

Speech Outline – OEA March 21

Objective:

All of the Minister's public remarks going forward must be a continuation of the Fair Hydro Plan narrative: that the investments we made to rebuild the system were both needed and prudent, but that we made a mistake in how we made some of those investments and in how we front-loaded the costs of those investments on today's ratepayers.

For this audience, it will be important to note that we could not have undergone this rebuild without them. Generators and distributors were partners with us in investing in new supply, transmission, distribution and smart grid infrastructure. Now, they will also need to be partners as we move forward to fix underlying structural issues in the electricity system.

For one, this means partnering with us on implementing the Fair Hydro Plan. While generators will be unaffected by the smoothing of the Global Adjustment, we will need our distribution partners to work with us to implement various elements of the plan, including enhancing and expanding the RRRP program and launching the Affordability Fund.

But, perhaps more importantly, it means working with us to address other systemic issues in order to lower costs over the long-term. The fact that we've moved to address the unfair burden of costs on today's consumers doesn't lessen the importance of reforms like Market Renewal - in fact, it makes them even more critical. While this transition may present challenges for participants in Ontario's electricity market, it is absolutely crucial that we make the needed changes to set our system on the right path going forward.

This represents a departure from the business-as-usual approach not just for the sector, but also for government. That means being less prescriptive about the supply mix. It means focusing more on outcomes and having greater confidence in market forces to deliver those most efficiently. And it means embracing the technological change and innovation that we know is right around the corner.

So, going forward, the government will be focused on 2 things: implementing the Fair Hydro Plan, and developing a Long-Term Energy Plan that will chart the course towards a more efficient, more flexible electricity system.

Speech Structure:

1. Fair Hydro Plan – explaining rationale, thanking sector for their partnership in system rebuild, commitment for partnership going forward
2. Market Reform – need to address other structural issues becomes more critical now, Ontario leader in many elements of electricity sector modernization, but underlying system outdated and needs to catch up, sector and government will both need to embrace these changes
3. Long-Term Energy Plan – must set conditions for market renewal success, must embrace technological change, must maintain low emissions profile while planning for an uncertain future re: electrification and demand/supply