

Feedback Form

Gas Phase-Out Impact Assessment – May 27, 2021

Feedback Provided by:

Name: Nicole Black

Title: Senior Manager, Government & Regulatory Affairs

Organization: Direct Energy

Email: [REDACTED]

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To promote transparency, feedback submitted will be posted on the Gas Phase-Out Impact Assessment webpage unless otherwise requested by the sender.

Please provide feedback by June 17, 2021 to engagement@ieso.ca. Please use subject:

Feedback - Gas Phase-Out Impact Assessment

Questions

Topic	Feedback
Are there additional considerations the IESO has not identified in defining the scope of the assessment to examine the reliability, operability, timing, cost and wholesale market implications of reduced emissions on the electricity system?	Other jurisdictions should be considered so that Ontario does not put itself at an economic disadvantage or experience blackouts. New York and California, two states with aggressive emission reduction goals, are not phasing out gas-fired generation by 2030 due to reliability concerns as detailed below.

General Comments/Feedback

As a retailer who supplies commodity to businesses with significant load in Ontario, Direct Energy is uniquely positioned to represent the best interests of electricity consumers. Ontario, which is already in the enviable position of having one of the greenest electricity generation fleets in North America should very carefully consider its next steps or it will place itself at a long-term competitive disadvantage in relation to other jurisdictions and expose itself at an increasing risk of blackouts. This competitive disadvantage would lead to the loss of industrial production in Ontario as companies would migrate production to jurisdictions with lower electricity prices. In addition, blackouts are not a scenario that would be welcomed in Ontario (or any other jurisdiction), so reliable peaking generation needs to be constructed to replace natural gas thoughtfully, over time. Direct Energy is active in California and New York, where greenhouse gas reduction targets are amongst the most aggressive in North America. California requires 50% of its electricity to be from renewable resources by 2030 and 100 percent of its energy to zero-emission by 2045. New York has committed to 70% by 2030 and 100% zero-emissions electricity by 2040. Ontario should learn from California's experience with the aggressive shut down of non-renewable energy and the resulting and devastating blackouts that ensued. The premature shuttering of peaking supply would leave Ontario vulnerable to blackouts at critical times. Although California continues to support the expansion of the intermittent sources of green energy, natural gas fired generation continues to serve as an integral and enduring component of the supply mix. The critical balance between reliable peaking supply and intermittent green energy supply must be maintained. The same is true in New York, where the NYISO blog summarizes the matter well: <https://www.nyiso.com/-/how-a-natural-gas-moratorium-could-cause-bumps-in-the-road-to-an-emissions-free-grid>. Ontario has already well-exceeded the goals for both New York and California for 2030, as 83% of Ontario's electricity currently comes from zero-emission production sources. As such, more aggressive climate goals should be timed to coincide with the technological advancements that will make renewable peaking supply possible.