

RE: Fedeli and eliminating exports

From: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>
To: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>
Date: Fri, 07 Jul 2017 11:15:43 -0400

Updated with Matt's and James' comments

From: Whittington, Matt (ENERGY)
Sent: July 7, 2017 11:04 AM
To: Campbell, David (ENERGY); Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY); Ruttan, Craig (ENERGY)
Subject: Re: Fedeli and eliminating exports

Looks good, I would only suggest adding something that reflects the fact that this is how ALL jurisdictions operate.

I.e. All of our neighbouring state and province System Operators use strategic exports to help manage the supply and demand within their own system. This provides for flexibility and for revenue opportunities for exporting jurisdictions. We are virtually both importing and exporting across different interties in order to most economically balance our system in Ontario.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Campbell, David (ENERGY)
Sent: Friday, July 7, 2017 10:55 AM
To: Berry, James (ENERGY); Nekolaichuk, Colin (ENERGY); Ruttan, Craig (ENERGY); Whittington, Matt (ENERGY)
Subject: Fedeli and eliminating exports

In light of some questions from PO about Fedeli's comments in Hamilton this week, I've begun drafting some KMs that might be helpful in a response to the PCs. We've let PO know that we think these could be stronger next week, once Ministry has had a chance to provide some messaging on Fedeli's "eliminate exports" idea. But in the event that PO asks us for a more timely response, would appreciate feedback on the direction below.

For reference, the Fedeli story is [here](#). The KMs below are based partly on helpful conversations with Craig yesterday (thanks Craig!).

Conservative Vic Fedeli was in Hamilton this week suggesting that Ontario should ban all electricity exports to our neighbouring states and provinces.

Our government has considered this idea before, and rejected it...

- Why? Because it's a bad one for the province, and especially for our electricity bills.

First of all, Ontario does not have sufficient demand to use this electricity. The infrastructure that would be needed for businesses to soak up this energy for free, as Mr. Fedeli suggests, would be expensive to build and would be poor long-term planning.

Second, Ontario ratepayers benefit from our exports. We only export when it's economically viable, and presents a benefit to the system. According to the IESO, the choice to export has lowered costs to the system by between \$200 and \$300 million per year since 2013.

Ontario makes use of strategic exports on a frequent basis to maintain reliability, and keep costs low. And we're not alone – each of our neighbouring states and provinces do the same thing. They know as well as we do that this is smart policy.

So Fedeli's idea doesn't make sense for the system, and would cost Ontarians more money.

It's no wonder this comes from the party that hasn't been able to come up with a plan.

- The Conservatives initially said they would come out with a plan in March. Then that became later in the spring, then their promise shifted to the fall, and now recently they've said it may not be until next year.

Meanwhile, the Conservatives have consistently opposed our investments to modernize and clean up our energy system.

And they even voted against our Fair Hydro Plan. This is the plan that is giving ratepayers a 25% break on average on their electricity bills, by more fairly sharing costs in the system. And for those facing the greatest burden, such as those on a low-income or in remote areas, the savings reach as high as 40-50%.

- And yet the Conservatives have opposed it, while offering no credible alternative.

The Conservatives are simply a party without a plan for electricity. And when you have no plan for energy, you have no plan for Ontario.