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August 9, 2016

The Honourable Glenn Thibeault
Minister of Energy
4th Floor, Hearst Block
900 Bay Street
Toronto, Ontario
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Re: Getting meaningful and useful policy advice during the upcoming LTEP review

Dear Minister Thibeault,

Like you, our organizations want to ensure that the upcoming triennial review of the Long Term Energy Plan (LTEP) can meaningfully inform the government's energy policy and, in particular, enable the implementation of the government's laudable *Climate Change Action Plan*.

Your government's *Climate Change Action Plan* foresees transforming Ontario into a low-carbon society by mid-century. The plan rightly says this will require "transforming the way we live, move and work." We absolutely agree. Changing how we live, move and work to fight climate change will have a significant impact on how and who produces energy in Ontario. This underlines why we need a new approach in the upcoming LTEP consultations.

As you can imagine, our organizations have participated in many public consultations. We have experienced meaningful and superficial consultations. We found your government's recent consultations through the Ontario Energy Board (OEB) on the Energy East pipeline to be meaningful and constructive. The recommendations that follow are aimed at making the upcoming LTEP consultations a meaningful and informative tool for informing your government's policy decisions.

Empowering the Voices of Tomorrow Not Yesterday

A major challenge in fighting climate change is that it requires new market participants, new business models and shifts in our expectations about how we produce, consume and value energy. This obviously presents a challenge for consultations on the future of our energy

system because incumbent energy interests may be adverse, if not adversarial, to the change we need to fight climate change.

The clear policy direction in the *Climate Change Action Plan* is that the participation of Ontario communities, businesses, schools and families is essential if we are to transform our energy system and lower our dependence on fossil fuels. It goes without saying that these are currently not well-represented or powerful interests in our energy system. In our view, the upcoming LTEP review needs to ensure their voices are heard.

We thus urge you to structure the LTEP consultations to empower non-vested interests and scope review questions to gather new perspectives on how government policy can empower non-traditional actors, such as citizens, municipalities, schools and small business to participate in our energy system.

Specifically, we are suggesting that the government:

- Commit to intervenor funding to allow non-profit entities to fully participate in assessing options and modelling alternatives
- Ensure a wide cross section of the public is engaged in consultations and has sufficient insight into objectives to provide useful input (e.g, being presented with alternative scenarios rather than being asked to comment on single plan elements)
- Seek expert input from outside the province to provide a broader view of potential low-carbon pathways (e.g, Vermont, California) and how changing technology will reshape energy generation and usage.
- Give strong consideration to how community energy planning can be used to achieve broader provincial objectives, including empowering community-led development of such plans.
- Hold consultations in municipalities including Guelph and Oxford County that have committed to become more energy independent or rely on 100% renewable energy, but are facing barriers to implementation because of current provincial policies.

Asking the Right Questions

In our view, asking the right questions during the upcoming LTEP consultations is crucial. We need to identify policies to transform our highly centralized system to one where communities and citizens are active participants in fighting climate change. In parallel, we need to ensure our energy system is more resilient and capable of tolerating the more erratic weather expected with climate change.

There are also benefits in transforming our energy system that need to be highlighted. Innovation is rapidly reducing the cost of renewable energy, storage and smart grid technologies. With the right policies in place, clean-tech sector innovation can reduce financial

costs for energy consumers and provide new value, such as system resilience, to energy consumers.

To cultivate this new community-based and climate-resilient energy system, Ontario will need to enable new business models, energy generators and be ready to seize opportunities from innovation in the clean-tech sector.

The following are some questions that we believe should be asked as part of the LTEP consultations:

- What government energy policies would allow us to achieve carbon reductions as quickly and cost effectively as possible?
- How do we put the government's Conservation First policy into action by prioritizing efficient use of energy and conservation?
- As laid out in the *Climate Change Action Plan*, how do we make Ontario "one of the easiest" and "the most affordable jurisdictions in North America for homeowners and businesses to install or retrofit clean-energy systems like solar, battery storage, advanced insulation and heat pumps"?
- What government policies would promote the reduction of energy costs by taking advantage of innovation and cost reductions in the renewable and clean-tech sector?
- How can Local Distribution Companies (LDCs) and regional energy planning maximize the use of locally-based renewable energy and conservation?
- How do we ensure Ontario is ready and able to take nuclear off-ramps without undermining climate objectives?
- How do we ensure Ontario is ready and able to close the Pickering nuclear station without undermining climate objectives if a decision is made to close the station before 2020?
- How do we increase the resiliency of our energy system in light of more extreme weather caused by climate change?
- How do we protect low-income households from increasing costs by lowering energy costs through greater efficiency and other targeted programs?
- What are the risks associated with continuing to rely on Ontario's aging nuclear reactors?

Providing the Right Information and a Global Perspective

In our view, a meaningful LTEP consultation requires transparent and timely access to information about global trends in the energy sector. We recommend that the IESO or independent experts provide information on the following:

- The worldwide move to more decentralized energy systems and the significant benefits of such an approach (e.g, reduced transmission costs, greater local reliability, lower environmental impact) as described in Ontario’s *Climate Change Action Plan*.
- The need to embrace important trends – LED lighting, “internet of things”, energy storage -- rather than planning for the status quo.
- The need to factor in the continued rapid fall in costs of renewable energy sources, such as solar, wind and biogas.
- The IESO’s latest assessments of the Darlington, Bruce and Pickering nuclear stations against alternatives.
- The electrification of transport and buildings and the best ways to meet the need for switching off fossil fuels (e.g., efficiency, on-site renewables, new energy recovery technologies).
- The implications of increased variable renewable supply on the need for so-called “baseload” or inflexible generation.

It should also be noted that for stakeholders to provide useful insights and ideas, participants will need to be able to look at assumptions, manipulate data, understand policy options and obligations and request additional information. In other words, transparency and comprehensive disclosure of evidence will be key in allowing stakeholders to provide new information and new perspectives.

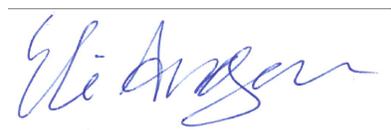
Conclusion

As laid out in the *Climate Change Action Plan* we need to transform our energy system.

This will be no small task and we hope you will see the LTEP consultations as an opportunity for the government to identify solutions to new uncharted regulatory realities regarding this new decentralized energy system, give voice to Ontario’s nascent community and citizen energy sector, and assist incumbent energy stakeholders transition to new market realities.

We look forward to working with you to ensure that the upcoming LTEP consultation is meaningful and informs the required changes to Ontario’s energy system.

Truly,



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