

Communications Snapshot

2017 Long-Term Energy Plan

Updated: October 17, 2017

Communications Objectives

- Publish the 2017 Long-Term Energy Plan (LTEP): *Delivering Fairness & Choice* in accessible formats targeted to stakeholders and consumers
- Recognize contributors, including the people of Ontario, Indigenous communities and energy sector partners and echo their feedback
- Sustain positive relationship with energy sector stakeholders
- Mitigate risks
- Showcase good news stories in the 2017 LTEP

Context

- Ontario released its first LTEP in 2010; the LTEP is reviewed and updated every three years. Its purpose and implementation are established in the Electricity Act. The 2013 and 2017 LTEPs featured input from Ontarians: industry, stakeholders, Indigenous communities and the public.
- Electricity prices are an ongoing major communications issue. Since 2006, electricity prices in Ontario have risen considerably. These costs have drawn criticism from ratepayers, industry, media and political critics. The government took action. Specifically, in September 2016, the government introduced an 8 per cent rate subsidy for residential, farm and small businesses, which took effect on January 1, 2017. Then, in March 2017, the government launched Ontario's Fair Hydro Plan (OFHP) which reduces electricity bills for all residential consumers by 25 per cent on average, as of July 1, 2017.
- The intention was to bring rate relief immediately and to more fairly and evenly share the cost of system improvement across generations – costs would have to be recovered, creating bill increases over time.
- Additional elements of the OFHP include:
 - Any rate increases held to the rate of inflation over four years;
 - New cost mitigation for some rural and Northern customers, on-reserve First Nations communities and low-income customers;
 - The cost of social programs, including the Ontario Electricity Support Program (OESP) and Rural or Remote Rate Protection (RRRP) program, moved to the tax base from the rate base.
- Regardless, media coverage of the OFHP has been neutral to negative in tone, focusing in large part on a leaked draft price forecast that showed a significant rise in electricity bills following the four year inflationary cap. On the other hand, recent opinion polls found that while electricity issues continue to be top of mind, the salience of the issue has declined since early 2017.
- The other major component of the 2017 LTEP: *Delivering Fairness & Choice*, namely fuels, has also had some communications salience, particularly through the government's Climate Change Strategy and Climate Change Action Plan.

Target Audiences

- Ontario electricity rate payers
- Industry (i.e., associations, LDCs, local and provincial Chamber of Commerce, etc.)

- First Nations and Indigenous organizations and leadership
- Participants in the 2017 LTEP engagement process
- Internal and other energy sector partners (i.e., IESO, OEB, OPG, Hydro One, intra-ministry)

Key Messages

- The Long-Term Energy Plan (LTEP) is a road map that sets out the direction for Ontario's energy future for the next 20 years.
 - We engaged with and listened to Ontarians in the development of our plan.
 - Ontarians said that affordability is a top priority and that consumers wanted more control and choice over how they use and pay for electricity.
 - The 2017 LTEP: *Delivering Fairness & Choice* outlines Ontario's plans to improve fairness, flexibility and choice in the energy sector.
- Ontario's success in building a clean and reliable electricity system means we can maintain our focus on helping Ontarians.
- *Delivering Fairness & Choice* builds on our leading role in the global fight against climate change and supports the goals of Ontario's Climate Change Action Plan.
 - In 2016, Ontario's electricity system was 90 per cent free of emissions that cause climate change.
 - *Delivering Fairness & Choice* highlights initiatives to encourage innovation and modernize the energy system.
- The strengthened regulatory powers outlined in the 2017 LTEP for the Ontario Energy Board will provide greater consumer protection.
- We are enhancing our commitment to conservation to improve affordability and choice for Ontarians.
 - Ontario is strengthening our commitment to Conservation First, and providing a co-ordinated, one-window approach to conservation across multiple energy sources and programs.

Strategic Approach

- Assure Ontarians the government has established a clean, reliable and affordable energy system that is ready for the future.
- Create and execute a modest multi-platform strategic communications plan.
- Host a *Delivering Fairness & Choice* launch press conference with the Minister of Energy, along with experts on hand to answer technical questions.
- Recognize contributors and echo their feedback.
- Sustain positive relationship with energy sector stakeholders.
- Deliver targeted messaging by telling stories locally, where they matter. Decouple them from the LTEP document.
- Mitigate and manage issues.
- Set and evaluate key performance indicators (KPIs) to measure the public reception of the *Delivering Fairness & Choice* launch and rollout.

Issues & Mitigation

- The 2017 LTEP will draw public criticism, despite the substantial amount of good news in its actual content.
- Likely contentious items included in the 2017 LTEP will be:
 - An electricity price curve, including OFHP impacts, that is better than was reported in media earlier this year, but still presents a communications challenge (over the decade 2021-30, residential bills are forecast to increase ~50%; over the years 2021-25, bills are forecast to increase for the average electricity consumer by almost \$40 a month by 2025?);

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- Emissions forecasts that could create vulnerabilities, including through implications for natural gas bills (note: the 2017 LTEP would not show a forecast residential natural gas bill); and
- A clear statement of the end to a number of energy sector procurements and associated economic development implications.
- There will be key messages to respond to these issues.

Issue/Consideration	Mitigation Strategy	Key Message
Electricity Bills Forecast Curve ▪ The 2017 LTEP will show a 20-year residential electricity bill forecast. This has been updated since cabinet briefing materials published by news media in May 2017. ▪ Between 2021 and 2030, electricity bills are forecasted to increase approximately 50%. ▪ Natural gas cost forecasts will not be included in the LTEP document. ▪ While the near-term shows the substantial drop in prices as a result of Ontario's Fair Hydro Plan, the medium-term (2021-2027) sees consistent and significant annual increases in bills, of approximately 5% per annum. This takes bills up higher than they were at OFHP launch. The forecast then shows bills remaining at that level for the rest of the forecast period. ▪ An obvious communications challenge, this aspect of the 2017 LTEP will overshadow the near-term drop in bills and other good news initiatives.	▪ Acknowledge that electricity bills are going to rise but clarify that government has a plan to moderate this. ▪ Convey sensitivity to the cost pressures on Ontarians that existed prior to the OFHP, and the need for immediate action at that time. ▪ Stress that the forecast is lower than released in May and our work on finding cost savings continues. ▪ Develop an optimistic message track leaning on the immediate and medium term benefits that the OFHP is bringing for Ontario families, farms and small/medium businesses. Remind consumers of the immediate relief they are already feeling now as a result of the OFHP, along with other OFHP programs that are reducing electricity bills for vulnerable Ontarians, those in the most rural and Northern areas and on-reserve First Nations consumers now and over the long-term. Existing conservation programs that can help customers find more savings opportunities can also be highlighted,	1. <u>The government heard you, and took action.</u> • Ontarians said that their electricity bills were too high. Relief was needed and something had to be done right away. • We have spread out the costs of Ontario's clean energy investments over a longer period of time to allocate the costs of these investments more fairly among current and future ratepayers. • The government delivered the Ontario Fair Hydro Plan as of July 1, 2017, to save Ontario families, and as many as half a million farms and small businesses 25% on average on their bills. 2. <u>We've been clear all along. Down the road, rates will have to rise, but we are driving savings every day.</u> • Ontario has already taken a number of actions to lower electricity costs and we've found billions of dollars in savings for all consumers by: ○ Not going ahead with new build nuclear generation starting the refurbishments at Bruce in 2020 instead of 2016; ○ Adopting new electricity market approaches that will improve cost effectiveness and efficiency. • Over the coming years, Ontario will continue to drive costs out of the electricity system: ○ The Minister has directed

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		energy agencies to reform the energy market and find efficiencies and cost savings. An independent third party report estimates that benefits from IESO's Market Renewal could reach up to \$5.2 billion over a ten-year period beginning in 2021. ○ Future innovations will also bring savings opportunities. • The 2017 LTEP bill forecast is lower than the one in the 2013 LTEP thanks to our cost cutting efforts. 3. <u>The government will continue to protect low-income, rural and remote families with programs like the Ontario Electricity Support Program (OESP), Distribution Rate Protection and the First Nations On-Reserve Delivery Credit.</u> • We expanded the eligibility criteria and increased monthly OESP on-bill credits (between \$45 and \$75) for the most vulnerable among us who need a helping hand. • Ontarians living in the most remote communities, where power is expensive, are supported through lowered delivery costs. • On-Reserve First Nations families are already saving almost \$1,000 per year. 4. Conservation Programs for residential and business customers continue to provide customers with opportunities to manage their energy use and find energy cost savings.

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Emissions Forecast and Fuels Bills ▪ The 2017 LTEP will include a 20 year forecast of greenhouse gas (GHG) emissions from the energy sector ○ Emissions from the energy sector (fuels and electricity) currently make up approx. 75% of total Ontario emissions. ▪ The rate of emissions reduction and how the forecast compares to broader targets set out in the Government's Climate Change Strategy is likely to be of interest to media and stakeholders. ▪ Meeting the Climate Change Strategy targets will likely require significant sectoral change. ▪ The government is likely to get questions as to whether the commitments and the changes detailed are reasonable, either economically or technically. ▪ In addition, the impact of Cap and Trade and adoption of renewable natural gas will result in increasing natural gas bills for consumers.	▪ Reiterate the government's commitment to lowering GHG emissions, given the risks of climate change. ▪ Include the context of the broader Climate Change Strategy in the forecast. ▪ Commit to providing support to Ontario businesses and households as they make the changes to their buildings, vehicles and behaviour that will reduce provincial total emissions. ▪ Present a picture of what a cleaner, technologically-advanced future energy system looks like. ▪ Clarify throughout that these goals are reasonable and attainable. ▪ MOECC will be in-market with advertising in fall 2017, and could provide mitigation.	▪ Ontario is committed to doing its part to reduce GHG emissions and prevent climate change. ▪ We have a plan in place to manage GHG emissions. ▪ To get there, our approach to energy use will have to change, and the government will have the programs and supports in place, including conservation measures, to help Ontarians make that shift.
Ending Procurements ▪ Previous LTEPs have provided substantial commitments to procurement of new energy contracts (e.g., FIT, nuclear refurbishment, transmission lines). ▪ The 2017 LTEP does not have any procurement commitments or announcements on the same scale as previous LTEPs. ▪ The lack of extensive new electricity supply procurements in the 2017 LTEP will not be a surprise to sector stakeholders. ▪ Since late 2016, the Minister of Energy has stated repeatedly that	▪ Bridge to messages about additional opportunities for economic growth in the sector, even if not through the same mechanism of technology-specific procurements as in previous LTEPs.	▪ Reducing electricity prices is our priority. ▪ We are now in a strong supply position. It is appropriate to slow down new procurement. ▪ We encourage our partners in the sector to participate in the market renewal process. ▪ The market renewal program underway will still provide opportunities for new development, within a framework of efficiency, technological specialization and cost competition. ▪ While renewable energy opportunities are changing due to Ontario's strong energy supply

Issue/Consideration	Mitigation Strategy	Key Message
the government would not be undertaking further procurements. While sector activity is expected to decline with the reduction in procurement, the government's stated prioritization of electricity system cost containment, in part achieved through procurement restraint, is consistent with the general public's main concern: price.		position, Ontario remains committed to ensuring that opportunities for First Nation and Métis communities and organizations in the sector continue.

Tactics & Rollout

Launch Event

Proposed Date and Time	Location
Launch date: October 26, 2017	Macdonald Block
Description <i>(What is the event, who is leading it? If it's a third party event, how does it connect to the announcement?)</i>	
Technical briefing for media - Ministry to host a technical briefing for media the morning of the LTEP launch - Media will be in main room - Stakeholders will be in an adjacent room; briefing to be live streamed - Opposition will be in a separate room; briefing to be live streamed - Presenters will provide an overview of the 2017 LTEP - Speakers will be the Deputy Minister, ADM (TBD), and a representative from IESO - Presenters will be available for questions from media - Moderator TBD - Minister will be invited to make short speech - Minister will be available for questions from the media	
Visual/Photo-op <i>(Describe the backdrop (e.g., protected greenbelt forest) and describe any planned photo ops (e.g., boarding a new TTC streetcar).)</i>	
- Podium for Minister's comments - Other visual items (e.g., images)	
Speakers & Attendees	
- Minister of Energy - Deputy Minister of Energy - ADM leads on the LTEP file Other speakers: - Agency partners (e.g., IESO, OEB)	

Estimated number of attendees:

- 300+

	Pre-Launch	Launch	Post-Launch
Regional Rollout Examples: - MPP Template - Speeches - Media event - Op-ed, media pitch - Editorial board meeting			- Regional/ local echo media events to leverage good news stories, examples include: ▪ London Hydro and Oshawa PUC Regulated Price Plan (RPP) pilot announcements ▪ Smart Grid Fund project announcements, including MPP template products (TBC) ▪ Expansion of net-metering media pitch (TBC) ▪ Supporting Indigenous capacity and leadership (TBC) ▪ Modernizing the utility business (TBC)
Earned Examples: - News release, etc. - Remarks - Event - Calls/emails to targeted audiences - Multilingual media - Fact sheets - House Statement	- 2017 LTEP document - Consumer-focused summary brochure - Postcards (approx. 4-5)	- Media kit, including News Release and Backgrounder(s) - Technical briefing with Press Conference - And one or more of: ▪ House statement ▪ Speech for the Minister of Energy	- Targeted stakeholder briefings - Stakeholder correspondence - Evaluation
Digital / Social Examples: - Web content - Twitter/Facebook - Keyword / interactive web - Blogger outreach - Videos		- Web page	- Organic social media networking - Evaluation
Paid <i>(must include budget)</i> Examples: - TV/radio/newspaper - Online banners/ads - Advertorial - Householder/direct mail	n/a	n/a	n/a

Evaluation

News media

- Use media measurement system to evaluate, track and record each news article and editorial (broadcast, print, web) including re-prints of wire services and broadcast syndication, record verified reach, apply a scale to evaluate key message pickup, photo and tone

Social media

- Reach and engagement for organic posts

Website

- Measure unique visitors and engagement to LTEP page

Correspondence

- Track the number of letters and emails referring to the LTEP and tone