

Minister Thibeault Speaking Notes
Launch of the 2017 Long-Term Energy Plan:
Delivering Fairness and Choice
Kenora/Nipigon/Nipissing Room, Macdonald Block
Thursday, Oct. 26, 2017

CHECK AGAINST DELIVERY

Good Morning:

I'm pleased to be here to present the Government's 2017 Long Term Energy Plan: *Delivering Fairness and Choice*.

Our Plan is the culmination of about a year of work beginning with public engagement, including input from our Indigenous, business and energy industry partners.

First, let me address the most politically salient piece of the Plan – the forecast of the price curve for residential electricity consumers.

Certainly the measures brought forward in our Fair Hydro Plan have an effect, but it is well known that our Government has taken major steps to remove costs from our electricity system, now and in the future.

Specifically, the Fair Hydro Plan is the largest electricity rate reduction in the province's history.

Families across the province have seen an average 25 per cent reduction, with as many as half a million small businesses and farms also benefitting.

The Fair Hydro Plan is a policy that reduced rates immediately, and effectively. Those rates will be held to inflation for four years.

Following this period, our Long-Term Energy Plan lays out a path for predictable, affordable electricity prices.

We heard from families that they can't handle the sharp increases that were taking place in previous years, and are working to ensure that does not happen again.

Our Long-Term Energy Plan: *Delivering Fairness and Choice* outlines additional work we will be undertaking to make our electricity system more cost-effective and efficient, continuing to prioritize affordability.

Our government has a history of effectively streamlining operations and taking costs out of our system.

Deferring the construction of new nuclear; renegotiating the Samsung Agreement; cutting back on targets for renewable generation are just a few examples that have taken billions of dollars off of electricity bills.

In 2010, the Government's first Long-Term Energy Plan projected that in 2020 the average residential bill would be more than \$200 per month.

Today's Plan now projects that in 2020 the average monthly bill will be under \$130 per month.

These are the facts.

Through collaboration and determination, our government has delivered rate mitigation on the order of about \$75 per month.

While these are the near-term impacts, our Government is committed to delivering long-term solutions to continue to modernize our electricity grid and ensure continued cost savings for Ontario's ratepayers.

To that end, the Independent Electricity System Operator (IESO) is already hard at work on renewing our market mechanisms to create a more efficient and transparent system.

Market Renewal will provide a fix to the foundation of our electricity system and take a technology neutral approach to new procurements through an incremental capacity auction.

That means that any time we need to secure new supply resources, we will choose the most cost-effective option.

Independent analysis suggests that about \$5 billion in system savings would result from implementing market renewal in Ontario.

Second, I want to acknowledge the core themes of our Plan.

Fairness. And Choice.

As Premier Wynne and I have said many times: It wasn't fair for this generation of electricity ratepayers to be shouldering the burden of eliminating coal-fired electricity generation and our investments of nearly \$70 billion in renewing our grid, so our Government's Fair Hydro Plan spread costs out more equitably over time, recognizing that many of our electricity generation assets would continue to provide value for ratepayers long after their contracts' expire.

We are also prioritizing choice for electricity consumers. Our government will update regulations and work with the Ontario Energy Board (OEB) to update rules to better value energy storage and distributed generation resources within our electricity system.

Technological advances driven by many Ontario-based innovators will help drive new choices – across the system.

Large scale pumped storage and compressed air storage can help us get full value from existing resources, while also meeting our greenhouse gas goals.

And as distribution connected resources continue to increase in their rate of adoption, local firms like Opus One Solutions are helping system operators and local distribution companies the world over better understand and manage the impact of distributed energy resources, such as rooftop solar, on our grid.

A major goal of our realistic Plan will be to ensure that Government, and its agencies take the steps required to give consumers – large and small – the tools required to make energy choices that work for them.

An example of these choices, are the Ontario Energy Board's Regulated Price Plan pricing pilots currently being undertaken in Barrie, Vaughan, London and Oshawa.

The results of these pilots will help us move forward to give families, individuals and seniors more flexibility and choice when it comes to

matching their lifestyles with the time-of-use prices they pay for their electricity usage.

Finally, I need to mention the Opposition.

Since becoming Minister of Energy, the Conservatives and the NDP have spent a lot of time criticizing every aspect of our Government's approach to this file.

But they have offered very little in return when it comes to credible and realistic ideas.

The Conservatives would take us down a road where we would spend millions on legal fees to tear up contracts and dial back on money- and energy-saving conservation programs.

Both of these reckless ideas would drive electricity bills up.

The NDP oppose nuclear power – the most reliable, clean and affordable baseload generation available to the people of Ontario today; and would like to spend \$10-billion to nationalize Hydro One.

The result: higher electricity bills and a major cost to the treasury.

Both parties voted against Ontario's Fair Hydro Plan – the single-largest rate reduction in the province's history.

I'd like to challenge both Patrick Brown and Andrea Horwath to finally tell the people of Ontario what they would do differently and what impact their plans would have on electricity bills.

Because our Government is committed to this Plan.

It provides fairness, affordability and choice for people today; and charts a realistic roadmap for our energy system into the future.

Thank you.

I'd be pleased to take your questions.