

Ontario Economic Summit

Niagara-on-the-Lake, November 9,10/17

Deborah Whale

The theme was Opportunity, Inclusion, Transformation...Driving Ontario's Economy. How do we capitalize on new technologies to drive inclusive economic growth in Ontario?

- strengthen the regulatory environment to stimulate investment in Ontario's economy and industries
- develop regional economic growth strategies to strengthen communities
- develop policies to help increase productivity leading to new forms of prosperity

As you might expect, there was lots of discussion on training, re training, skills development, university education and responsiveness to the demands of the labour market for talent in such fields as artificial intelligence and life science.

There was much discussion on NAFTA, the future of Canadian trade, the impacts of President Trump's policies on trade and the environment and the future of world trade in general.

So let me just limit my comments to whatever I heard about energy and specifically electricity. Both the Minister and the Deputy were in attendance and there were plenty of hard copies of the LTEP and IESO materials available for attendees.

1. Minister Thibeault spoke and was interviewed by Kim West, National Public Relations. Of course the first question was about the cost of electricity and how the LTEP would solve this. Answer: we are tapping into innovation. The Fair Hydro Plan has reduced costs by 25%. We need to do better at communicating why costs have risen (infrastructure development, investments into new technology such as smart meters and storage)

The next question was about stranded assets. Answer: yes, we have embedded, distributed generation but we will still need poles and wires and electric vehicles will ultimately increase the demand for electricity.

The third question was about rebuilding the system and the response was about market renewal.

The fourth question was about private sector companies' costs for electricity. The answer centred on how \$70 billion has been spent upgrading the infrastructure and giving Ontario a clean energy system. He continued by saying that incorporating renewable energy is the right thing to do but that some mistakes were made in implementing this change.

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The leaders of the three political parties were also interviewed. Andrea Horwath said the NDP will fix the “mess” in the Hydro system. She said high electricity costs in Ontario have created a competitive disadvantage for Ontario businesses. If elected, her party will abandon time of use, will return Hydro One to public ownership, will decrease the supply of electricity, and will get better prices for the sales of Ontario electricity to other jurisdictions.

Patrick Brown also mentioned the high cost of electricity as being one more attack on Ontario businesses. He also said that the government had not aligned Green Energy development with demand for electricity and consequently Ontario is “spilling” power.

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There were some concurrent Strategy Sessions (Innovation in Financial Services; Innovation in Ontario’s Health Care System; Innovation and the Low Carbon Economy; Skills Development; Strategic Infrastructure Investments)

I picked the last one to attend as it was concentrating on Ontario’s Transportation Deficit and I happen to think that infrastructure issues, whether transportation, electricity or other, are closely aligned. I actually enjoyed this session the most as there were some good ideas and good discussions.

- government needs to be nimble in conducting studies and awarding contracts
- many big projects require public/private partnerships
- study past projects to learn Best Practices for Project Completion
- link transportation improvements and economic growth...ie the role of transportation in the competitive landscape.
- look for improving efficient use of current infrastructure
- improve ability to analyse data and then use it to improve efficiency
- be aware of the top disruptive technologies and figure out how to adapt
- how do you change the culture of your company to enable your people to embrace disruption?

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The Ontario Chamber of Commerce was front and centre in saying that Ontario has an Energy Challenge and that one of the most critical issues for the province is the cost of electricity. The Ontario Chamber Network's members report that the price of electricity is undermining their capacity to grow, hire new workers and remain competitive. 22% of the members believe that a reduction in energy/electricity costs would have the greatest impact on their business's growth and 51% ranked it among their top three policy concerns.

In the OCC's submission of recommendations for the 2017 LTEP, they called on the government to ensure that future energy policies reflect the principles of affordability, transparency and flexibility. One of the top recommendations included a call for the adoption of a capacity market system which would provide a cost-effective solution for future energy procurement in Ontario.

The OCC will undertake two policy activities:

1. Electricity Pricing Roundtable: they will convene a roundtable of key industry and government stakeholders to advocate for policy recommendations to provide greater planning flexibility, reliability and cost-effectiveness for Ontario businesses.
2. Empowering Ontario II: this document will provide an update to their 2015 report (Empowering Ontario) to reflect on a changing energy system and present new ideas to strengthen competitive advantage by addressing the rising cost of doing business.

The OCC commented that the “status quo on the energy file is no longer an option”.

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