

Remarks for
Deputy Minister Serge Imbrogno
Public Accounts Committee
Date: TBC

Time: TBC

**Location: Main Legislative Building
Committee Room 151 (TBC)**

Good morning/afternoon.

Thank you to all of the Standing Committee members who are here today.

My name is Serge Imbrogno, and I'm the Deputy Minister of Energy. I am joined at the table today by [make appropriate introductions – names TBC.]

It's my pleasure to be here and to discuss the Auditor General's Report on Electricity and Power System Planning and I look forward to our discussions over the next few hours.

Our government recognizes that sound, prudent long-term energy planning is essential to a clean, reliable and affordable energy future. We're achieving that goal and these key objectives through the implementation of the 2013 Long-Term Energy Plan, or more commonly known as LTEP.

The Ministry of Energy has produced two Long Term Energy Plans - one in 2010 and another in 2013 to guide energy planning and advance energy policy initiatives.

The 2013 LTEP was the biggest, most open and comprehensive consultation in ministry history and an early leading example of the principles of Open Government.

Legislation

In October 2015, the Minister of Energy introduced the *Energy Statute Law Amendment Act* (Bill 135) that would enshrine in legislation a long term energy planning framework that is transparent, efficient and responsive to changing technology, policy and program needs.

The legislated LTEP process builds on the planning principles used by the Ministry to develop the 2010 and 2013 LTEPs. The LTEPs identified the need for various investments over the shorter term while broadly mapping out the direction of the sector over a 20 year timeframe.

The 2013 LTEP had a consultation and engagement process that allowed for transparency in the decisions being made by government in energy planning, including the costs associated with various planning scenarios, as well as a more robust consultation process than the former Integrated Power System Plan (IPSP) process.

This legislation specifies that energy planning takes a transparent and pragmatic approach, and that future LTEPs are developed consistent with the following principles:

- Cost-effectiveness;
- Reliability;
- Clean energy;
- Community and Indigenous engagement; and
- Emphasis on conservation and demand management before building new generation.

The Ministry is developing its next LTEP that will follow the process outlined in the recent legislative changes to the *Electricity Act, 1998*.

This legislation was passed by the legislature, received Royal Assent in June 2016, and came into effect on July 1, 2016.

The legislation amended the *Electricity Act, 1998* and the *Ontario Energy Board Act, 1998* to replace the former electricity planning process, the IPSP with an LTEP process.

The process for developing the next LTEP has been as follows:

Technical Report:

The Minister of Energy requested the Independent Electricity System Operator (IESO) to prepare a technical report on the adequacy and reliability of electricity resources with respect to anticipated electricity supply, capacity, storage, reliability, demand, and any other matters identified by the Minister.

The IESO's technical report is the 'starting point' information that helped to inform the consultation process. This document has been made available to the public to inform the consultation process.

The first technical report was released by the IESO on September 1, 2016. The report, entitled the *Ontario Planning Outlook*, a ten-year review and a twenty-year outlook (to 2035) for electricity demand, supply, system costs, conservation and emissions.

As requested by the Minister, the Ontario Planning Outlook, or OPO, considers other government commitments, including the Climate Change Action Plan, the Climate Change Mitigation and Low-Carbon Economy Act, 2016 and the Vancouver Declaration.

Alongside the OPO, the IESO posted seven modules with underlying data and assumptions.

Beyond the legislative requirements, the Ministry also released a technical report on the fuels sector. This report was completed by Navigant Consulting, with advice from a Fuels Sector Working Group. While the fuels-sector technical report is not a requirement of the legislative process, it is complementary to the IESO's OPO and provides stakeholders with a more holistic view of the energy sector.

LTEP Consultations and Engagements:

The next step in the LTEP planning process is for the Ministry to conduct comprehensive consultation and engagement.

Developing the LTEP is a highly collaborative process. The Ministry works closely with its agencies, Indigenous communities and stakeholders during LTEP consultations and development.

As I mentioned earlier, the consultation and engagement process outlined in the *Energy Statute Law Amendment Act* builds off the 2013 LTEP process which was the most comprehensive consultation and engagement process ever undertaken by the Ministry of Energy. For example, it included:

- 13 public open houses in 12 different communities
- 10 engagement sessions with First Nations and Métis communities
- Over 1000 submissions via the Environmental Registry & directly
- Nearly 8000 responses to an online questionnaire

The next LTEP will expand on the lessons-learned in the 2013 LTEP by increasing the number of in-person engagement sessions and the use of online and other consultation tools.

In support of Open Government, the Ministry of Energy has engaged with relevant distributors, consumers, generators, transmitters, Indigenous communities and other stakeholders.

The Ministry has met its requirements to promote the participation of the public, Indigenous communities and stakeholders in the engagement process by:

- posting information on the Environmental Registry;
- having in-person sessions; and

- making use of online and other consultation tools.

Ontarians also have the opportunity to have their say about the LTEP online. This includes providing a formal submission through the Environmental Registry website or completing an online survey, which includes an open comment section. The Ministry is also providing LTEP updates via its Twitter handle: @ONenergy

Feedback received from consultations and engagements will be considered by the Minister in developing the next LTEP.

In preparation for the next LTEP, the Ministry of Energy took further steps to improve engagement beyond what is outlined in the *Electricity Act* process.

In May 2016, the Ministry sent early-engagement letters to 735 stakeholders, including Indigenous communities, inviting comment on the scope of LTEP.

The Ministry received more than 90 responses. Responses were provided by a mix of industry associations, Indigenous organizations, municipalities, utilities and other private sector stakeholders

Indigenous Community Engagement:

A critical part of the LTEP development process is Indigenous community engagement.

It is important to ensure that the perspectives and input of First Nation and Métis communities are considered in our updated plan and related policy priorities.

The Ministry of Energy will be hosting more than 16 First Nation and Métis engagement sessions across the province.

Michael Reid, the Assistant Deputy Minister of the Strategic, Network and Agency Policy division will discuss our commitment to Indigenous engagement shortly.

LTEP Development

Following LTEP consultations, the Ministry of Energy will develop the Long-Term Energy Plan taking into account feedback obtained during the LTEP engagement and consultation process.

The LTEP and other information used in the development of the LTEP will be posted on a Government of Ontario website, supporting the Open Data initiative.

The LTEP will be approved by Cabinet.

IESO and OEB Implementation Directives and Plans

To ensure that the government's goals and expectations outlined in the LTEP are implemented, the proposed legislation includes authority for directives, approved by Cabinet to be sent to the IESO and the Ontario Energy Board (OEB) setting out the government's requirements for implementation and directing each agency to develop respective implementation plans.

Upon receiving an implementation directive, the two agencies would develop respective implementation plans outlining frameworks on how best to implement the government's objectives and requirements.

IESO's implementation plan may also include, if required, the development of processes for entering into procurement contracts and/or selecting transmitters.

Both implementation plans would be submitted to the Minister for approval.

Once implementation plans have been approved by the Minister, the IESO and OEB would move forward with procurements and the development of programs or policies as identified in their implementation plans.

Conclusion

We agree with the Auditor General (AG) that a clear planning process is critical for Ontario's electricity system and we are confident the LTEP process achieves this.

I would now like to introduce Michael Reid, the Assistant Deputy Minister of the Strategic, Network and Agency Policy division who will discuss our Indigenous engagements as it relates to the LTEP process.

Thank you for your time.

Remarks for Assistant Deputy Minister Michael Reid

Good morning/afternoon. Thank you, Deputy.

I am pleased to speak about the Indigenous engagement sessions the Ministry of Energy is holding across the province as we update the Long Term Energy Plan.

As the Deputy mentioned, a robust Indigenous engagement process was undertaken for the 2013 LTEP. And for this LTEP,

we've developed an even more robust and comprehensive process.

Starting in October and extending into mid-December, the Ministry is holding a minimum of 16 sessions hosted in First Nation and Métis communities.

We've placed particular focus on regional sessions to ensure that communities from across the province have the opportunity to attend an in-person meeting. This includes sessions across all regions of Ontario including in remote, off-grid First Nations. These sessions are held within the local communities - at youth centers, bingo halls and community centers.

We've also engaged the Political Territorial Organizations and the Chiefs of Ontario to support efforts to reach out to communities.

It is our goal that representatives from **every** Indigenous community in the province have an opportunity to participate in the process.

We've also developed Indigenous-specific materials, such as this workbook, which help to facilitate dialogue about issues that are of interest and importance to First Nation and Métis communities.

We've also established a number of ways communities can provide feedback into the LTEP process - the Environmental Registry, through online tools such as EnergyTalks, direct feedback at the in-person sessions and through a dedicated email address – Indigenous.Energy@Ontario.ca.

We are proud of the work undertaken to date to ensure a comprehensive and inclusive LTEP process. We look forward to receiving continued input from Indigenous communities that will strengthen Ontario's long term energy planning.