

DRAFT STATEMENT: Energy

I would like to thank the Office of the Auditor General for its analysis. Our government remains committed to working with the Office of the Auditor General and respectfully reviewing the independent views it provides to the Legislative Assembly. However, we respectfully disagree with a number of the report's findings.

Statement on the ICI

The Industrial Conservation Initiative (ICI) program has been successful over the years, and has helped industrial consumers save up to one-third on their electricity bills, helping them remain competitive and continue focusing on creating jobs.

In fact, our System Operator estimates that this program reduced peak demand by about 1,300 megawatts in 2016 – the peak electricity demand of a city roughly the size of Mississauga. That's about 6 per cent of Ontario's peak electricity demand.

That means that this program helped avoid the need to build 1,300 megawatts in costly new generation, which is a benefit to all ratepayers across the province, both residential and commercial.

Under the Fair Hydro Plan, the program was recently expanded to include many more Ontario businesses, including manufacturers and greenhouses with peak demand above 500 kilowatts.

Since the benefits of this program stay with ratepayers, it's logical to fund and maintain the program within our electricity system.

Statement on Cybersecurity

Safeguarding the security of our electricity system is a top priority for the Independent Electricity System Operator. Our System Operator puts a strong emphasis on cybersecurity, and is already in the process of recruiting a new Chief Information Officer (CIO) with an enhanced focus on cybersecurity.

Our System Operator is also implementing previous recommendations to increase the number of cybersecurity staff, which is in line with the Auditor General's recommendation.

It's important to note that our System Operator complies with all applicable North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards, which include standards for cybersecurity. The electricity sector is unique as the only critical infrastructure sector with mandatory and enforceable cybersecurity standards.

Statement on IESO Market Programs

We are confident in the Ontario Energy Board and our System Operator to run an efficient, reliable and fair electricity market for ratepayers across the province. Both the Real-Time Generation Cost Guarantee Program and the Congestion Management Settlement Credits play important roles in our electricity system, ensuring we have a system we can depend on to keeps the lights on, while leading the way for North American reliability standards. These are programs that Ontario families and businesses count on every second of every day to ensure that when they need electricity, it's there for them.

Both programs have evolved over the years, and costs associated with each have been reformed and constrained substantially. Our System Operator continues to prioritize reliability, and optimize programs within the existing electricity system framework.

Abuses within the system are completely unacceptable. That's why they have been investigated, and where wrongdoing was present, compensation has been recovered and returned to ratepayers. We are also working together with our agency partners to review the potential for increasing legislative powers to assist our System Operator in performing its critical responsibilities.

More program updates are on the way in the form of market renewal, which will increase both flexibility and efficiency within Ontario's electricity market. Market renewal is also projected to save ratepayers about \$5 billion over the course of ten years.