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June 9, 2021

Mr. Chuck Farmer Senior Director,  
Power System Planning Independent Electricity System Operator  
Toronto, Ontario

Dear Mr. Farmer:

Re: IESO's Gas Plant Phase-Out Impact Assessment

I am a resident in the rural area of King Township. I am a member of a citizen's group called Climate Action King from whom you have received a letter written by the Chair. In the spirit of full disclosure, I also want to say that I am a member of the municipal council of King Township, and it was me who tabled the motion that King Township should endorse a resolution to ask the province to shut down the gas fired generators by 2030. I was thrilled that my council colleagues agreed, and that the resolution was passed unanimously. I must also acknowledge that at the time I was naive in that I did not appreciate the role of the IESO; since then, I have been learning about the IESO.

I am pleased that the IESO has committed to undertaking a comprehensive assessment of how Ontario can phase-out its gas-fired power plants for several reasons:

- The current plan to increase the proportion of our electricity coming from the gas fired generators, as a result of nuclear capacity being taken offline for maintenance or obsolescence threatens the substantial improvements in clean air which we have enjoyed since the shutdown of coal. The data shows that we will be on track to lose 40% of what was gained with the shutdown of coal. This is surely unacceptable at a time when every jurisdiction is seeking achieve better air quality for the benefit of the health of citizens.
- The phasing out of these plants is critical in order that Ontario can meet its own stated goals regarding climate change, specifically the reduction of GHG;

- We must reduce emissions as they are contributing to the rise in temperature;
- There are alternatives.

You are well positioned to provide the map as to how we can shut down these plants. That map needs to be created using science, the statistics, the data; you and your team at the IESO have the skills and expertise to do that without the biases of political pressures. The decision makers indeed maybe influenced by political pressures, but they must have the map showing what could be done with political will.

I am confident that the IESO can provide the road map as it did when Ontario phased out electricity coming from the coal plants. That was a huge transition as the electricity from coal was 25% of our electricity; today the gas fired generators are only supplying 6% of our electricity.

I have seen Mr. Terry Young's May 17th letter to Mayor Davis in Brantford. I agree that indeed the transition to phasing out the gas fired generators is not going to happen overnight and it will likely require capital to do so. That is exactly why it's so important that the IESO is doing this assessment now; many of the generators' contracts to provide electricity to Ontario's grid expire at the end of this decade. And just as capital spent on the nuclear facilities needs to be assessed for value so must the cost of building new or upgrading transmission corridors for example.

I am familiar with the three scenarios you are proposing to analyze. I am writing you today to provide some comments relevant to your task.

### **Of relevance to IESO scenario 1**

I believe that most thinking people share my own lack of understanding as to why we continue to not buy electricity from Quebec. During the last several years it has been often reported in the media that Quebec is interested in a deal with Ontario; and occasionally there have been reports that Ontario is interested in such a deal. And at the same time Quebec is selling clean cheap electricity to US states.

There is already a transmission corridor from Quebec into Ontario in the Ottawa area; it is my understanding that there is capacity available and that an increase in capacity in the same corridor could be implemented. Hence there is no reason

that the usage of gas fire generators could not be reduced quickly such that we can return to the levels of GHG that we had in 2017.

The IESO needs to show how we can return to the levels of GHG experienced in 2017 quickly and then how that new baseline can be used as a kickoff to eliminate totally the gas fired generators by 2030.

### **Of relevance to IESO scenario 2**

I strongly disagree with the current program of subsidizing, so to speak, the generators by not requiring that they pay the full carbon tax. As there are sources of lower priced electricity which do not emit GHG it is counter productive to try and keep Ontarian businesses competitive by not imposing the full carbon tax. Furthermore, it reduces the incentive to manufacturers to do conservation to reduce their electricity consumption.

The irony of the subsidy must be commented on. In those US states buying surplus electricity from Quebec are some of the manufacturers who compete with our Ontario manufacturers. To help the latter we do not charge the full carbon tax to keep the price of electricity down as they are competing with companies whose electricity supply includes low-cost electricity from Quebec!

It is critical that in your analysis of assessing the impact of including electricity from the gas fired generators, that the latter is priced with 100% of the carbon tax which increases every year.

I also think analysis about the impact of market pricing on the cost of electricity coming from the gas fire generators should include a scenario that the US will no longer buy surplus electricity from the Ontarian generators. We are seeing an extremely aggressive attitude out of the current US administration of President Biden regarding climate change and so it is not impossible that there will be encouragement from Washington to the various states to not be buying dirty electricity.

### **Balanced supply mix and conservation**

Shutting down the gas fire generators is driven by the need to respond to the existential crisis of climate change. But this crisis also presents the opportunity to

address a serious problem that Ontario has: our unfortunate distinction of having expensive electricity.

Assessment of options for shutting down the generators must include tactics which will reduce the cost of electricity in Ontario: conservation and renewables i.e., solar and wind. It is a tragedy that ignorance of the up-to-date price of renewables or ideology has inhibited development of these two sources of electricity in Ontario. Today, other than conservation (i.e., reducing the use of electricity) solar & wind are the lowest cost sources of electricity. The supply mix for electricity must include solar and wind.

Because Hydro Quebec's reservoirs are as large and as reliable as they are inclusion of Hydro Quebec in the mix also provides the required back up for solar and wind.

To properly identify the impact on Ontario of the different supply mixes there are two other factors which should be measured ideally.

Ideally, the IESO should identify the impact on air quality for the various options. As was demonstrated very clearly when there was still debate about phasing out coal the medical community had the data to identify the impact of the nitrogen oxide etc. being eliminated and the positive impact on mortality rates and respiratory morbidity.

Secondly, the IESO should identify the full economic impact of the choices for electricity supply; specifically, number of jobs in Ontario with the various options. To elaborate: an increased use of the gas fired generators triggers few new jobs in Ontario and any jobs associated with the gas itself are in other jurisdictions such as Alberta or, in the case of fracked gas, in Pennsylvania. In contrast: to increase proportion of solar in the supply mix there will be jobs associated with the fabrication and installation of the solar panels.

I look forward to hearing the results of your analysis. And I do intend to follow the process in the interim and will be attending the June 24th webinar from 9:00 to 11:00 AM.

Yours sincerely,

Debbie Schaefer