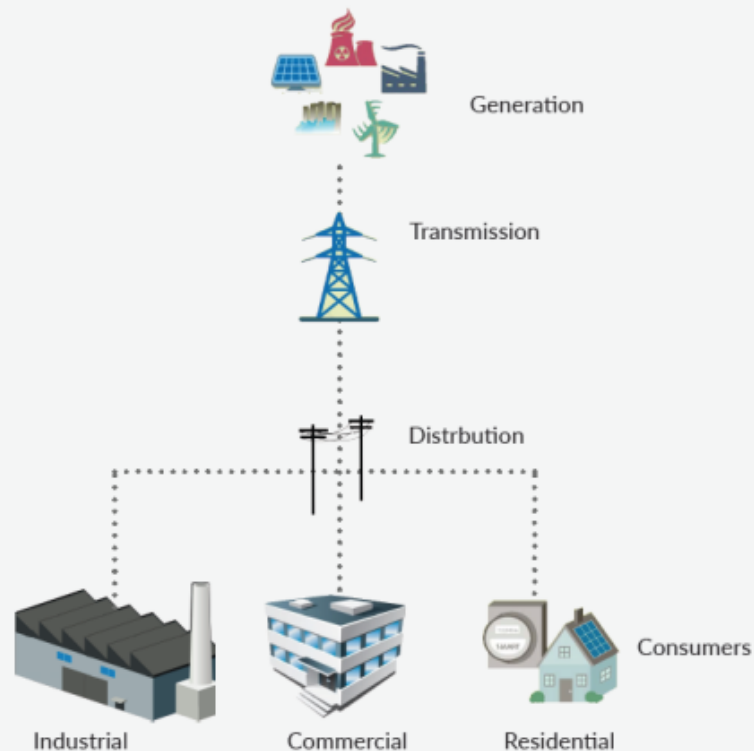
- **Direct First Nation engagement:**
 - Invitation to attend engagement session sent to all First Nation Chiefs.
 - Staff-level follow-up and outreach.
 - Offer to cover expenses for two representatives from each First Nation community.
 - 14 First Nation sessions held across the province, including northern & remote locations.
 - Attended by 153 people representing 78 First Nation communities & organizations.
- **Chiefs of Ontario & Political Territorial Organization engagement:**
 - Invited feedback on engagement ideas and planning from COO.
 - IESO offered capacity funding to PTOs.
 - IESO-Ministry of Energy PTO pre-engagement workshop to share technical information and engagement plans, and to seek feedback.
- **Written comments** were also welcome, and we received several submissions to the Environmental Registry from First Nation organizations.
- We produced a **workbook** called “Seeking Indigenous Energy Perspectives” to help inform and guide conversations.

WHERE WE WENT



WHAT WE SAID: INTRODUCTION TO THE ENERGY SECTOR

System Components



Ontario Ministry of Energy



The Ontario Energy Board regulates electricity and natural gas in the public interest.



The Independent Electricity System Operator is responsible for System Planning, Operations Conservation and Procurement



The Ontario Power Generation owns and operates generation assets and generates half Ontario's electricity.

First Nations

Local Distribution Companies

Hydro One Distribution
Attawapiskat Power Corp
Fort Albany Power Corp
Kashechewan Power Corp
Independent Power Authorities
Hydro One Remote Communities Inc.

WHAT WE SAID: WHAT IS ONTARIO'S LONG-TERM ENERGY PLAN?



- Ontario's Long Term Energy Plan (LTEP) looks at **short and long-term energy needs**, including 20 years from now.
- We are meeting with First Nations across Ontario to **include Indigenous perspectives** in the energy plan including
 - What energy issues are important to you?
 - What are your community's energy priorities?
 - What energy issues should the province focus on in the next few years?

WHAT WE SAID: WHAT IS THE LTEP PROCESS?

Process

- Two **technical reports** are produced: **one on electricity** and **one on fuels**.
- Ontario **meets with Indigenous communities** and groups, the general public and stakeholders to talk about energy in the province and listen to their ideas.
- Ontario creates the LTEP and based on this directs its agencies the Independent Electricity Systems Operator and the Ontario Energy Board, to **create implementation plans**.
- The agencies submit implementation plans to the Minister for review and **approval**.

Outcome

- IESO and OEB develop plans for implementing LTEP objectives
- Minister of Energy approves OEB and IESO implementation plans
- IESO and OEB develop programs and policies, or procure resources outlined in their Implementation Plans

WHAT WE SAID: LTEP THEMES

- Electricity Transmission
- Energy Innovation and Microgrids
- Renewable Energy
- Fuels
- Climate Change
- Conservation
- Energy Costs
- Policy and Program Supports



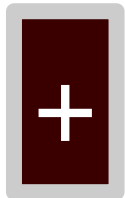
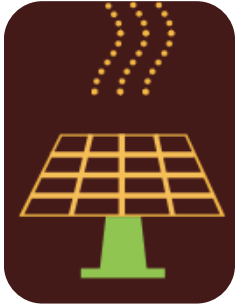
LONG-TERM ENERGY PLAN: WHAT WE HEARD

WHAT WE HEARD: Delivery

- **Transmission and Distribution:** Need for grid investment in order to combat the impacts of climate change and to promote projects that enable the connection of remote communities and that enable economic development opportunities for First Nation communities.
- **Local Distribution Companies:** Challenges with customer service, disconnections, trespassing on reserve, lack of equality of LDC-delivered programming, application process.
- **Reliability:** Community health, education, and economic development is hampered by lack of line capacity. Single phase power is causing damage to local infrastructure and upgrades are too expensive for communities.
- **Pipelines:** Continue advocating for the six Ontario pipeline principles in federally-regulated projects and ensure early consultations are undertaken for infrastructure under provincial jurisdiction.



WHAT WE HEARD: Supply and Innovation



- **Local Energy:** Net metering, microgrids, local generation and infrastructure ownership to enhance local benefits, control, autonomy and resilience.
- **Supply:** Balance costs, sustainability, employment opportunities and economic development opportunities. Overall preference for renewables over nuclear. Concern re: nuclear waste disposal and safety, and lifecycle costs and interest in harnessing local resources (i.e., wind, water and sun).
- **Innovative Technologies:** Government support needed for communities to develop innovative technologies and home grown solutions.
- **Natural Gas:** Enable consumer choice and to help reduce home energy costs including electricity.

WHAT WE HEARD:

Prices, Conservation and Energy Efficiency

Prices

- **Electricity Costs:** Energy costs are too high; simplify billing and eligibility for payment relief. Concern for elders/seniors, families with young children and service cut-offs. In some cases, individuals/families forced to move off-reserve because rural energy costs are too high
- **Delivery Charge:** Eliminate the delivery charge in recognition of First Nation contributions to the energy sector.



Conservation and Energy Efficiency

- **Conservation Support:** Programs should result in savings & educate re: environmental benefits. Past programs poorly permeated due to inappropriate tools & lack of trust (e.g. to let people into homes). Programs should raise awareness of benefits of conservation to the grid and include youth-targeted education.
- **Housing:** Homes often require significant retrofits/renovations to realize conservation benefits and/or readiness for distributed generation opportunities. Holistic solutions needed.

WHAT WE HEARD: Programming

Energy
affordability

Energy
planning

Energy
project
procurement
s

Energy
Financing

Energy
education
and capacity

Energy
partnership
s

Programming

- **Funding and Capacity Support:** More programs for Indigenous customers and communities, support for capacity; program continuity is critical for awareness and availability of providers & skills.
- **Energy Planning:** Support to implement Aboriginal Community Energy Plans, including access to capital funds/financing for projects.
- **Understanding Energy:** Better Need for programs that better explain bill components & energy cost increases.
- **Northern Realities:** Better consider the realities of life in the North when developing policies and programs; e.g. instead of electric vehicles, consider efficiency measures for trucks and snow machines.

WHAT WE HEARD: Climate Change

- **Climate Change Action Plan:** Interest in environmentally-focused solutions aligning with CCAP,
- **Reduction of Diesel:** reduction of diesel dependence in northern climates;
- **Costs:** climate change costs and initiatives such as the carbon tax on gas and diesel and increasing biofuels in the fuel mix will affect way of life on the land, such as operating all-terrain vehicles to access trap lines.



WHAT WE HEARD: ENVIRONMENTAL REGISTRY WRITTEN COMMENTS



LONG-TERM ENERGY PLAN: OUR FIRST STEPS

ADDRESSING ENERGY AFFORDABILITY: ONTARIO'S FAIR HYDRO PLAN

- Concern about electricity affordability raised during First Nation LTEP engagement sessions reflected the words of First Nations leaders, who advocated on this issue through the First Nations-Ontario Energy Table and other venues.
- On March 2, 2017 Ontario announced its Fair Hydro Plan, including the launch of a new Affordability Fund as well as the enhancement of existing programs such as the Ontario Electricity Support Program (OESP) and Rural or Remote Rate Protection (RRRP).
- As of May 1st, OESP monthly credits have increased by 50% and more households are eligible for the credits. The government also plans to move the program to the taxbase, thereby reducing the burden on all ratepayers.
 - The OESP provides an enhanced credit amount for First Nations customers. The credit amounts, which are based on household size and income, currently range from \$45 to \$75 per month, and would increase to a range from \$52 to \$113 per month.
- As of April 30, 2017, over 10,500 First Nation customers had applied for OESP.
- Additional energy affordability initiatives include the low-Income Energy Assistance Program and initiatives under the Conservation First Framework.

ADDRESSING ENERGY AFFORDABILITY: THE FIRST NATIONS ON-RESERVE DELIVERY CREDIT

- The government recognizes that First Nations consumers face unique challenges with respect to electricity affordability. Many First Nation reserves are located far from the high-density areas of the province that are less expensive to serve. As a result, First Nation customers living on reserve often pay higher distribution costs than customers in more populated areas. This problem is often compounded by the energy inefficient housing that is built and used on reserves.
- The Minister directed the Ontario Energy Board (OEB) to prepare a report providing advice on options for an appropriate electricity rate or rate assistance for on-reserve First Nations electricity consumers.
- The OEB provided its report to the minister on December 29, 2016 and recommended:
 - Elimination of the delivery charge for all on-reserve First Nations residential customers of licensed distributors or the elimination of the monthly service charge for customers of licensed distributors which charge a bundled rate;
 - Automatically qualifying on-reserve First Nations residential customers;
 - Continuing to provide OESP and LEAP to eligible on-reserve First Nations customers.

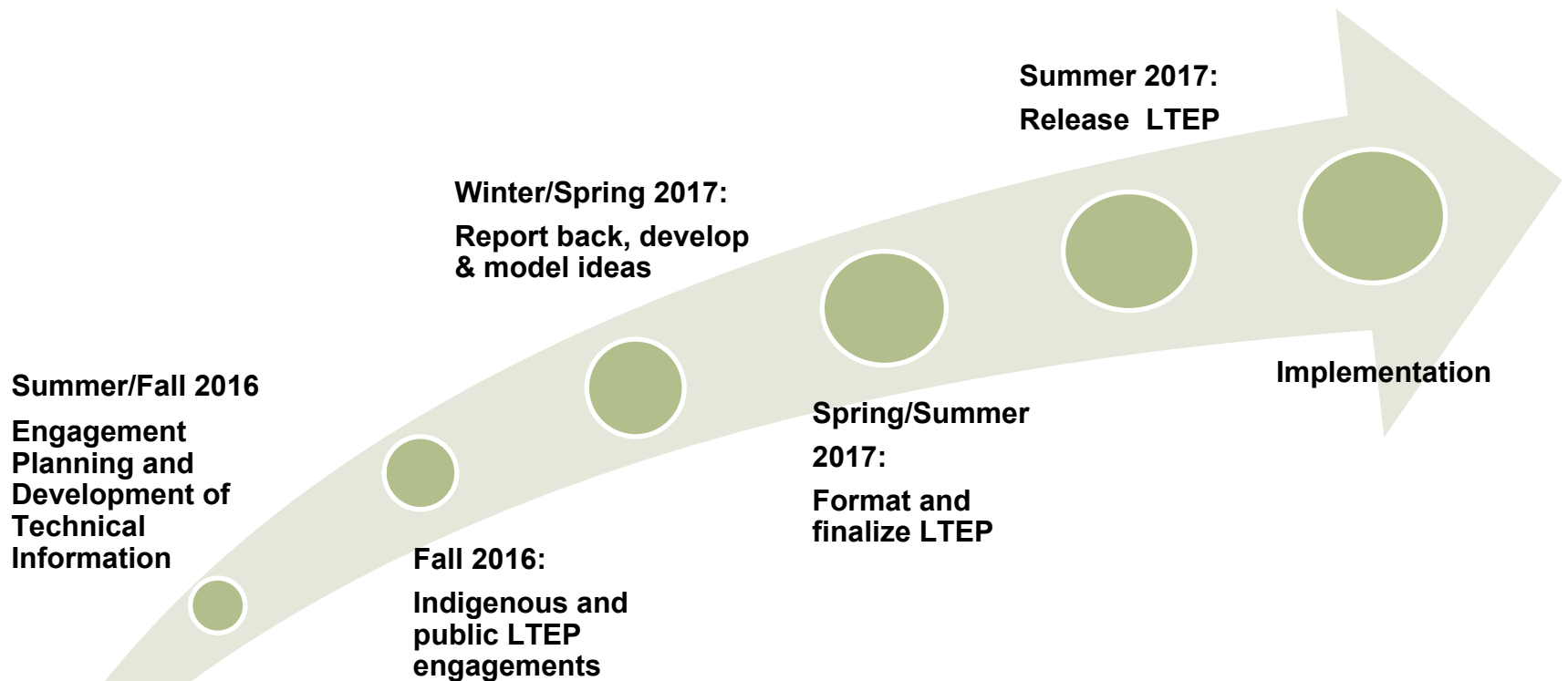


ADDRESSING ENERGY AFFORDABILITY: THE FIRST NATIONS ON-RESERVE DELIVERY CREDIT

- Acting on the information provided by the OEB and input received during LTEP engagement sessions, the Fair Hydro Plan announced on March 2, 2017 also introduced the First Nations On-Reserve Delivery Credit (FNDC).
- The FNDC applies to on-reserve First Nation residential customers of licensed electricity utilities and provides a 100% credit of the delivery or service charge.
- The Ministry of Energy has worked with the Chiefs of Ontario to establish a Working Group to ensure the FNDC is implemented as quickly and effectively as is possible. If passed, the FNDC will come into effect as soon as July 1, 2017.
- The FNDC reflects First Nation leadership and the feedback heard during the LTEP engagement process, and is an example of the Political Accord signed between First Nations and Ontario coming to life.

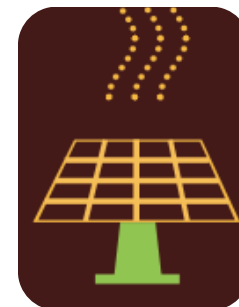
LONG-TERM ENERGY PLAN: WHAT'S NEXT

LTEP 2017 TIMELINE & NEXT STEPS



EVOLUTION OF OPPORTUNITIES

- The province is in a strong energy supply position and must balance the costs of building new energy supply in a responsible manner.
- Given projected energy demand, the province suspended the purchase of new large energy generation, such as the IESO's Large Renewable Procurement program.
- Ontario understands that the energy sector presents opportunities for economic development in First Nation communities and is committed to supporting opportunities in this evolving energy sector.
- The Ministry's LTEP engagements highlighted the sustained interest of First Nations in opportunities to enhance local benefits, autonomy and energy resiliency including:
 - Supporting local opportunities through renewable microgrids, net metering, access to financing, education and capacity and other local/distributed generation projects;
 - Energy affordability and efficiency through the Fair Hydro Plan and Conservation; and
 - Infrastructure ownership and partnerships.



POSSIBLE IDEAS FOR LTEP 2017

- **Continue and expand energy affordability programs:**
 - Continuation of LEAP & conservation initiatives;
 - Expansion of OESP & RRRP; and
 - Creation of First Nation On-Reserve Delivery Charge Credit.
- **Continue and build on success of current programs** including:
 - Aboriginal Community Energy Plans (ACEPs);
 - Education and Capacity Building program; and
 - Energy Partnerships Program.
 - Evolve existing programs to reflect the current energy context, provide greater flexibility for unique and innovative community interests, and to assist with ACEP implementation.
- **Explore innovative financing options:** look at ways to improve community access to more flexible financing options for energy initiatives.
- **Remote communities:** Continue support for remote communities via transmission connection and other diesel reduction initiatives, such as microgrids.



LONG-TERM ENERGY PLAN: DISCUSSION

WHAT DO YOU THINK?



- Did we get it right?
- What did we miss?
- What do you think of our ideas for the next LTEP?
- What would you like to see going forward?
- How would you like to participate in future conversations about energy?