

Electricity Distributors Association (EDA)'s Annual General Meeting Gala Dinner
Monday, March 26, 2018
Fairmont Royal York Hotel
Word Count: 2214 words

- Thanks for that kind introduction, Teresa {*Ms. Sarkesian, President & CEO of Electricity Distributors Association (EDA)*}
- Bonsoir à tous.

[*Good evening everyone.*]
- I'd like to begin by thanking the EDA for inviting me to speak at your annual general meeting.
- And as I look out across the room, I want to thank all the LDCs in attendance tonight.
- For the critically important work you do in delivering electricity to millions of homes and businesses across this great province 365 days a year, 24 hours a day
- But that's not all that LDCs – and by extension the EDA– do for this province.
- Last year – by all accounts was one of the busiest years in the Ministry of Energy's history...
- LDCs, and the EDA, played a critical role in helping implement key ministry initiatives.
- Be it Ontario's Fair Hydro Plan – which provided the single-largest rate reduction in the province's history...
- The EDA's ongoing work with the IESO and the OEB in implementing the 2017 Long-Term Energy Plan...
- Or the bill re-design initiative...
- With bill re-design, the Ministry formed the Bill Redesign Action Plan Working Group to seek the best advice on how to develop new invoicing requirements.
- The Ministry has heard from LDCs that the current regulatory requirements do not allow them to design a bill that meets the needs of their specific customer-base.
- Well, LDCs know their customers best. And the Province will amend regulations to give LDCs increased flexibility to design bills that are tailored to their customers' needs on a timeline that best suits each individual LDC.
- And with the changes to regulation... Come April 1st, the Debt Retirement Charge will no longer appear on electricity bills.
- The LDCs were engaged partners in helping see these initiatives through. And for that, I offer my thanks and gratitude.
- Bien entendu, étant donné le niveau sans précédent de changements transformationnels, le marché de l'électricité de l'Ontario, d'une valeur de 20 milliards de dollars, est actuellement en pleine croissance.

[Of course, given the unprecedented level of transformative change, Ontario's \$20 billion electricity market is currently growing.]

- Ce n'est pas le moment de nous reposer sur nos lauriers.

[Now is not the time to rest on our laurels.]

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- And that's why I'm here today...
- To highlight some key initiatives my ministry is working on to stay ahead of an ever-evolving energy market.
- While also continually striving to make energy more affordable, and providing customers with more choices in their energy use.
- Driving innovation in Ontario's electricity market is a big part of this.
- This focus on innovation – particularly on the part of Ontario LDCs - is also highlighted in the EDA's current *Power of Local Hydro* campaign.ⁱ
- This campaign places an importance on keeping the customer first, improving the province's regulatory framework, and supporting the transition towards a low-carbon economy by reducing GHG emissions.ⁱⁱ
- Noteworthy objectives that my ministry also finds important.
- But, above everything else, driving innovation forward has the potential to bring new energy-focused technologies and services quicker to market....
- Innovation to better accommodate a more engaged, more actively involved Ontario consumer who wants more choice...
- L'innovation qui nous permettra de numériser les réseaux de l'Ontario, de vous fournir les données dont vous avez besoin pour prendre les bonnes décisions pour votre entreprise d'électricité – et dont vos clients ont besoin pour prendre les bonnes décisions pour eux-mêmes...

[Innovation to digitize Ontario's grids, providing the information you need to make the right decisions for your utility – and that allows your customers to make the right decisions for them...]

- Mais aussi l'innovation va contribuer à créer de nouveaux débouchés pour les SDL en Ontario.

[And innovation will help create new business opportunities for LDCs in Ontario.]

- When discussing innovation, energy storage is a good place to start.

- This leading-edge, game-changing technology not only has the potential to revolutionize the grid...
- It could help Ontario store its surplus baseload generation for use during peak periods.
- And, in doing so, reduce our need for fossil fuel generation.
- Closer to home, for LDCs, energy storage could potentially improve asset management and defer costly upgrades to the grid.
- That's why, led by the IESO, Ontario procured 50 megawatts of different types of energy storage through a two-phased procurement process.
- The primary objective was to test the degree by which energy storage would support Ontario's electricity network.
- Projects ranged from flow batteries, flywheel, and hydrogen to solid state and compressed air storage.
- We also commissioned a study by Essex Energy, which highlighted the number of potential applications of energy storage on LDC systems.
- Energy storage was also featured in last year's update to the province's net metering framework.
- An amended Net Metering Regulation, came into force July 1, 2017...
- Allowing for energy storage to be paired with renewable energy systems, removing the previous 500 kilowatt project capacity size limit, and extending the carryover period for bill credits to 12 months.ⁱⁱⁱ
- The purpose was to ensure businesses and consumers alike have more opportunities to generate, and subsequently store, renewable energy.
- Recognizing the potential for net metering as a platform for new customer-utility relationships...
- In addition to opportunities for businesses and LDCs to play a role in getting more value from distributed energy resources in the province...
- The 2017 Long-Term Energy Plan committed to further enhancement of the net metering framework, including developing and proposing legislative and regulatory amendments to:^{iv}
- Enable third-party ownership of net-metered renewable generation facilities while ensuring appropriate consumer protection measures are in place; and
- Provide flexibility for distributors to enable virtual net metering demonstration projects via participation in a program to be administered by the IESO.
- The ministry continues to engage with the IESO to develop an innovative renewable distributed generation program that would in part be used to select and support virtual net metering demonstration projects.
- Les calendriers concernant la mobilisation des parties prenantes, l'élaboration du programme et le lancement ont été communiqués dans le plan de mise en œuvre du PELT de la SIERE.

[With timelines regarding engagement, program development, and launch communicated in the IESO's LTEP Implementation Plan.]

- J'attends avec impatience de voir comment le secteur va répondre à cet appel aux idées novatrices.

[I look forward to seeing how the sector steps up to this call for innovative ideas.]

- We anticipate that utilities would have a central role in these demonstration projects that will require new approaches and partnerships across the sector, to deliver projects that demonstrate greater value for Ontario ratepayers and inform our policy and regulatory processes to meet the changes and opportunities that lie ahead with various distributed energy resources.
- I have no doubt Ontario's LDCs are up to this challenge, given the strong vision for innovation laid out in the EDA's 'Power To Connect' vision paper and recently released roadmap.
- Mais ce n'est pas tout.

[But that's not all.]

- Plus tôt ce mois-ci, le Ministère a donné le coup d'envoi de la phase 1 de la quatrième ronde du financement accordé par le Fonds de développement du réseau intelligent, le lancement de la phase 2 étant prévu plus tard au cours du printemps.

[Earlier this month, the Ministry launched phase 1 of our fourth round of Smart Grid Fund funding, with the second phase expected to launch later this spring.]

- La première phase va soutenir les projets de déploiement qui aident nos entreprises d'électricité à acquérir et à installer des solutions de modernisation du réseau.

[This first phase will support deployment projects that help our utilities acquire and install grid modernizing solutions.]

- Just last month we announced winners from our third round of the Smart Grid Fund...
- One of the 12 projects that received funding focused on energy storage.
- Led by Renewable Energy Systems' Canadian affiliate, this project will demonstrate how a single-energy storage facility can operate as a smart grid asset, while performing a host of services to make the grid more efficient.^v
- Services that include reduced peak demand, better managing the systems' voltage, and making better use of renewable energy.^{vi}
- The Smart Grid Fund is also demonstrating that Ontario LDCs are doing their part to foster innovation in the energy storage sector.
- Last June, for example, Toronto's Ryerson University and Toronto Hydro – in partnership with eCamion – launched the world's first grid-scale, pole-mounted energy storage system.
- The system stores energy during off-peak hours and releases power as needed.^{vii}

- According to this pilot project's initial, real-time results, this energy storage system has demonstrated an ability to reduce the strain on the local transformer. ^{viii}
- And looking into the future, could become the subsequent standard that's rolled out with all new installations for the over 175,000 poles across Toronto. ^{ix}
- But innovation goes well beyond bringing new energy-related technologies and services to market.
- We also need to drive innovation forward to provide more choices for Ontario's energy consumers.
- And that's where the EDA's Ontario Electricity Consumer Panel comes into play.
- Ce groupe – le tout premier de ce type dans l'histoire du secteur de la distribution d'électricité en Ontario – a vu le jour en mai dernier. Il est constitué de membres issus exclusivement de la population de consommateurs d'électricité de l'Ontario.

[This panel – the first of its kind in the history of Ontario's electricity distribution sector – was launched last May with its membership drawn exclusively from Ontario electricity consumers.]

- L'objectif de ce groupe est de créer une communauté en ligne au sein de laquelle les consommateurs d'électricité peuvent exprimer leurs opinions sur la tarification, les économies d'énergie, la production locale d'électricité, ainsi que sur d'autres questions en lien avec l'énergie, par l'entremise d'une communauté en ligne engagée.

[The panel's goal is to create an online community in which electricity consumers express their opinions on pricing, conservation, local power generation and other energy-related issues via an engaged online community.]^x

- And as this online community is projected to grow from 600 participants to up to 2,000 participants...
- The EDA will, in turn, be given access to a substantial sample size of customer-focused data to better inform electricity policy decisions. ^{xi}
- And I want to personally thank the EDA for having foresight in creating this panel.
- Like the EDA and LDCs, my ministry is also doing its part to drive innovation forward.
- That's because we all have a vested interest in staying ahead of today's ever-changing energy sector.

Changes that will likely change the way we generate, transmit and distribute electricity in this province both today and well into the future.

- With this in mind, last December, my ministry announced the launch of a comprehensive review of the Ontario Energy Board.
- Led by Richard Dicerni, with Cara Clairman and Bruce Campbell as panelists, the panel will explore how the mandate, role, and structure of the OEB could be modernized to assist it in responding to a rapidly changing energy sector. ^{xii}
- The members of this esteemed panel are currently gathering feedback from Ontarians, examining best practices from other jurisdictions, and will report back to government by end-of-the-year.
- I should add: Ontario is not alone in undertaking a review of this scope and scale.

- At last count, over 30 U.S. states were undertaking grid modernization initiatives, looking at policies, market structures, and reforms to prepare for the changes ahead.^{xiii}
- Now, while bringing new energy-related technologies and services quicker to market...
- Or improving the customer experience is no doubt important.
- The ability to harness Ontario's immense collective strength and world-renowned ingenuity – is absolutely critical to address one of this generation's greatest challenges: climate change.
- Fortunately, Ontario is doing its part to address this global issue.
- With respect to our electricity system, I can proudly say that it's 96 per cent free of the emissions that cause climate change.
- This incredible accomplishment is attributed to two things.
- The forward-thinking investments we've made as a province in clean energy generation...
- Coupled with our success in phasing-out coal-fired generation.
- In fact, April will mark the four-year anniversary of when Ontario completely cut-out dirty coal.
- And just a few weeks ago, OPG demolished the stacks of the former Nanticoke Generating Station, which at one time, was the largest coal-fired generating station in the world.
- The site is now being transformed into the Nanticoke Solar Project, a clean energy partnership between OPG and the Six Nations of the Grand River Development Corporation.^{xiv}
- Les avantages de la production d'électricité sans charbon sont nombreux.

[The benefits of going coal-free are many.]

- Tout d'abord, l'élimination du charbon a réduit avec efficacité les émissions de gaz à effet de serre (GES) de l'Ontario (GHG) de 30 mégatonnes, ce qui équivaut à retirer sept millions de véhicules des routes de l'Ontario.

[First, it effectively reduced Ontario's greenhouse gas (GHG) emissions by 30 mega tonnes – the equivalent of removing seven million cars from Ontario's roads.]

- And putting an end to dirty coal generation eliminated one of Canada's largest sources of pollution.
- Pollution in the form of carbon dioxide and other greenhouse gases along with air pollutants such as sulphur dioxide, particulate matter, nitrogen oxide, mercury, arsenic and lead.^{xv}
- Mais ce n'est pas tout.

[But that's not all.]

- L'abandon progressif de la production d'électricité au charbon, associé aux investissements dans une production propre que j'ai mentionnés précédemment, a largement contribué à l'amélioration de la qualité de l'air dans la province.

- *[Phasing out coal-fired generation – coupled with the investments in clean generation I previously mentioned– dramatically improved the air quality in this province.]*

- This is reflected in the significant reduction of smog advisories.
- In 2005, 53 smog advisories were reported in Ontario.
- Fast forward to 2017, the number of smog advisories reported in this province was zero.
- Cela signifie que nos enfants sont libres de jouer dehors sans que leur santé soit menacée par le smog ou la pollution atmosphérique.

[That means our children are free to play outside without the fear of their health being threatened by smog and air pollution.]

- Ontario's clean and low-carbon electricity grid will also play an important role in developing the zero-emission transportation sector of the future.
- This includes our province's Climate Change Action Plan-specific commitment in establishing a province-wide electric and hydrogen passenger vehicle sales target of five per cent in 2020. ^{xvi}
- Les choses s'annoncent bien sur ce plan.

[Things are looking positive on that front.]

- L'an dernier, l'Ontario a détrôné le Québec, devenant la province ayant les chiffres de vente de véhicules électriques annuels les plus élevés.

[Last year, Ontario replaced Quebec as the leading province for annual electric vehicle sales. ^{xvii}]

- But addressing climate change to create a more sustainable world for our children – and their children – will require a collective effort on the part of all Ontarians.
- Our province, it must be said, is definitely doing its part.
- Sur cette note positive, j'aimerais une fois de plus remercier l'EDA de m'avoir convié à m'exprimer devant vous ce soir.

[And on that positive note, I'd like to once again thank the EDA for inviting me to speak tonight.]

- Thank you and goodnight.

ⁱ EDA's poweroflocalhydro.ca: <https://poweroflocalhydro.ca/>

ⁱⁱ Ibid

ⁱⁱⁱ Amended Net Metering Regulation, O. Reg. 541/05: Net Metering

^{iv} These actions are aligned with the EDA's recent policy paper, 'Roadmap to Connect'.

^v Smart Grid Round 3 Backgrounder, February 23, 2018

^{vi} Ibid

^{vii} World first grid-scale pole mounted energy storage system showing promising results: July 4, 2017: <http://www.newsroom.torontohydro.com/2017-07-04-Worlds-first-grid-scale-pole-mounted-energy-storage-system-showing-promising-results>

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viii Ibid

ix Ibid

x Ontario's First Online Electricity Customer Panels Debuts, Burlington Hydro, May 10, 2017: <https://www.burlingtonhydro.com/your-bhi/news-announcements/553-ontario%E2%80%99s-first-online-electricity-customer-panel-debuts.html>

xi Ibid

xii Ontario Establishing Panel to Modernize the Ontario Energy Board, December 14, 2017: <https://news.ontario.ca/mei/en/2017/12/ontario-establishing-panel-to-modernize-the-ontario-energy-board.html>

xiii The 50 States of Grid Modernization: Q1 2017 Quarterly Report. https://nccleantech.ncsu.edu/wp-content/uploads/GridMod_Q12017_FINALREPORT.pdf, p. 10.

xiv Nanticoke GS stacks safely demolished, OPG news release, February 28, 2018: <https://www.newswire.ca/news-releases/nanticoke-gs-stacks-safely-demolished-675432033.html>

xv Ontario advises other provinces to keep an eye on hydro bills as coal phased out, Canadian Press, Keith Leslie, November 21, 2016: <http://www.metronews.ca/news/toronto/2016/11/21/ontario-advises-other-provinces-to-keep-an-eye-on-hydro-bills-as-coal-phased-out.html>

xvi MOECC's Climate Change Action Plan: <https://www.ontario.ca/page/climate-change-action-plan>

xvii Ontario takes title for Quebec for electric car sales in 2017, February 20, 2018 Canadian Press: https://toronto.ctvnews.ca/ontario-takes-title-from-quebec-for-most-electric-car-sales-in-2017-1.3811446#_gus&_gucid=&_gup=twitter&_gsc=6fpcU2h