



Energy Plan to Strengthen Green Ontario

Presentation to the Wind Power Standing Committee

Allan Jenkins

Ontario Ministry of Energy and Infrastructure

Office of Energy Supply

November 5, 2008

Energy Plan to Strengthen Green Ontario

- ◆ Announcement
- ◆ Direction to the OPA
- ◆ What happened to the IPSP?
- ◆ Impacts on the agencies
- ◆ Impacts on stakeholders
- ◆ Opportunities and challenges

Announcement

- ◆ On September 18, 2008 at the OEA annual general meeting Minister Smitherman announced that he was directing the OPA to “fine-tune” the IPSP
- ◆ OPA to review a “modest portion” of its proposed Integrated Power System Plan (IPSP), focusing on renewable energy and conservation.
- ◆ Core elements of nuclear rebuild and coal elimination unchanged
- ◆ IPSP process for these other elements could continue
- ◆ Focus on job creation and environmental benefit. “Building on this foundation with a strengthened renewables and conservation agenda will allow us to create jobs and further reduce our impact on the environment.”

Direction to the OPA

- ◆ The OPA review of the IPSP will include:
 - ↪ The amount and diversity of renewable energy sources in the supply mix.
 - ↪ The viability of accelerating the achievement of stated conservation targets, including a review of the deployment and utilization of smart meters.
 - ↪ The improvement of transmission capacity in the orange zones in northern Ontario and other parts of the province that is limiting the development of new renewable energy supply.
 - ↪ The potential of converting existing coal-fired assets to biomass.
 - ↪ The availability of distributed generation.
 - ↪ The potential for pumped storage to contribute to the energy supply during peak times.
 - ↪ Further, the OPA was directed to employ an enhanced process of consultation with First Nation and Métis communities, including the consideration of partnership opportunities in generation and transmission.

What Happened to the IPSP?

- ◆ **On October 2, 2008, the IPSP hearing was adjourned until further notice.**
- ◆ The Board found it would be premature to continue with hearings until such time as the OPA re-files the revised IPSP based on the supplementary directive issued by the Ministry of Energy and Infrastructure.
- ◆ The proposed date for the OPA to re-file a revised IPSP plan is March 16, 2009. As an interim step, the Board has requested a written update be submitted to all parties on November 30, 2008, on the status of the plan updates and the proposed timeline to resubmit.

Impacts on the Agencies

- ◆ The IPSP included considerable consultation and input from the agencies, including the OPA IESO, Hydro One and the OEB. The review will engage all of these again either in new work or expedition of existing processes.
 - ↪ OPA – conduct the review and coordinate consultation with other agencies, adding FN/Métis consultation while conducting ongoing procurements and program reviews
 - ↪ IESO – analysis and rules for increased amounts renewable generation, distributed energy and the incorporation of pumped storage
 - ↪ Hydro One – technical and cost analysis of increased transmission and distribution infrastructure including prioritization of system upgrades
 - ↪ OEB – determination of cost tests and fair distribution of costs for system upgrades, rules for increased DG
 - ↪ MEI and other ministries – further review of regulatory processes to streamline the addition of new generation and infrastructure

Impacts on Stakeholders

- ◆ Another fork in the policy road – more uncertainty in uncertain times until new plan is put into place
- ◆ Raised stakeholder expectation of positive outcomes
- ◆ Government will expect quid pro quo for raising opportunities

Challenges and Opportunities

- ◆ Government intent is to increase renewables, should bring new development opportunities
- ◆ Will increase need to upgrade grid, challenges of allocation of upgrades, allocation of costs, financial and human resource capacity to build and operate projects and system infrastructure
- ◆ Current economic climate makes project financing more uncertain