

Government Affairs: Update

Presentation to Corporate Services Team Meeting

November 30, 2016

Confidential



Purpose

- To provide an overview of the energy policy environment over the next year and how it will impact the IESO.
- **Goal:** Be recognized as a trusted advisor, informed by engagement
 - work effectively with government to support policy development and IESO's excellence in implementation

Context

- Electricity costs are generating headlines and debate
 - 96 percent of Ontario wants to see their bills go down
 - what seems small can be taken out of context quickly (i.e. pension costs)
- Three by-elections: Scarborough-Rouge River, Ottawa-Vanier and Niagara-West Glanbrook
 - two losses for the governing Liberals, one of which was considered a “safe seat”
- 2017 LTEP consultations have begun
 - OPO helped to set the foundation for discussion
- Election in June 2018
 - polls are showing a challenge ahead for the government

What to expect from the government

- Increasingly reactionary and/or 'off brand' response to issues management
 - LRP II cancellation
- Greater attention to retail politics
 - 8 percent rebate, *customized retail pricing plans*
- More structured communications process
 - attempt to control message, lower the temperature on electricity costs
- LTEP 2017 is as much of a long term energy plan as it is an election policy document
 - will be released about a year from the 2018 election

What this means for the IESO

- Awareness of the current government structure
 - 12 directives post-merger, can reasonably expect more
- An increase in requests and briefings
 - be prepared to respond, or be proactive and anticipate issues
- Communications and public materials will be scrutinized, and review could affect our timelines
- Still opportunity to advance IESO initiatives and be a trusted advisor, but be aware of policy environment
 - cost efficiency measures, *like market renewal*;
 - retail initiatives will be appealing, like residential conservation;
 - build on OPO and be prepared to advise government in more detailed discussions for LTEP 2017