

IESO Engagement

From: Susan Hay
Sent: June 18, 2021 11:54 AM
To: IESO Engagement
Subject: Feedback to the Independent Electricity System Operator of Ontario (IESO)

Environment Haliburton!
1128 Argillite Rd.,
Haliburton, Ontario
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June 17, 2021

Re: Feedback to the Independent Electricity System Operator of Ontario (IESO)

Environment Haliburton! (EH!) would like to thank the Independent Electricity System Operator for the opportunity to provide this stakeholder feedback as part of its public engagement process within the IESO Gas Phase-Out Impact Assessment.

EH! is an environmental justice organization located in Haliburton County, Ontario. In part, our mandate is to inform and mobilize County Residents around the climate emergency. Our goal is to build support for urgent and dramatic climate action and to work in solidarity with Indigenous Peoples, youth climate activists, and other climate action and social justice groups in the hope containing the growing impact of global warming on our climate system. We provide this feedback to the IESO assessment process out of recognition that in the context of a climate emergency, the phase-out of natural gas-fired power plants in Ontario is both an opportunity and an obligation.

According to an IESO presentation dated May 27, 2021, the IESO will develop three scenarios for its "comprehensive assessment to examine the implications of a natural gas phase-out." The three scenarios are:

1. Complete phase-out of gas by 2030 with a supply mix approach of new resources, in response to municipal city council resolutions;
2. A market-based approach that examines the potential for higher gas prices to reduce the utilization of the gas fleet to reduce emissions by 2030 and to provide market signals to clean energy projects; and
3. Reduce emissions by 2030 with a supply mix approach of new resources.

Along with the 28 Ontario municipalities that, as of early June 2021, have endorsed the call for complete phase-out of natural gas-fired power plants, **EH! is writing to support scenario one.** We strongly support the comprehensive IESO assessment of a complete phase-out of the use of natural gas for power generation in Ontario by 2030.

The EH! position is driven by science and mounting evidence that unless we significantly reduce global greenhouse gas (GHG) pollution by 2030 we have little to no chance of limiting the long-term increase in global temperatures to 1.5 degrees Celsius, the target agreed to by the 196 signatory countries to the 2015 Paris Climate Agreement. The reductions must be extensive across all sectors including and especially in power generation. Indeed, as recently as last month, a report by the prestigious International Energy Agency called "for nothing less than a complete transformation of how we produce, transport and consume energy." In

particular, the report called for an end to investment in new fossil fuel sources and a fourfold increase in renewable solar and wind power sources by 2030. The IESO thus does not have the luxury of conducting its assessment in an atmosphere of business-as-usual. It must recognize that Ontario -- and the planet -- face a climate emergency, and it is obligated to respond accordingly.

In its support for scenario one, EH! endorses recommendations made by the Ontario Clean Air Alliance. These include the assessment of:

- Immediate capping of Ontario gas plant annual GHG pollution to 2017 levels as soon as possible;
- Increasing imports of Quebec water-powered electricity using existing transmission lines;
- Curtailing gas-fired electricity exports;
- Increasing IESO energy efficiency programs and budgets;
- Procuring new wind and solar electricity supplies at the lowest possible cost;
- A phase-out based on a supply mix of energy efficiency and demand response, wind and solar energy, Quebec renewable electricity and storage sources, and local (municipal) energy efficiencies and small-scale renewable energy projects.

Although this feedback emphasizes Scenario One, we would be remiss in failing to mention the problem of the carbon tax exemption for gas-fired power plants that should be assessed under Scenario Two. As also noted by the OCAA, beginning next year Ontario's Emissions Performance Standards will exempt gas-fired power plants from virtually all carbon taxation that Ontario residents will need to pay on their personal purchases of fossil fuels. This 97 percent exemption for gas-fired power companies is not only exceedingly unfair to ordinary consumers who must pay the full tax rate but also is an outrageous undermining of a process designed to reduce greenhouse gas emissions. Thus, as part of its assessment of "a market-based approach" we call on the IESO to include the removal of this carbon tax exemption in the assessment under Scenario Two.

EH! looks forward to the next steps in public engagement under the IESO Gas Phase-Out Impact Assessment.

Sincerely,

Susan Hay, President, EH!

Terry Moore, Vice President, EH!

"Gas Phase-out Impact Assessment," IESO PowerPoint presentation (gpia-20210527-presentation.pdf), May 27, 2021.

Kitchener, Halton Hills, Hamilton, Burlington, Windsor, Township of Selwyn, Township of Woolwich, Township of King, St. Catharines, Town of Cobourg, Guelph, City of Temiskaming Shores, Waterloo, Kingston, City of Niagara Falls, Orangeville, Ajax, Mississauga, Brampton, County of Peterborough, Toronto, Barrie, Sault Ste. Marie, Grimsby, Port Hope, Region of Peel, Brantford, Oakville.

Net Zero by 2050 - A Roadmap for the Global Energy Sector, International Energy Agency, May 2021 (p.13).

OCAA letter to Chuck Farmer, Senior Director, Power System Planning, IESO, May 19, 2021.