

ONTARIO ENERGY ASSOCIATION

LONG-TERM ENERGY PLAN FREQUENCY REGULATORY PROPOSAL

**EBR Registry Number: 013-1017
Submission**

August 21, 2017

To shape our energy future for a stronger Ontario.



Ontario Energy Association

ABOUT

The Ontario Energy Association (OEA) is the credible and trusted voice of the energy sector. We earn our reputation by being an integral and influential part of energy policy development and decision making in Ontario. We represent Ontario's energy leaders that span the full diversity of the energy industry.

OEA takes a grassroots approach to policy development by combining thorough evidence based research with executive interviews and member polling. This unique approach ensures our policies are not only grounded in rigorous research, but represent the views of the majority of our members. This sound policy foundation allows us to advocate directly with government decision makers to tackle issues of strategic importance to our members.

Together, we are working to build a stronger energy future for Ontario.

The Ontario Energy Association is pleased to provide this response to the Ministry of Energy's proposed regulation made under the Electricity Act, 1998, that would support the implementation of Ontario's long-term energy planning process (EBR Registry: 013-1017).

COMMENTS AND KEY RECOMMENDATIONS

The OEA has reviewed the proposal to specify that the government will issue at least one long-term energy plan within three years of i) the Minister of Energy approving all implementation plans submitted as part of the last long-term energy plan; or ii) the last long-term energy plan if no implementation plans were required as part of the last plan.

The OEA does have some concerns and recommendations regarding the proposal. The OEA is making the following key recommendations:

Recommendation 1: LTEP Frequency and Alignment with Climate Change Action Plan and Regional Planning Process

The OEA notes that the three year frequency proposed for the LTEP differs from other important energy planning processes. Ensuring alignment among these interdependent energy planning processes would greatly assist the ability of the Ontario energy industry in making prudent investment decisions that benefit Ontario's economy.

The Climate Change Mitigation and Low-carbon Economy Act, 2016 states that Ontario's *Climate Change Action Plan* (CCAP) may be revised at any time and must be reviewed at least every five years or as otherwise prescribed. Previously, the [Ministry has noted](#) that "The *Climate Change Action Plan* will play a key role in the development of the 2017 LTEP, as it intends to share many of the same goals. The OPO [Ontario Planning Outlook] incorporates the commitments and targets for 2020 set out in the *Climate Change Action Plan*."

Similarly, Ontario's Regional Planning Process for electricity is a process with plans developed for a 20-year outlook, but evaluated every five years at minimum.

As a result, it is unclear from the regulatory proposal: (1) what rationale is being used to support a three year frequency for issuing LTEPs; and, (2) how the three year frequency for the LTEP will facilitate and maintain co-ordination and integration of the LTEP with the different planning cycles of the CCAP and Regional Planning Process.

The OEA recommends that the proposed regulation be improved by adding language that speaks to (1) the merits of a three year frequency for issuing LTEPs; and, (2)

whether and how the development cycles for the LTEP, CCAP, and Regional Planning Process can be aligned and integrated to the fullest extent possible.

Recommendation 2: Compliance with Three Year Frequency

The LTEP is a very important document for Ontario's energy planning process. The Ontario energy industry looks to the contents of the LTEP to guide tens of thousands of jobs and billions of dollars of investment decisions. These jobs and investments have a significant beneficial impact on Ontario's economy.

Conversely, uncertainty regarding when (or if) an LTEP will be published within the proposed three year planning cycle could delay business decisions or eliminate them altogether.

For example, in [March 2017](#), the Ministry stated that it "anticipates that the next LTEP will be published in spring 2017." However, as part of the Notice for this regulatory proposal the Ministry states that it "anticipates the next long-term energy plan will be released in the late summer of 2017."

The OEA also notes that, previous to the LTEP process, the Ontario Power Authority (since merged with the Independent Electricity System Operator) was [required by regulation](#) to submit an Integrated Power System Plan (IPSP) to the Ontario Energy Board (OEB) for review and approval and update the plan every three years.

However, the 2007 IPSP submitted to the OEB was never approved because the hearing was suspended following the direction of the then Minister of Energy that the IPSP be revised. No revised IPSP or any subsequent IPSP was ever submitted to the OEB despite the regulatory requirement to do so every three years. Ultimately, the regulatory requirement for an IPSP was revoked in 2016.

As a result of this past history of the IPSP and the current LTEP, and the potential impact on the ability of businesses to make investment decisions, the OEA is concerned about the absence of a mechanism that would ensure that the LTEP currently being undertaken and future LTEPs are developed and published within the required timeframe.

The OEA recommends that the proposed regulation be improved by adding language that speaks to how compliance with the three year frequency requirement will be ensured for the issuance of the current and future LTEPs.

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Ontario Energy Association

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