

# Government Affairs Update: 2017 Long Term Energy Plan

Presentation to Conservation and Corporate  
Relations Team

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May 2, 2017



# What's New?

## **IESO's Government Affairs Team:**

- New Supervisor of Government Affairs, David Barrett

## **Government:**

- Ontario Fair Hydro Plan announced on March 2
- First Cap and Trade auction results on April 4
- Long-Term Energy Plan under development
- Government and opposition parties increasingly in campaign mode with an eye on the June 2018 election

# Ontario Fair Hydro Plan

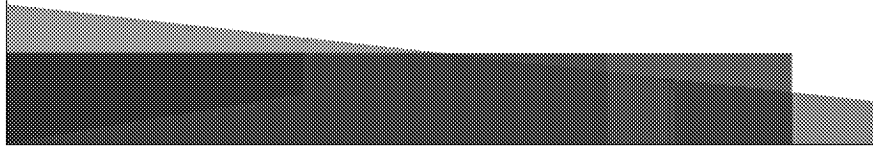
- Electricity rates continue to be the predominant issue, and two of three parties have released their hydro platforms
- Ontario Fair Hydro Plan (Liberal)
  - Global Adjustment refinancing
  - Enhanced social programs
    - Ontario Electricity Support Program eligibility and funding expanded
    - Rural and Remote Rate Protection funding increased
    - Affordability Fund will help customers who do not qualify for existing, low income electricity programs; will pay for energy-efficiency improvements
    - First Nations On-Reserve Delivery Credit
  - Industrial Conservation Initiative eligibility expanded
  - Bills to be reduced ~25% on average (GA refinancing + 8% HST rebate)

# Opposition Energy Platforms

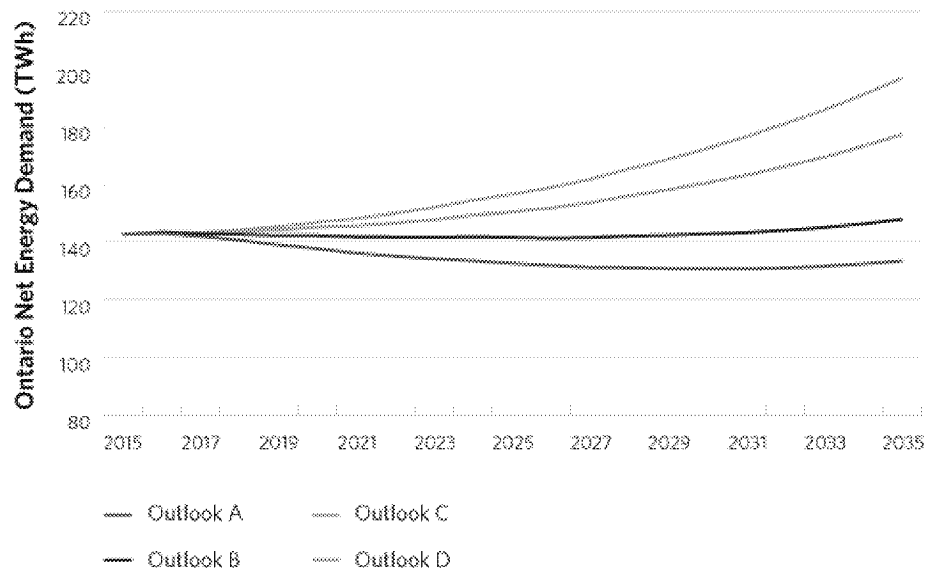
- Pay Less. Own More. (NDP)
  - Buy back Hydro One
  - Eliminate mandatory TOU
  - Delivery charges to be more equal geographically
  - Full HST rebate
  - Expert panels and more public power
- ? (PC)
  - Plan will not be released anytime soon, but before election
  - Have said they would aim to repeal the Green Energy Act, explore cancelling current power contracts, and replace cap and trade.
- IESO does engage with opposition parties to provide its perspective and build relationships

# Climate Change Policy

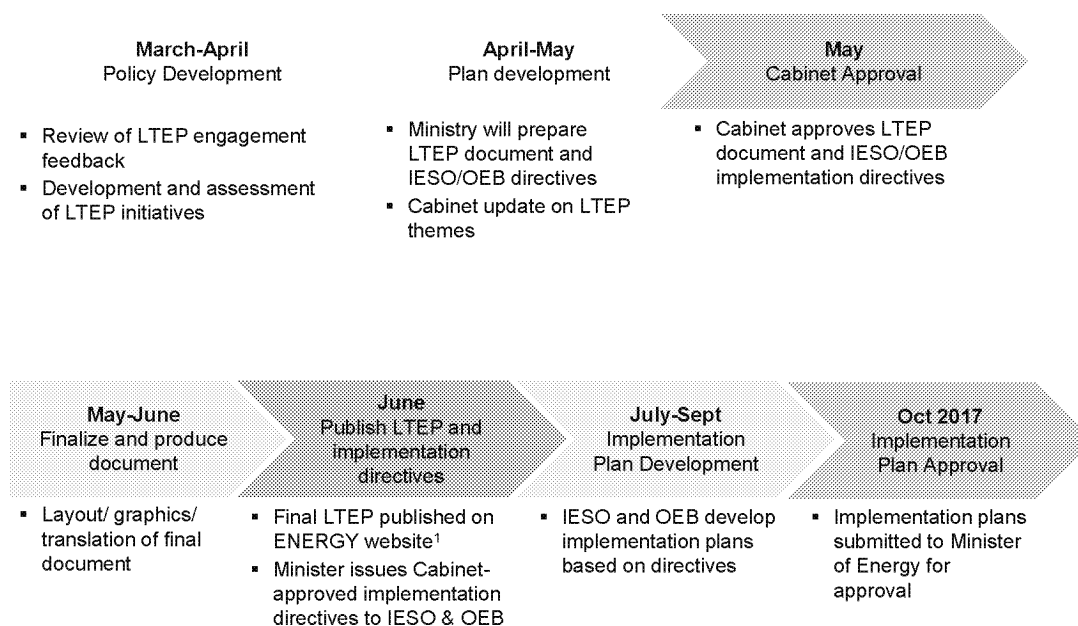
- All three political parties now support climate change mitigation
- First cap and trade auction was considered a success, bringing in around \$470M and selling 100% of current permits
- Cap and trade funds to be invested in energy-efficiency programs
- The IESO will be supporting the Ministry of Environment and Climate Change to align customer offerings within the upcoming “Green Bank” platform
- Focus on reducing greenhouse gas emissions expected to lead to increasing electrification within Ontario



# Ontario Planning Outlook Forecasts



# LTEP Process Overview and Timeline



<sup>1</sup> The final release date is dependant on Cabinet approval and finalization of the production schedule

# Long-Term Energy Plan

- LTPEP will serve as a policy and political document and may result in new roles, responsibilities or targets for the IESO
- The Ministry of Energy began discussions in late January on LTPEP policy, informed by the OPO and stakeholder and community input
- The IESO has attended over 15 briefings to date and briefings are expected to continue throughout the development of the LTPEP
- Internal LTPEP working group established to coordinate IESO perspective on a wide range of topics
- Early indications show IESO advice and perspectives will be strongly represented within the LTPEP
- IESO will need to develop an implementation plan afterward, requiring significant coordination internally and with OEB

# What to Expect from LTEP

## Themes:

- A focus on the customer – “center of the equation”
- A more market-driven and technology neutral approach
- Expanding conservation efforts
- Enhancing regional planning

## Timing:

- Target is June 2017, but it could slip to the Fall
- IESO Implementation Plan due 3 months later