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Affordable Energy Act, 2024

1st Session
43rd Parliament

Monday 18 November 2024

Chair: Aris Babikian
Clerk: Thushitha Kobikrishna

Journal des débats (Hansard)

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Comité permanent des affaires intérieures

Loi de 2024 sur l'énergie abordable

1re session
43e législature

Lundi 18 novembre 2024

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Greffière : Thushitha Kobikrishna

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON THE INTERIOR

COMITÉ PERMANENT DES AFFAIRES INTÉRIEURES

Monday 18 November 2024

Lundi 18 novembre 2024

The committee met at 0900 in committee room 1.

AFFORDABLE ENERGY ACT, 2024
LOI DE 2024 SUR L'ÉNERGIE ABORDABLE

Consideration of the following bill:

Bill 214, An Act to amend various energy statutes respecting long term energy planning, changes to the Distribution System Code and the Transmission System Code and electric vehicle charging / Projet de loi 214, Loi modifiant diverses lois sur l'énergie en ce qui a trait à la planification énergétique à long terme, aux modifications touchant les codes appelés Distribution System Code et Transmission System Code et à la recharge des véhicules électriques.

The Chair (Mr. Aris Babikian): Good morning, everyone. I call this meeting of the Standing Committee on the Interior to order. We are meeting today to resume public hearings on Bill 214, An Act to amend various energy statutes respecting long term energy planning, changes to the Distribution System Code and the Transmission System Code and electric vehicle charging. Are there any questions before we start? I see none.

MINISTRY OF ENERGY AND ELECTRIFICATION

The Chair (Mr. Aris Babikian): I will now call upon the Honourable Steven Lecce, Minister of Energy and Electrification, as the sponsor of the bill.

Minister, you have up to 20 minutes for your presentation, followed by 40 minutes of questions from the members of the committee. The floor is yours, Minister.

Hon. Stephen Lecce: Good morning, Chair. Thank you very much, colleagues. Thank you for being with us. To the deputy minister and the team from the deputy minister's office, thank you all for joining.

It's a pleasure to be here at the Standing Committee on the Interior to discuss the Affordability Energy Act, a bill that, if passed, will change the landscape of energy and how we do things in this province, with a singular focus on affordability for families, our farmers, and likewise for businesses. I want to thank the committee members for this opportunity because, as you know, the province needs more power. This bill will enable us to allow a large long-term integrated energy plan to meet the demand forecast before us.

Joining me today from the ministry is the deputy minister, Susanna Laaksonen-Craig, and ADMs who are with us from across the ministry. Together, in a short while, we'll look forward to your questions, but, Chair, I do want to really dig into the impetus for this bill.

To fully understand the importance of this, we must first understand the current energy landscape that's facing our province. Just last month, the Independent Electricity System Operator released a revised demand forecast that would see Ontario's electricity consumption increased by 75% in the next 25 years. That's up from the previous forecast of 60%, all within just one year. It represents the equivalent of adding four and a half cities to the grid in the next quarter century. That's a huge lift and an opportunity for Ontario.

Mr. Chair, we need to fully appreciate the choices we make now will determine tomorrow's future for our province. When we look back at the previous government, we remember the failed energy policies, policies that resulted in a 300% increase in energy bills, an average increase of $1,000 per year. We saw electricity sold to neighbouring jurisdictions at a billion-dollar loss a year, at the expense of taxpayers. And Ontarians at that time were paying among the highest rates of electricity on the continent because of these failed energy experiments.

But, colleagues, in 2018, the people of the province elected our government. Under the Premier's leadership, we were really elected principally on a mandate to fix the hydro mess. It's what we did and what we'll continue to do today. We introduced the comprehensive electricity program and the Ontario Electricity Rebate program to help stabilize electricity bills in the province, and we've helped achieve that. We've rolled out new energy efficiency programs like Peak Perks, which is already putting more money back into pockets of families and businesses.

But it's clear we must do much more, and we can, because Ontario comes from a position of strength. It starts with our clean energy advantage. Today, more than 50% of electricity generated comes from non-emitting nuclear power. It's what primarily makes our grid almost 90% emission-free. To put that into perspective, according to the Canadian Nuclear Association, Canada's nuclear today displaces 80 million tonnes of greenhouse gases every single year, the equivalent of removing 15 million vehicles from the road this year alone. That is a huge achievement. We're doing something right, and it's just going to have to improve from there as we expand our nuclear fleet. Because we can't forget the record of governments past, who notably undermined investor confidence through project setbacks at Darlington. We just can't let that happen again, because

we understand the need for certainty, a clear plan and the conviction to see it through. It's why we introduced the Affordable Energy Act. It's why we're here, leading the largest energy expansion of nuclear energy on the continent, that's happening on time and on budget.

At Bruce, the pre-development work has begun to build the largest commercial nuclear generator this continent has seen in 30 years. The project alone, once finished, will provide 4,800 megawatts of clean, non-emitting reliable power for the people of Ontario.

And, I will note, at Darlington we're building four small modular reactors. We have initiated the first mover's advantage when it comes to this technology. This is the first time an SMR is being built, not just in Canada or North America, but in the entire G7. Once completed, we will benefit as Ontarians from 1,200 megawatts of non-emitting power.

But that's not all, because while the previous government was happy to contemplate the closure of the Pickering Nuclear Generating Station, we're working to refurbish the station and the units at Darlington and Pickering to keep the lights on across Ontario. We're also exploring opportunities to secure other energy resources or sources because we need all of the power we can get when we complete the largest battery storage procurement in Canadian history under our Progressive Conservative government. Once built, we will have the largest fleet in the country and the third-largest on the continent, securing upwards of 3,000 megawatts of storage, which is really important for renewables and, frankly, for affordability.

Earlier this summer, we launched the largest competitive procurement in Ontario history. We stood with the Minister of Agriculture and many other of my parliamentary colleagues, including the member from Newmarket–Aurora, and we announced a plan that will see up to 5,000 megawatts of power procured. This is the most significant competitive procurement. It's important that we maintain competitive procurements to keep costs down, which is a contrast with governments past. While we launched this procurement, I directed the system operator to find ways to explore and accelerate this procurement, meaning more megawatts at a faster timeline, because we're seeing much of this energy demand needed in the upcoming decade.

The data speaks for itself: 16% of new electricity demand is coming from data centres alone. Industrial demand accounts for more than half of the increase by 2030—a 50% increase by 2030. New households account for another 12% of new electricity demand, and EV adoption is 37% of new energy demand. The list goes on.

To tackle this generational challenge, Mr. Chair, our government released our vision, Ontario's Affordable Energy Future, which outlines the path of our province for energy security and our ability to help our neighbours too after we've secured domestic supply, with the purpose of generating revenue for the people of Ontario, jobs for the people of Ontario. You'll see, colleagues, that Ontario has an ability to be an energy superpower because we have a diverse, world-class energy system.

We returned just a few days ago from Poland, where we signed a $40-million agreement so that Ontario could help build SMRs in Eastern Europe, to help decouple dependence from the Russian regime. We signed an MOU with Estonia to help deepen our relationship and enable energy security in the Baltic region. And thanks to the generous energy ecosystem in Ontario, we were able to donate $5 million worth of energy equipment to Ukraine to help them with critical infrastructure this winter in this war-afflicted region.

We have the ability to do more; the ability to create stability for our democratic allies and help send clean energy to the world, but it really starts with this bill. It starts with the introduction of Ontario's first-ever long-term integrated energy plan, because it's been clear that the previous government's siloed approach was not working. It was not delivering value for ratepayers. It no longer was enough for the IESO to plan for electricity and the OEB and Enbridge to look at natural gas, and other private companies to plan for other fuels. We need an integrated focus of bringing together all resources with one mission, which is to keep costs down for our families and our businesses.

That's what this bill does. It's why the bill proposes to update the Electricity Act, 1998, to establish an integrated energy planning progress and repeal the previous government's long-term energy plan so that energy planning can be integrated, interconnected and planning for all fuels.

I'd like to point out that the proposed legislative amendments also address the recommendations made by the independent Electrification and Energy Transition Panel in the report that was released just last January. Our government established the panel in 2022, as you will know, to provide advice on the highest-value opportunities for the energy sector to help Ontario's economy prepare for growing energy demand and widespread electrification, and to articulate what changes are needed for better energy planning, more reliable energy supply and a more effective governance in decision-making. The panel's report was clear: Ontario needs an integrated plan to manage the anticipated increase in energy demand. We are delivering that through the Affordable Energy Act.

The second problem this bill addresses is home connection costs. If we want a society where homeownership is attainable, it must be affordable. It's why the bill proposes to make sure we get power to those new homes, businesses and farms by reducing connection costs and removing the unfair burden on the first movers, which significantly delayed project timelines and, in some cases, it actually discouraged new homebuilding and investment in the province altogether.

0910

I want to give an example. Under the old regime, a residential development of 200 homes would pay the full cost of building new infrastructure needed to connect to the grid. Say those upgrades cost $10 million in this example. That means that every homeowner is paying, effectively, through a stealth tax, $20,000, hiking the costs further on a young family or new Canadian aspiring for a home.

Under this plan, the project would have to pay for what they will use, their load. The result is the cost is now, in this example, $4,000 per home, saving that young family or that new Canadian $16,000, which is a sensible proposal

to reduce costs up front. The benefit would be substantial. It will help enable more growth in housing, particularly in response to Ontario's Housing Supply Action Plan.

We were happy to work with the Minister of Municipal Affairs and Housing to achieve that outcome. I want to thank the associate minister and the parliamentary assistants for their leadership in advancing this policy, too, a priority for all of us to ensure the next generation can achieve the dream of home ownership. Every ministry has a role to play. We are very pleased to play a critical role today, in bringing forth a cost-saving measure for families.

The third element of this bill is making energy efficiency programs available to everyone. I remember a couple of weeks ago in the House, the honourable member from Thunder Bay–Superior North brought up a reasonable question, that a new heat pump rebate includes Kenora, but not Thunder Bay. She called on the government to fix it. I reminded her to review the bill. In the statute, it literally fixes the very problem cited by the member, which is to enfranchise all families in all regions to have access to energy affordability, not just those in constrained regions of Ontario, not just a third of the population or the region.

Now, we believe everyone has the ability to gain from energy efficiency programs, not just those energy-constrained regions like in Kenora, but yes, even in places like Thunder Bay. Everyone should have a role to play in reducing their footprint and reducing their energy bills. It's why the bill proposes amendments to the Electricity Act to enable the system operator to administer energy efficiency programs to all Ontarians.

Chair, I will note that the impact of this would be substantial. Our grid has conserved 15% of energy through energy efficiency programs, which we would not have been able to achieve otherwise if those programs didn't exist. We have seen tremendous success with our current programs.

I want to give an example of the Peak Perks program I noted earlier, which rewards families for reducing their electricity use at peak periods, that has proven to be an incredible success. In just over a year, the program enrolled over 150,000 families, making it the fastest-growing virtual power plant on the continent, able to reduce peak demand up to 150 megawatts. the equivalent of taking the city of Barrie off the grid in a day at summer peak, at their highest demand.

So it's important that all customers have options to reduce overall energy use and, subsequently, reduce costs for high consumption activities, such as home heating and cooling, regardless of the fuel types. If passed, that is exactly what this bill will achieve.

Lastly, Chair, this bill would cut the regulatory red tape maintained by the former government around EV infrastructure. Our economy is moving towards electrification, and we must be ready for this. Which is why, today, there are 201,000 EVs on the road. In just eight years, that will be upwards of a million, estimated. We need the EV infrastructure to support it.

It's why, last week, I was happy to join Ric Bresee and Patrice Barnes, both members, to announce a $63-million investment from our government that will see over 1,300 new EV chargers built in small, rural and medium-sized suburban communities across the province, focusing on communities under 170,000, particularly rural communities and suburban communities that need more of that enabling infrastructure to help ensure families could travel with ease across Ontario and access this EV infrastructure.

The bill, as proposed, will define EV charging stations, providing certainty to public EV charging station owners and operators, that they would not need the same licence as was originally proposed from the Ontario Energy Board as a local utility, which takes significant time to get. It delays time to get these things built and, frankly, they're not a utility. A municipality or a non-profit looking to set up a charger shouldn't need the same licence as Toronto Hydro or Hydro One. So obviously, to accommodate this major transition towards EVs, the government must ensure that Ontario can find public chargers when and where they need them. That's what this bill will achieve.

Mr. Chair and colleagues, these proposed changes, along with our recently announced vision for an affordable energy future and the public feedback on that vision, will inform and facilitate our plan to release the first integrated energy plan in early 2025. I look forward to feedback from all members of the House, from industry and leaders and stakeholders, from Indigenous groups and civil society to help inform how we build out an energy program that works for Ontario, that is affordable at its core and reliable always for our people.

It will provide clarity and policy certainty for investors and sector participants and for customers to ensure the energy sector can continue to drive economic growth. It will support an energy system which prioritizes customer choice, participation and affordability.

We're creating a plan that builds on ambitious work already under way: a massive expansion to transmission networks, plans to generate more power. Because while other jurisdictions are scrambling for more power, we're bolstering our clean energy advantage to meet our domestic needs and even potentially export them to the world.

We just returned from Poland and Estonia, where Eastern European nations, like all democratic nations, are seeking energy security. They are looking to Ontario as a source of inspiration, where we have done something different in Ontario that most jurisdictions cannot claim—that we are building large-scale and small modular reactors on time and on budget. That is our fundamental value proposition to the world. It was exciting to take that message abroad as we secured a deal with the Polish government and sent that green energy to help move the SMR project forward in that country to ensure they have energy security. They can decouple dependence from Russian natural gas and energy and, frankly, lean into the democratic values that I think bind us all in this Legislature.

And so, we are part of the Affordable Energy Act. Our driving force is affordable energy; the focus is domestic needs. We're going to ensure Ontario families for the next 25 years have the energy they need—affordable energy.

We will also look, as part of a broad, ambitious vision, at how we can monetize this critical asset as a commodity that is so needed in the world for potential export oppor-

tunities so that we can bring better jobs and larger sources of revenue back home to Ontarians as we refurbish or expand or even export clean energy into the US to displace dirty coal. That's the opportunity we have before us.

Colleagues, I would just thank you for this opportunity and I look forward to your questions.

The Chair (Mr. Aris Babikian): Thank you, Minister.

Now we will move to the questions and answers, and we will start with two rounds of seven and a half minutes for the opposition side and the government side.

Before we start the question session, I would like to make a few points. Please direct your questions through the Chair. Don't get engaged directly with the minister or the witnesses.

Second, please focus on the issue at hand. That is Bill 214.

Thirdly, I will kindly ask the committee members to let the witness, the minister, answer the questions before you interrupt him and move to the next question.

We will start with the questions, and we will start with the official opposition. Who's going to start? MPP Tabuns, the floor is yours.

Mr. Peter Tabuns: Chair, through you: In his presentation, the minister talked about exporting energy, and that is touched on in the bill. Can he tell us what the projected market price would be at the time when he expects to be exporting energy? Can he tell us what the projected sale price for that energy would be and how much capacity he's planning on building in Ontario to meet that market?

Hon. Stephen Lecce: Thank you to the member for the question.

For the integrated energy plan that we have announced, part of the vision was a commitment to actually build the plan. So we've launched a consultation now as we speak to be informed by the best-practices industry leaders on what the long-term integrated energy needs of the province are, using all resources—electricity, natural gas and fuels—to come together with a plan.

In that plan, which will be released in early 2025, we will then codify, based on the consultation, exactly what we will need for domestic use and what potential surplus energy can sent, deployed and exported into the US market at a premium.

0920

But I want to affirm to the member that unlike the former government that sold energy at a loss—the society put out a report that they were exporting energy into the US market at a billion-dollar loss—we have a different vision: to de-risk these exports, to monetize its value. That's why we're looking at a different approach: long-term contracts with potential Great Lakes states that are looking for clean energy. So we take a different approach. We will outline the details in the integrated energy plan that will be released in the early part of 2025, and we look forward to feedback from all members.

But I want to affirm what we won't do, which is we will not continue to sell energy to foreign markets at a discount. We want to maximize revenue for the people of Ontario, and I look forward to releasing those details in the coming months.

Mr. Peter Tabuns: I understand that the numbers are not there right now. We don't have a number for what we'll charge, we don't have a number for what the market is expected to be and we don't have a market for the capacity that will be allocated. Am I understanding the minister correctly?

Hon. Stephen Lecce: The Affordable Energy Act is not released yet, as you know. The legislation before you—

Mr. Peter Tabuns: Well, the act is.

Hon. Stephen Lecce: The Affordable Energy Act is before you, which enables the creation of an integrated energy plan that is released in February or January, the early part of 2025. That's the commitment. If you support the bill, you will support the enablement of the government to bring forth a long-term plan with domestic needs, with the potential to sell surplus energy at a premium.

Mr. Peter Tabuns: My understanding is we're still selling power at a loss. Can the minister tell me what we're selling power for? I think we realized about $1.5 billion in sales last year. What were we selling at per megawatt hour?

Hon. Stephen Lecce: I will defer to the deputy minister on this, but I will agree that the former regime that is in place, which needs to change, which is the impetus behind the proposal before you, it gives the government the capacity to bring forth a different way we sell to the US.

I think you've cited a problem which we seek to rectify. I hope we will have the support of opposition members, because we believe electricity is a very critical commodity which US markets want. They want to remove coal dependence, but they don't have baseload options, clean options, be it hydro or, certainly, nuclear; we do.

But I'll turn to the deputy for any additional knowledge on this.

The Chair (Mr. Aris Babikian): Please identify your name and title.

Ms. Susanna Laaksonen-Craig: Susanna Laaksonen-Craig, deputy minister, Ministry of Energy and Electrification.

Thank you, member, for that question. I don't have the details, nor does my staff have the details, of all the different electricity contracts that IESO holds for energy exports, if that's what you wanted to specifically talk about, the exports, correctly.

Mr. Peter Tabuns: I do, but just a clarification, through the Chair: What's the aggregate price that we're getting? What's the hourly price we're getting for selling that power on the spot market? I don't need all the contracts. What's the aggregate?

Ms. Susanna Laaksonen-Craig: I don't have that number. We can try to get it, and we will provide it in a few minutes.

Mr. Peter Tabuns: Okay, that would be good. Thank you.

There are two things that don't sort of jibe for me. If you're making firm price commitments, then you have to have firm capacity dedicated. If you're selling on the spot market on your surplus, that's another matter. So is the

minister proposing that we build plants specifically to serve the export market?

Hon. Stephen Lecce: I'm suggesting that the consultation under way will allow the government to build out a plan that de-risks and maximizes opportunity. We have consultations undergoing as we speak through the ERO, and we're going to be looking to industry, government and stakeholders to inform the plan which we will release in the early part of 2025. I don't want to presuppose that outcome. I want to simply affirm to you that the guiding principles for the government is how to bring forth maximum revenue to the province so we stop selling energy at a discount into the US market.

Mr. Peter Tabuns: One of the things that was said in the introductory speech was that 50% of the increase in demand by 2030 is for industry, and I think I'm quoting you correctly—

Hon. Stephen Lecce: By 2030—pardon me.

Mr. Peter Tabuns: By 2030, sorry. Thank you. I appreciate the correction.

How much demand is that? What's that in megawatt capacity?

Hon. Stephen Lecce: I will table to the committee that answer. I'm more than pleased to provide that. We can contextualize that in megawatts.

Mr. Peter Tabuns: Okay, thank you.

As you know, this government has a climate plan that calls for a 30% reduction in emissions by 2030. You're talking about the expansion of the use of natural gas. How does that fit with the government's climate plan?

The Chair (Mr. Aris Babikian): One minute.

Hon. Stephen Lecce: Ontario has one of the cleanest electricity grids on the continent and in the world. I would just affirm to the member that the plan we brought forward today, once our nuclear energy refurbishments get back online, will allow us to have an even cleaner grid over time.

This legislation does not prioritize natural gas. It simply affirms that we will use competitive, technology-agnostic approaches, with the lowest-cost option that will triumph. We're not using ideology, like the Green Energy Act. We're using lowest-cost affordable options, which is why we have a competitive procurement, led by the IESO, with a mandate to bring forth options that are lowest-cost for the consumer, for families, for businesses and for farmers. I want to believe that is the right instinct, when so many families have been afflicted by energy poverty because of an ideological approach of governments past.

Mr. Peter Tabuns: Maybe I've misunderstood, Chair, the government's plan for their approach. I thought this was not just planning for the electricity system—

The Chair (Mr. Aris Babikian): Time is up, MPP Tabuns.

Mr. Peter Tabuns: I'll get back to it.

The Chair (Mr. Aris Babikian): Next round.

Now we move to the government side. MPP Yakabuski.

Mr. John Yakabuski: Thank you, Minister, for appearing today and briefing us on the Affordable Energy Act. I want to start by congratulating you on your very successful trip to Eastern Europe, signing contracts for our SMRs and other energy options. I really appreciate what you're doing to bring Ontario's information and technology to the world.

I have to do a count, but I was probably one of the few members who are still here who were here when the Liberals brought in the Green Energy Act. We know historically now—we have the facts—it's turned out to be an unmitigated disaster, based on ideology as opposed to affordability.

In contrast, our government is focusing on practical solutions with the Affordable Energy Act. How do you see this legislation impacting Ontario families, especially with its emphasis on energy-efficiency programs? This feels like a positive step forward for our families, business and seniors. Could you perhaps, Minister, elaborate on that?

Hon. Stephen Lecce: I think history will show you were on the leading edge of advancing affordability in the Parliament of the day when the Green Energy Act was proposed. That was incongruous with the concept of lowest-cost options, which is the fundamental contrast between the Liberal approach and ours. We are using competitive procurement, which the AG has recommended to government, which has driven down costs by 30%.

The Affordable Energy Act will do much more than that. It allows us to expand energy efficiency, so we can save families money and reduce the impact on the grid across Ontario. I think that is a very prudent step forward in a world where we recognize that it's cheaper to save energy than it is to generate it. But we're going to need to do both, as you know, because with a sobering 75%, we need to do an all-of-the-above approach. We cannot be selective. We need to be, rather, ambitious and leaning into every form of energy conservation and generation, which is why the government has brought forth this bill.

I will also note that in addition to energy efficiency, it reaffirms our government's long-standing opposition to carbon taxation. This is a real contrast. I feel like at times the opposition doesn't take seriously this issue. It's almost like they roll their eyes when they hear us raise it in the House. This adds 25% to an energy bill in the province, hundreds and hundreds of dollars families are sending to Ottawa and not getting back. That's not my position; that's the position of the Parliamentary Budget Officer of Canada, who suggested that the average Ontarian is spending $700 to $800 more than they get back, contrary to the assertion of the national government that it somehow saves people money. It does neither of reducing bills or reducing emissions.

Unlike the federal government, this province is on track to meet our Paris accord targets without imposing a tax on the people of Ontario. This bill enables a low-cost, affordable option. It prioritizes nuclear for baseload power solutions. And we need a solution. We need to declare a position as parties: What are you going to do to solve this challenge?

0930

There's a need for renewables. There is a need for all forms of energy in the space, but baseload power requires, really, hydro or nuclear. One could argue even natural gas, but that's not what we're prioritizing. We're prioritizing nuclear energy because we've largely tapped out of our hydroelectric fleet. I announced a billion dollars, with you

in your riding no less, at Chenaux, a $1-billion investment to extend the assets for 30 years, to optimize them and get more megawatts out of them for hydroelectric. We will be going to northern Ontario to do something similar, but after that, the viability of hydro really comes—we're limited in what more we can do. Thus nuclear power seems like the sensible option. We've done it on time; we've done it on budget. It produces affordable power, one of the most affordable energy options available to the people of Ontario.

So the bill prioritizes affordability. It signals a clear prioritization on nuclear as the baseload solution. It expands conservation. It opposes the carbon tax. At its core, this is a common-sense bill. It does something that the Liberals could never have done, which is reduce energy bills for families without imposing higher taxes on them.

Mr. John Yakabuski: Thank you very much for that, Minister. I must say, I got my first propane bill. We were on oil, and we switched to propane. We don't have many choices up in little old Barry's Bay. There's no natural gas, and I'm getting too old to chop wood anymore. But I was taken aback with the amount of carbon tax on that bill. I showed it to my wife, and I said, "Holy Hannah, this is crazy. This is crazy." But we've made our point clear on the carbon tax and how we would deal with it.

One of the other issues—and you did touch it in your submission or your address—the issue with regard to the cost of connection. I don't think anybody will argue that across Ontario, across Canada, across North America, we have a housing crisis. We need more homes built, and one of the things that you've done in Affordable Energy Act which makes perfect sense—and perhaps you could expand on it, just how this is going to impact seniors, families, businesses. I mean, this idea that, in the past, you're the first one in line, you're basically paying for the cost of that infrastructure that's coming to, say, that subdivision or otherwise, and we're going to do it differently. Could you expand and make it clear just how this is going to impact families and what a difference it's going to make for someone who is part of trying to solve the housing crisis?

The Chair (Mr. Aris Babikian): One minute.

Hon. Stephen Lecce: It is a really important issue. I think many of us are really fundamentally concerned that young people may have lost hope on home ownership, and we want to create an opportunity society where, if you work hard, you could be rewarded through a home, a good job and one day retire with dignity. Like, that has to be the aspiration of Canadians. So every ministry has a role to reduce the costs. We believe, as a government, that the first mover should not be disadvantaged by building. Essentially, under the current regime, they're paying 100% of the cost to connect to the grid with a five-year window or horizon for cost recovery, which disincentivizes the first mover from getting out there, building the homes.

Our program extends the cost-recovery period. It provides some certainty that the expander, be it the farm, the residential developer or the industrial expansion, will pay for what they need as opposed to the entire line cost, and by doing so, we reduce costs per unit for families. This is a policy that has precedents.

The Chair (Mr. Aris Babikian): Thank you, Minister. The time is up.

Hon. Stephen Lecce: Thank you.

The Chair (Mr. Aris Babikian): We will move to the second round, and we will start with the official opposition. MPP Tabuns, the floor is yours.

Mr. Peter Tabuns: To follow on the question I was pursuing when my time ran out, I had understood that this bill was not just to be planning for the electricity system but planning for energy and its total use in Ontario. If I've misunderstood that, I'd appreciate clarification.

Hon. Stephen Lecce: This bill is integrated for all energy resources, which includes electricity, natural gas and fuels, because as the member knows, the IESO—the current legislation is very siloed, where the IESO deals with electricity, the OEB and Enbridge deal with natural gas, private companies deal with fuels.

The vision here, the rationale for this bill is to create some macro integration with a better understanding of what the economic needs of Ontario are for any energy resource, working backwards from a 25-year horizon. I just think it's sensible that we have some vision and integration in how we build out our energy expansion, because our economic needs, our agricultural needs will need all of those resources.

And so, we're planning for the future and we're forcing the systems to talk to each other, to work together with a greater sense of synergization between them.

Mr. Peter Tabuns: Now that I understand you're planning for all energy sources, I go back to my earlier question.

This government has a commitment to reduce emissions in Ontario by 30% by 2030, and that's going to mean a reduction in burning gas as well as other fossil fuels. There doesn't seem to be an explicit connection in this bill to the government's climate goals. Why is there not an explicit connection to the government's climate goals?

Hon. Stephen Lecce: The legislation does affirm to maintain our clean energy advantage. We see nuclear energy as a prioritization. It's a non-emitting energy source, which is prioritized in the Affordable Energy Act. Keep in mind, to my honourable colleague, 50% of energy in Ontario's baseload is nuclear—it's non-emitting—while 25% is hydroelectric. We maintain one of the cleanest grids on the continent.

Now having said that, in the bill—the member is asking about reducing emissions—we're actually proposing to expand energy efficiency so that we can reduce demand on the grid, reduce bill costs and reduce the footprint of individuals in every household, which I want to believe is something that brings us together in a rare moment of agreement, perhaps. You can disagree in the supplemental, but I think there is a public policy rationale for making sure everyone can reduce energy, and that's why we've expanded it through the act.

We've prioritized nuclear energy, non-emitting sources of energy—something I believe is fundamental. We need a baseload option. We don't need an intermittent option to meet our economic needs to give investors confidence. We didn't get $47 billion of EV investment because of intermittent energy. We were able to look these investors in the

eye and guarantee reliable, enduring, 24/7, affordable power, and that's what this bill does. And I will affirm to the member that this plan will allow us to increase generation and reduce emissions. That is the driving force of our plan: lower cost for families, lower emissions coming from the grid. Because as you will know, refurbishments are coming back online and much of our refurbishments—because they're offline, it has created an opportunity for us, once they get back online, to return to a higher percentage of non-emitting energy on the grid.

We're looking forward to those refurbishments coming online. In fact, later today I'll be announcing a return of refurbishments back online that allows us to get 700, 800, 900 megawatts of clean, non-emitting power back onto the grid so that we can displace other forms of energy sometimes that are emitting.

So this is a good outcome and a good trajectory for the province: lower emissions, lower cost for families without imposing a carbon tax. That just seems like a sensible policy framework which we all should support today.

Mr. Peter Tabuns: It doesn't seem to address the non-electricity system emissions, but I'll go back to the bill.

Under the integrated energy resource plan, there is a number of considerations that the minister may take into account:

"An integrated energy resource plan may include goals and objectives respecting,

"(a) the affordability of energy for consumers..."

Why doesn't the bill say "shall" include goals and objectives respecting affordability of energy for consumers?

Hon. Stephen Lecce: The bill affirms with the clearest sense that we're going to prioritize affordability. We've made that abundantly clear in the legislation. Even in all the official remarks in the Legislature and in the actual statute, we affirm affordability is the driving source.

What we've also allowed for is to consult with industry experts—environmental, Indigenous and other leaders—to build out the plan. We want to allow cabinet and government regulatory capabilities based on the consultation. On one hand I can't be criticized for not consulting; on the other hand, I'm being criticized for imposing. So we're allowing the population, the people we serve, to inform the plan. We announced the vision, we announced the guardrails of what we intend to achieve, but we've also committed to building out a specific plan, released in early 2025, with all of those details based on the best-practice advice of the people we serve. I just think that's the right way to go. Affordability is the preference.

0940

To the member: If the assertion is you need a case study of it, we announced the largest competitive procurement in Canadian history under our Progressive Conservative government. We didn't vote for a bill, the clean energy act, that imposed ideological decisions of sole-sourcing 10 times above market for 32,000 contracts. We didn't do that. Our party didn't vote for that. We never will, and we've made that clear and codified in the bill.

The Chair (Mr. Aris Babikian): MPP Tabuns.

Mr. Peter Tabuns: Chair, I've been around for a while. I've seen some good bills; I've seen some bad bills.

The Chair (Mr. Aris Babikian): One minute, MPP Tabuns.

Mr. Peter Tabuns: But typically when you have wording that says the minister "may" do something, it's very different from saying that a minister "shall" do something. The minister may consider affordability but doesn't actually have to consider affordability. I don't know why the minister is not saying we shall include goals and objectives respecting affordability.

Hon. Stephen Lecce: The use of the word "may" provides the government with the discretion, not obligation—subject to LGIC approval—to issue an integrated energy resource plan. That's where that comes in, in the implementation directive. The power to issue an IERP, or the integrated energy resource plan, and possible implementation must also be considered in conjunction with other requirements in the bill, including the requirement for the minister to begin consultations on a plan within five years from the issuance of that.

The ministry is comfortable that the bill achieves the public policy objective of making sure we use lowest-price options, and that's why we use competitive procurements. It's also why we've prioritized nuclear energy, which in Ontario—

The Chair (Mr. Aris Babikian): Thank you, Minister. The time is up.

We move to the government side, MPP Cuzzetto.

Mr. Rudy Cuzzetto: I want to thank the minister and I want to congratulate him on the deal in Poland, to sign the SMR deal there.

Something else that was said in Poland: They have 50 to 60 coal plants running in Poland. Now, 23 years ago, here in Ontario, a Conservative MPP came to my riding, Elizabeth Witmer, to close down the Lakeview coal plant. It's been about 10 years that we do not have a coal plant here in Ontario.

As well, we've been lucky as a government to attract $45 billion of automotive investment here to the province of Ontario. What is the role of nuclear to help support all these investments that are coming here to Ontario?

Hon. Stephen Lecce: Thank you for the question. Yes, it was up to us, because there were governments in the early 2000s that announced the first phase-out of coal power in Lakeview, in Mississauga. That was an important public policy decision, really based on the idea of a cleaner, greener future.

The largest greenhouse gas emission reduction on the continent to date, of any province, jurisdiction, state or country, was Ontario's decision to remove coal from the grid. The solution, or what displaced coal, was nuclear. Absent nuclear energy, we would not have had this transition. I want to be clear to members opposite who do not support nuclear energy, who have a long-standing opposition to non-emitting nuclear, that the only way to have displaced coal energy, the largest greenhouse gas emission reduction on the continent, was because of our focus on non-emitting nuclear. So we really see this as a solution. It also is, according to the OEB, one of the most affordable energy options to the people of Ontario. It's affordable, it is reliable—because it's a baseload energy source—and,

of course, it is clean, so we think this is a really important future for Ontario, where we can envision more of that.

The other element that I want to speak about is the ecosystem, the supply chain. When we were together in Poland, we were able to bring forth representatives from over 250 businesses in the Ontario nuclear ecosystem that support this supply chain; 95%-plus of refurbishments in Ontario, when we extend the life of the assets that the members opposite oppose, are coming from Ontario businesses and Canadian industry. The Darlington refurbishments are adding 10,000 plus jobs over the course of the life of that asset, literally multi-billion-dollar GDP gains, so we think this is a very positive step forward for the province to think about the future.

What we're doing differently from the former Liberals, frankly, is we're actually announcing a plan that's long-term and that forces the integration of resources so that we keep costs down. I think that is the right way forward when families in Ontario—remember, just a decade ago, under the former Liberals, they were paying among the highest energy rates because of, really, the triumph of ideology over common sense, where you were paying a premium 10 times the market.

There's no virtue in sending seniors into energy poverty. That was not an act or a period of time in government that anyone could be proud of, but we didn't support that. Liberals, New Democrats voted for that bill—I'm sure the Greens would have if they were in the House—but the truth is, we got elected in 2018 on a mandate to fix the hydro mess, and we did so decisively. We stabilized the grid. Now, we're thinking about energy generation for the future. So yes, absolutely, nuclear energy is a focus of government, but it's not the only area of focus.

We're also launching a competitive procurement where renewables will play a role. But unlike the former Liberals, who thought Queen's Park and downtown Toronto should impose their will on rural Ontario, we believe in putting local communities in the driver's seat by giving them a say. Again, democratizing energy expansion by giving local communities the ability to say yes or no on any energy expansion of any source, that's something we announced together as a government.

We announced protections of farmland to safeguard prime agricultural lands. Look, these are sometimes competing imperatives. They're both important, energy security and food security, but we want to protect our farmland. There are other places we can expand energy infrastructure without displacing really critical farmland. The Ontario Federation of Agriculture endorsed our program, as did the Association of Municipalities of Ontario, as did the Canadian renewable association. We had the trifecta of entities that have historically never stood together, standing behind you and MPP Yakabuski and others, when we announced the plan to build this out.

So we're excited about the prospect of energy generation, because we know we have to. We're not scrambling, like jurisdictions east and west and south; we're thinking long-term, we're thinking about our kids, and we're recognizing that nuclear energy is a fundamental priority to low-cost energy options that are clean and reliable for Ontarians.

Mr. Rudy Cuzzetto: Thank you, Minister. I want to thank you very much for our plan.

I will pass it over.

The Chair (Mr. Aris Babikian): MPP Gallagher Murphy.

M^me^ Dawn Gallagher Murphy: Thank you, Minister, for being here today. I have to say that I am very excited about our government's commitment to expand EV charging. Just last week, we saw an announcement that we will be building 1,300 new EV charging ports in small- and medium-sized communities. And of course, this is going to increase the access outside of the large, urban centres.

In addition, you spoke earlier about how we're simplifying the process for new homes and industries to connect to the grid, which are all great things.

My question to you is, how do you envision these initiatives enhancing our communities' growth and making Ontario an even more attractive place for people to come to work and live in? Because, honestly, it sounds like, to me, everything that we're doing, we're on the brink of something wonderful, and I'd love to hear from you on that note.

The Chair (Mr. Aris Babikian): One minute.

Hon. Stephen Lecce: Thank you very much for the question. There are 150,000-odd EV drivers today. We're expecting to hit over 11 million by year 2050. So this is a massive hockey stick of potential. It really is going to soar.

How do we prepare for tomorrow? Unlike governments past that had siloed, disjointed, back-of-paper-napkin strategies, we're really building a program for 25 years, and EV charging infrastructure is important. The problem is the former government prioritized big cities and forgot about the rest of Ontario. I live in a community like you that is suburban and even has, still, rural elements, and we want to preserve that heritage, but we want to make sure that every family has access to EV infrastructure. What this does is it widely liberalizes the ability to get in the game of removing red tape, which impeded the ability for EV charging to be set up in the first place. The second thing it does, what we did just a week ago, is we announced a major investment to build over 1,300 stations in smaller communities of under 170,000 people. Massive—

The Chair (Mr. Aris Babikian): The time is up. That concludes our morning session. Thank you, Minister and the Deputy Minister, for coming and sharing your vision with us. Thank you to my colleagues.

The committee will take a recess, and we will convene at 1 p.m. this afternoon.

The committee recessed from 0950 to 1300.

The Chair (Mr. Aris Babikian): Welcome back, everyone.

Good afternoon and thank you, for the witnesses who are here with us today.

The committee will resume its public hearings on Bill 214, An Act to amend various energy statutes respecting long term energy planning, changes to the Distribution System Code and the Transmission System Code and electric vehicle charging.

Our remaining presenters have been scheduled in groups of three for each one-hour time slot. Each presenter will have seven minutes for their presentation, and after we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. The time for questions will be broken down into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition and two rounds of four and a half minutes for the independent members.

Any questions? Okay.

BRUCE POWER
ENVIRONMENTAL DEFENCE
ENBRIDGE GAS

The Chair (Mr. Aris Babikian): Now, I will call on Bruce Power to start their presentation. You have seven minutes. Please identify yourself and your title.

Mr. James Scongack: Thank you very much, Mr. Chair. I appreciate the opportunity to present before the committee today. My name is James Scongack. I'm the chief operating officer and executive vice-president at Bruce Power. Obviously, there are some very important considerations before the Ontario government, and it's a great privilege to be able to share a few thoughts with you on behalf of our employees and organization as we look ahead to Ontario's energy future.

The first thing I think it's important for us all to recognize—and I often say this from a generational perspective, and I mean "generational" from a time point of view, not an electricity one. I often say that I had the opportunity to grow up in what I think is the greatest province and the greatest country in the world. And the reason why my generation has been able to grow up in such a great province is the decisions that were made in the 1970s, 1980s and 1990s around heavy investment in our infrastructure, whether that's our power plants, whether that's our transmission lines, or it could even extend to areas like schools, hospitals, roads, other infrastructure. Any time when we look at long-term infrastructure in our province, what I always say is, when we invest in big, important, long-term, sustainable infrastructure, years and years later, when you look back, nobody ever says we shouldn't have built that subway, or we shouldn't have built that power plant or we shouldn't have built that transmission line. There are always areas that we need to look back at and say, "How can we improve? Where were there challenges encountered?" But infrastructure is very core to our prosperity as a province and very important to not only prosperity today but our prosperity for generations to come. That's point number 1.

Point number 2 is, a 24/7 economy needs 24/7 power. That may seem like an obvious statement, but as somebody that, every day, is focused on the reliable generation of electricity, sometimes we take for granted the reliability of our electricity system. If you're looking to do business in Ontario, if you're working in a hospital or a school, or even just a family, they want to know they have reliable electricity. Those may seem like very obvious statements, but I think, both with infrastructure and reliability, that's really where I want to anchor my comments on behalf of Bruce Power today.

Very recently, the IESO released an updated forecast in terms of the demand for electricity in Ontario. In that IESO forecast, they anticipated or estimated a 75% growth in the demand for electricity by 2050. Now, we could spend hours debating: Is that going to be 80%? Is it going to be 65%? Is it going to be 60%? Is it going to be 72%? But I think the core message for us all is that we're going to need more clean power as a province, and that really drives us into a discussion on both long-term infrastructure availability and reliability.

Right now, today, in the province of Ontario, between 50% to 55% of the electricity that's generated right now comes from our nuclear stations at Bruce, Darlington and Pickering, and a further 20% to 25% from our hydroelectric assets. So on any given day, at any given time, 80% to 85% of the power that we rely on as a province comes from what I call those baseload, reliable, high-volume, clean assets.

We also have assets in Ontario—and I won't speak for our friends at Enbridge; we often call natural gas an insurance policy, but we do have a portion of our electricity come from natural gas generation. And we also have a large installed capacity and production that comes from wind, solar and storage and other sources.

That really is where I want to anchor my comments today: Specifically, in the proposed legislation, the government is really setting down a commitment to have a long-term energy strategy, a long-term energy plan. I think that's really important, because anything long-term provides organizations like mine at Bruce Power that long-term policy stability so we can make long-term investments, and also from some of the other organizations that are participating in today's hearing, so they can participate over the long-term.

What I would say is what's really important about a long-term energy plan is that we shouldn't demonize any energy source. We have to recognize that any supply mix needs to be balanced, and we really need an all-of-the-above energy strategy. But when we're putting together what that mix should look like, we also need to recognize what has worked in the past, what is working for us today and how we make that work in the future.

That's where I really do want to take a minute and talk about some of the attributes of our nuclear fleet here in the province of Ontario. In addition to the reliability of our nuclear fleet here in the province of Ontario—and that's reliability from a day-to-day point of view—we also have a high degree of predictability as we are executing the capital investments needed to life-extend our assets. I don't want to speak for Ontario Power Generation, but you would have seen that today they just announced the early return to service of one of their units, so congratulations to our colleagues at Ontario Power Generation. And I can tell you, here at Bruce Power, our multi-unit life-extension program

remains on time and on budget. That's private investment in public assets.

If you look among the top five large electricity infrastructure projects in Canada, the Bruce life-extension program and the Darlington life-extension program are in the top five.

The Chair (Mr. Aris Babikian): One minute.

Mr. James Scongack: Those are programs that are done on time, on budget.

As you can imagine, I could talk all day about this. I thought I had another two minutes left, but I'm happy to cover the rest of my remarks in questions.

The Chair (Mr. Aris Babikian): Thank you very much.

Now, I call upon Environmental Defence to make their presentation. Please identify yourself and your title.

Mr. Keith Brooks: My name is Keith Brooks. I'm the programs director at Environmental Defence. I'm joined by my colleague Aliénor Rougeot, senior program manager at Environmental Defence.

Bill 214, the so-called Affordable Energy Act, is, in some senses, a welcome piece of legislation. It's good to see that this government is acknowledging the need to develop an energy plan and even better to see that it's an integrated energy plan. As I'm sure the members of this committee are aware, this government did away with the requirement to produce a long-term energy plan back in 2020 when a plan was about to be due. Since then, we've been essentially flying blind when it comes to energy planning in this province. Yes, the province did publish Powering Ontario's Growth, and it did create an electrification and energy transition task force, and the IESO did publish a Pathways to Decarbonization study, but we've been without a plan that actually lays out how the province is going to meet future demand for electricity and energy and achieve such things as decarbonization of the electricity grid.

The notion of an integrated plan is welcome, as I think this will be the first time that Ontario would have such a plan that looks at energy as a whole and integrates electricity planning with other energy planning, which is quite important in light of the energy transition, which is essentially about the transition away from fossil fuels and towards clean electricity. Integration, therefore, really is key.

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But my appreciation for this legislation ends there. In fact, we at Environmental Defence have a number of serious concerns with the legislation.

Our first concern is that it appears that this act would place a lot of control in the hands of the minister and the ministry and doesn't require much in the way of transparency and oversight from energy experts at the IESO or the OEB or civil society organizations such as Environmental Defence.

The Electricity Act, 1998, in its current form, does include a requirement that the IESO create and submit "a technical report on the adequacy and reliability of electricity resources with respect to anticipated electricity supply, capacity, storage, reliability and demand," and that the ministry's long-term energy plan be created with that report in consideration and that the IESO's report be posted publicly on a government of Ontario website.

This process was, and is, imperfect, to be sure, but it did require that the government justify its plan and open up that plan to some level of scrutiny. This new act, though, amends the Electricity Act and does away with the need for a technical report from the IESO and simply says that the minister will consult with whomever they deem appropriate. I'm a firm believer, though, that planning should be done out in the open and that it benefits from robust consultation and expert input.

Therefore, one of the amendments that we would advocate is for the bill to specify that the IESO does complete a technical report that must be posted publicly. And, in fact, we would advocate that the integrated energy plan should be subject to a hearing with intervenors and interrogatories and a robust public consultation process. We would argue in favour of putting an independent body, in fact, in charge of the creation of the energy plan, with clear goals and objectives in mind, rather than to have this plan be a politicized document. Potentially giving government insiders more access to the development of an integrated energy plan would not bode well for sound decision-making, nor affordability.

I'll say that we have seen this government making decisions on other matters in backrooms, and it was not in the public interest on those matters nor is it in the public interest when it comes to energy planning.

The other main issue we would like to raise is the proposed changes to the purposes of the energy plan. Previously, per the Electricity Act, the long-term energy plan was to be drafted with goals and objectives related to resiliency, climate change, the prioritization of energy conservation, the use of cleaner energy sources and the electricity sector's projected impact concerning air emissions and greenhouse gas emissions. This bill proposes to change those purposes, striking climate change and greenhouse gases altogether, and with a much-diminished role for energy conservation; instead, it explicitly prioritizes nuclear power generation.

We note that the act does reference using electricity to reduce overall emissions in Ontario, but this doesn't go far enough. The government has previously justified increasing emissions in the electricity sector by claiming that the electrification of industry, for example, reduces overall emissions. While this may be true, depending on how high emissions rise in the electricity sector and how much they are cut by the electrification of energy end use, our goal has to also be the decarbonization of the electricity sector as we electrify energy end use. Clean electricity is the backbone of any serious decarbonization strategy. We don't want to stop using gas in our cars only to charge our cars with gas-fired electricity.

The government has not provided any rationale for making these changes to the purposes of the long-term energy plan, and we recommend that they be struck from this bill and the goals and objectives stated in the Electricity Act be amended to, in fact, give more weight to climate change, the energy transition and the need to reduce emis-

sions within the electricity sector, while respecting affordability.

I'll finish by saying that it is hard to imagine how prioritizing nuclear power will lead to greater energy affordability. Further, this minister has previously claimed to be taking a technology-agnostic approach to energy planning, which is fine, provided that decarbonization is a clear goal. But amending the Electricity Act to explicitly prioritize nuclear power isn't technology-agnostic, nor will it yield the most cost-effective electricity system, given that wind and solar power are widely accepted to be the lowest-cost source of new electricity generation in most of the world, including here in Ontario.

One final comment: I think it's good to get on the record that this ministry contracted independent energy modellers Dunsky and ESMIA to study the most cost-effective pathway for Ontario to pursue as we move through the energy transition. That study has not been shared publicly, though it will be very important for it to be shared as the ministry embarks on developing an integrated energy resource plan. So we urge the government to release that study.

Thanks. That's all for today.

The Chair (Mr. Aris Babikian): Thank you. We move now to Enbridge Gas. Please state your name and title.

Ms. Cara-Lynne Wade: Thank you, and good afternoon. Thank you for the opportunity to speak with you today. My name is Cara-Lynne Wade, and I am the director of energy transition planning and energy conservation at Enbridge Gas.

It's a pleasure to be here today to discuss how Enbridge is supporting Ontario's energy future in ways that prioritize affordability, reliability, resilience, choice and competitiveness for Ontario residents, businesses and industries.

Before diving into the specifics on Bill 214, I will briefly speak to Enbridge Gas's role in the province, where we have a proud history of serving Ontarians for over 175 years. We are in three quarters of Ontario's homes. We are in daycares, schools, hospitals, community centres and long-term-care facilities. We are in the businesses and the industries that are the backbone of Ontario's economy. Natural gas remains critical in Ontario's energy landscape, particularly when it comes to keeping energy costs affordable and the energy system reliable. Natural gas delivers two times the provincial electricity demand and four times the peak capacity of the electricity system, all at a quarter of the cost.

We know Ontarians want to see an energy system that continues to lower its emissions and a system that continues to be safe, reliable and cost-effective. We believe our natural gas infrastructure has a critical role to play to balance these goals. Achieving this balance requires energy providers, regulators and governments to work together. Which brings me to the heart of what we are here to discuss today: integrated energy resource planning.

First, we would like to commend the Ontario government on their recently released vision for Ontario's energy future, as well as for the introduction of the Affordable Energy Act, which collectively take essential steps to ensure our energy system is prepared to meet the growing demand and lower carbon challenges for tomorrow, while keeping costs manageable for Ontarians today.

We all know that affordability is a pressing concern across the province, whether it's the cost of energy or the growing need for affordable houses. Enbridge supports the government's goal of building 1.5 million homes by 2031. In 2023 alone, we connected over 50,000 homes and we receive requests every single day to connect to our system. We believe that the energy sector has a critical role in making these homes affordable to build, heat, power and operate. Ontario's natural gas infrastructure provides an affordable energy source that's reliable during peak demand and resilient during extreme weather events. As such, natural gas plays a key role in ensuring affordability and reliability for families and competitiveness for businesses and industries across Ontario.

As Ontario progresses on a path to lower emissions, we're committed to incorporating lower-carbon fuels like renewable natural gas and hydrogen into the gas distribution system, while ensuring that the energy we provide remains accessible and affordable. An important step towards protecting affordability is integrated Ontario energy planning through a comprehensive integrated energy resource plan. Enbridge applauds the government's commitment to coordinated planning, which considers both electricity and gas infrastructure. Both the electricity and natural gas systems must be ready to meet the anticipated demands, and we can't continue to be siloed in our summer-peaking, winter-peaking or cooling-heating planning manner as we are today.

To achieve the goals of the integrated energy resource plan, we believe that the government should formalize Enbridge's role as the gas system planner and as a partner in energy system planning. Enbridge Gas is a fully integrated utility, with planning and accountability equivalent to combining the IESO and electric local distribution companies, and therefore must develop its assumptions and its own final decisions as an entity responsible for costs and reliability of service. Achieving the goals of a coordinated energy plan will be difficult, if not impossible, to achieve, unless Enbridge Gas has a seat at both the system planning table with the IESO and the OEB, as well as the distribution planning table with the local electric distribution companies.

By fostering collaboration and coordination between these systems, Ontario can achieve more affordable, resilient and reliable energy options. The all-of-the-above approach enables the gas and the electricity systems to work together to address current and future energy needs efficiently and cost-effectively, supporting affordability for homeowners, businesses and industries. Approaching energy system planning in a holistic manner and a technology-agnostic way will allow all elements to work together and to deliver the best solutions in terms of affordability, reliability and resiliency.

Enbridge also commends the government's approach on the last-mile connections to enhance energy system readiness for timely connections of industrial and housing developments. While the language focuses on the regulations for

the electricity system, it is imperative that similar regulation-making authority be considered for natural gas connections that would remove the upfront cost barriers faced by first developers to connect while also ensuring that any remaining costs are allocated fairly. As the electricity system is not forecasted to support the rapid near-term growth in the energy demand currently forecasted to be served by Enbridge Gas, it is important that the same barriers be addressed to support the government's pro-growth agenda. De-risking investments and last-mile connections for both gas and electric utilities would be instrumental in helping to contribute to the government's housing goals, supporting growth while keeping costs down.

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Lastly, while Enbridge supports the decarbonization of Ontario's energy systems, we believe that the primary objective of energy efficiency should continue to focus exclusively on electricity conservation and demand reduction. Any objectives for beneficial electrification should not overlap with energy efficiency frameworks or duplicate programs that are available through the demand-side management framework. Also, it's important to define beneficial electrification.

The Chair (Mr. Aris Babikian): One minute.

Ms. Cara-Lynne Wade: Enbridge believes it should be defined as switching from higher-emitting fuels to electricity to reduce GHG emissions without necessitating additional electricity investments, and without compromising the current and long-term safety, reliability and resiliency of the energy that would be required for Ontario's homes and businesses.

In closing, Enbridge is committed to working with the government, communities and our partners to support a more affordable energy future that meets Ontario's ambitious growth and sustainable energy future plans. Together we can help create a reliable and resilient energy system that keeps costs down while also paving the way for future generations.

The Chair (Mr. Aris Babikian): Thank you to our witnesses for sharing their views with us.

Now we will start the question session. First, we will go to the official opposition. MPP Tabuns, you are going to start the round?

Mr. Peter Tabuns: I would love to start, Chair.

The Chair (Mr. Aris Babikian): Okay. The floor is yours.

Mr. Peter Tabuns: And how much time are you giving me again?

The Chair (Mr. Aris Babikian): Seven and a half minutes.

Mr. Peter Tabuns: You used to be more generous, Chair. You used to be more generous.

I want to start with Environmental Defence. In your last comment, you refer to the report by Dunsky and ESMIA on the most effective cost pathways for Ontario to pursue energy transition. Have you tried to get this report?

Mr. Keith Brooks: Yes, indeed, we have. We put in a request to see the report through the freedom-of-information legislation and did receive a copy, but it was entirely redacted except for just title pages. And we've appealed it as well.

Mr. Peter Tabuns: You got how many pages of redacted—

Mr. Keith Brooks: It was a 200-page slide deck, all of which was redacted, except for title pages.

Mr. Peter Tabuns: Did it say "state security" in the header?

Mr. Keith Brooks: We don't know what the rationale is for it, but we've requested—we've appealed, and I know that other people have also put in a request through the legislation to see that report. We think that work from independent, third-party modellers on decarbonization and cost-effective pathways should certainly inform the province of Ontario's plan.

Mr. Peter Tabuns: I'm sorry, I'm a bit taken aback. And I'm quite serious: I'm quite taken aback. Two hundred pages that were redacted? You had the headings, chapter titles, and then the rest was just blanked out?

Mr. Keith Brooks: Essentially, yes.

Mr. Peter Tabuns: Jesus Christ. Well, must be a great report.

Mr. Keith Brooks: We look forward to seeing it one day.

Mr. Peter Tabuns: Yes. Official Secrets Act, I'm sure, and all that.

You talked about this whole question of an agnostic approach. The government has talked about an agnostic approach to energy provision. In your eyes, what would that actually look like?

Mr. Keith Brooks: Well, I think if you have goals around, say, cost-effectiveness and affordability and decarbonization, then you set out the clear goals that would guide decision-making in choosing between which technologies you want in order to meet the goals that you have there. Cost, of course, is one of them, and then we kind of let the technologies compete based on those, if you don't want to be too prescriptive around the technologies. But it's our view that if you were to do that, wind and solar power backed up by batteries would fulfill the majority of the additional demand that Ontario is expected to need to meet.

Mr. Peter Tabuns: Okay. One of the things that struck me about this bill is that in the planning, there's really no goal around resilience in the face of climate change. And as you're well aware, with the recent hurricane season in the South, it was very difficult to keep power on in parts of Florida, Nashville, North Carolina. We're seeing in Spain a huge impact on the grid's ability to function. In fact, the Ontario Energy Board did their study on resilience and talked about the need to harden electricity lines for water and transportation. Do you see it as a failing to not explicitly talk about making sure the system is resilient in the face of climate change, climate crisis?

Mr. Keith Brooks: I think that the resilience in the face of climate change should absolutely be among the purposes of the plan. I think, in light of where we're at now, with the way that climate change is impacting people across the world, including here, across Ontario, including the floods this year in Toronto, that climate change poses a real risk to our infrastructure, and we need to be planning to safe-

guard against that. But then, furthermore, that's why the other parallel need is to have climate change acknowledged in the bill, and an explicit goal around decarbonization, which is also absent, unfortunately, and which I would say also is a failing, perhaps.

Mr. Peter Tabuns: I noticed that there was no explicit commitment to integrating this plan with the government's climate commitments. I mean, the government's climate commitments are outrageously weak and embarrassing, but to not even integrate with those plans is quite shocking to me.

If, in fact, one was to approach the energy system as a driver in the transition to a sustainable system that can stop the climate from deteriorating, how would that be presented in this bill?

Mr. Keith Brooks: Well, I think you would have to acknowledge, explicitly, that the purposes and the intent of the integrated plan is to address climate change, to move Ontario through the energy transition, which, as I mentioned before—like, it's good to have all energy sources and looking at it together, because we still need energy. But we need clean energy. We need to decarbonize energy.

We need to be kind of looking at those things together, to put those as explicit goals in the plan, recognizing that, really, we have to be phasing out the use of fossil fuels across the economy. So we're moving into electric cars, but we need the electricity that's going to power those cars and that industry and all that stuff to be clean as well or we're not going to succeed in the energy transition.

Mr. Peter Tabuns: And, because I'm going to be asking others this question, I'll ask you: What is the energy transition? The terms get bandied about a lot. But when you say "energy transition," what are you going from and where are you going to?

Mr. Keith Brooks: It's the ending of the fossil fuel era. It's the decarbonization of energy systems around the world and a shift to 100% clean electricity, which predominantly should be wind, water and solar—though we acknowledge we have some existing nuclear in Ontario, and the refurbishments are on track, so that is what it is. But we need to decarbonize the electricity sector and all energy end use. So we want to electrify all of our needs as much as we can—cars, industry, home heating—and we need 100% clean electricity. That's the energy transition.

Mr. Peter Tabuns: Okay. Thank you. I may come back.

Going to Ms. Wade, at Enbridge. You're the person in charge of energy transition planning. So what's the end goal of the energy transition planning? What does our energy system look like in Ontario when you've reached your goal?

Ms. Cara-Lynne Wade: I would start with the way that we approach our energy transition in Ontario is going to have direct impacts on our customers.

The Chair (Mr. Aris Babikian): One minute.

Ms. Cara-Lynne Wade: It's going to have direct impact on Ontarians. It's going to have an impact on the affordability, the consumer choice, the competitiveness, and reliability and resiliency.

So when we look at what is the energy transition, we're looking at, as a province, how do we move forward with decarbonization in the most affordable, resilient way? How do we propose a pathway that balances these objectives and ensures that our customers and Ontarians maintain a safe, reliable system while also achieving sustainable goals?

I don't think it means complete removal of fossil fuels. It can include fossil fuels paired with carbon capture, for example, to address hard-to-abate sectors, and even to support the electric grid. It can include renewable natural gas and hydrogen leveraging the gas infrastructure that Ontarians have invested a great deal in over the past two decades. It also looks at increasing energy efficiency so that we reduce—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

We move to the government side. MPP Yakabuski, the floor is yours.

Mr. John Yakabuski: Thank you to all the presenters for joining us today.

I want to go to Mr. Scongack from Bruce Power. We heard a lot from the opposition and other members of the—making presentations about things they'd like to see in the bill that aren't in the bill. But we're also here to talk about what's actually in the bill, because that's what actually is going to get done.

I want to ask you, Mr. Scongack: If we have, for example, an 800-megawatt nuclear unit operating, I think we can say for the purposes of argument that we will deliver 800 megawatts of power to the grid if that unit is operating. I think it would also be fair to say that if I had 800 megawatts of installed wind power and the wind didn't blow, I wouldn't have 800 megawatts of power; in fact, I might have zero. The same would apply to any number of megawatts of solar power.

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I think what we're talking about in this bill—we're talking about reliability and affordability. You can't have affordability without reliability; they go hand in hand. You can have all of the installed capacity in the world, but if it's not reliable, you don't have it.

We're agnostic. We're putting in energy storage, the largest energy storage in North America's history, which is really signalling that we are doing everything we can. They've used the word "decarbonization." I don't know how you can put decarbonization and not talk about reliability. And if you're going to talk about reliability and decarbonization when we have limited availability for significant increases in hydroelectric—we have improved the systems we have, but nuclear really is going to be the bedrock of our system.

Can you explain a little bit more about how the refurbishments that have happened and are ongoing at Bruce are going to make our system more reliable?

Mr. James Scongack: Yes, absolutely. So, it's really, Mr. Yakabuski, two items I'd like to address with that. The first: I thought the conversation on resiliency was a good

one. That's something we focus on a lot in our sector. Admittedly, having read the legislation, I'm not surprised that new language is not in there, and firstly, I want to explain why.

When the current construct of the IESO—which is a combination of the Ontario Power Authority previously and the Independent Electricity System Operator now—combined, one of the major focus areas for the IESO in their mandate is resiliency. So, if you look at their 18-month supply outlooks that they put in place, if you look at the international, through NERC and other standards, and, really, the focus the IESO puts in place, resiliency is a significant focus for all of us as market operators within the IESO. That's a focus for each of us as generators and for the IESO overall, so to put people's mind at ease, that is a mandate the IESO currently has. I can tell you as a market participant they are very rigorous in meeting that from a resiliency perspective. So I did want to address that, because I thought it was a good point that you raised, but also Mr. Tabuns.

This is the way I like to look at it, and I don't want to knock any energy sources because—and I think we all agree; we need an all-of-the-above strategy. The question is, what is the mix? So let me take unit 6. It's our most recent unit returned from refurbishment, successfully completed safely, with quality, on time, on budget. That unit has run just over 99% of the time it was supposed to since it returned from service.

Mr. John Yakabuski: Oh, so you didn't get 100%.

Mr. James Scongack: Well, we're aiming to get to 100%, and that's our aspiration. So, I look at it and say, if you think about 100%, the time that generation was supposed to run, we're well over 99%. We own Ontario's first commercial wind farm; it has a capacity factor of between 20% to 25%. So, if you want a 24/7 economy, you need 24/7 electricity. That reliability is worth a lot of money.

I come from Grey, Bruce and Huron counties, and I say they call it Grey county for a reason this time of year. I wouldn't want to rely on a solar panel in Grey county this time of year, but that doesn't mean solar can't play a role in a balanced mix, but I would rely on a Bruce Power unit this time of year, so we have to look at the reliability. Reliability is absolutely king. Reliability drives affordability, but you also have to look at it from a broader economic perspective. If we want to attract industries to Ontario, whether it's electric vehicles, whether it's, hopefully, going to more electrified, clean steel, other areas, all of our industries, they need that reliability. If we are shutting down plants and schools and hospitals because they don't have electricity supply, that's a challenge.

I recently heard a presentation from the CEO of Invest Ontario, who goes out and markets Ontario. He says one of the number one topic areas that are raised is electricity reliability, and that's what businesses are looking for, and if you were investing in Ontario, that would be what you would look for, as well.

I hope that answers your question.

Mr. John Yakabuski: Ninety-nine per cent of it, it does, actually. Thank you very much.

I'm going to pass it on to colleague Cuzzetto.

Mr. Rudy Cuzzetto: This question is going to Keith for Environmental Defence here. Keith, I was just in Poland last week signing a deal for an SMR. If you know Poland, 50% to 60% of their energy comes from coal. A lot of jurisdictions in Eastern Europe depend on coal. We know China depends on coal. We know Russia depends on coal. These countries have to do their part as well to protect the environment, because what we do here is very minimal compared to what is going on over there. But we still have to do our part. Our grid is pretty well 50% nuclear, and, as you heard, we're building four SMRs and refurbishing our nuclear fleet here in Ontario.

Wind and solar—back to Poland again: I was there for two days. There was no wind, and it was overcast every day. Wind and solar will not work, unfortunately, at that time. We need something that will give us baseload here in the province.

To have a clean grid, we need nuclear to be part of that clean grid. Why are you so against nuclear technology here in the province of Ontario?

Mr. Keith Brooks: We have some existing nuclear power in Ontario, and the refurbishments have gone on and that is what it is. What we're talking about is the decarbonization of the electricity system, making the best choices, the most cost-effective choices, and we have some concerns around the costs related to nuclear power. We have concerns around whether these SMRs are ever going to show up—

Mr. Rudy Cuzzetto: Excuse me. Can I interject?

The Chair (Mr. Aris Babikian): MPP Cuzzetto, can you let the witness continue his thoughts? After that, I will pass it to you.

Mr. Rudy Cuzzetto: Okay, go ahead.

Mr. Keith Brooks: We want to make the best decisions with all of the information on the table. That's really what we want. But we want clear goals around decarbonization and affordability—and reliability, actually. Most energy modellers—read the Economist, read the Globe and Mail, read anybody: Wind, solar, hydropower and batteries are the technologies of the future. That's the direction we're going.

The Chair (Mr. Aris Babikian): Thank you very much. The time is up. MPP Cuzzetto, you can pick up your question in the second round.

MPP Tabuns, we move to the second round of questioning. The floor is yours.

Mr. Peter Tabuns: Ms. Wade, I wanted to come back to you. Is it the position of Enbridge that climate change threatens our standard of living and way of life here in Ontario?

Ms. Cara-Lynne Wade: It's the position of Enbridge Gas that energy transition is a critical focus for Ontario and decarbonization is a critical focus for Ontario. We also believe that it's critical to balance the decarbonization and our efforts in moving the energy transition forward, and also maintaining reliability, resiliency and affordability for our customers and for Ontarians at large. This is critical, and I think that this is one of the most important pieces that was discussed when looking at the integrated energy resource plan—

Mr. Peter Tabuns: Excuse me. One second. I apologize.

Mr. Rudy Cuzzetto: Let her finish. That's what you told me.

The Chair (Mr. Aris Babikian): Please, let me chair the meeting.

Mr. Peter Tabuns: That's why I'm turning to the Chair.

The Chair (Mr. Aris Babikian): Please, MPP Tabuns.

Do you want to add any further comments on his first question?

Ms. Cara-Lynne Wade: Yes, I was still—

The Chair (Mr. Aris Babikian): Okay. Continue, please.

Ms. Cara-Lynne Wade: What I was saying is that I think this legislation, which supports the development of an integrated energy resource plan, will be looking to ensure that it balances by having the electric and the gas systems work together, and energy options that address climate change and that also address affordability and address reliability and resiliency.

The Chair (Mr. Aris Babikian): Thank you.

MPP Tabuns, go ahead.

Mr. Peter Tabuns: I'll just say to you, Chair, before I ask the question, that when the witness is clearly ragging the puck and trying to use up my seven and a half minutes, I don't think that's fair. But I will go back—

The Chair (Mr. Aris Babikian): I am fair to both sides, MPP Tabuns. We have to give the witnesses the opportunity to answer the question as they wish. Please, let's continue. Let's not waste your time. Ask your next question.

Mr. Peter Tabuns: I'll ask it through you; the witness didn't answer. Does Enbridge believe that climate change threatens our way of life and our standard of living?

The Chair (Mr. Aris Babikian): Okay. Go ahead, please.

Ms. Cara-Lynne Wade: I would say that Enbridge Gas is focused on decarbonization. We recognize the impacts that climate change can have on Ontario, on Canada and globally, but we also recognize that it's important that we address this risk that climate change puts forward in a cost-effective, reliable and resilient way. We can't just pursue emissions reductions without also a lens to affordability, reliability, resiliency and energy security. All of these, I would say, are critical to our customers and to Ontarians and to Canadians. And without a focus on addressing climate change with a lens that takes an all-of-the-above approach, we put at risk energy affordability and keeping energy costs down for Ontarians, as well as put at risk the pro-growth agenda that the government has.

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Mr. Peter Tabuns: I'll go back through you, Chair. Enbridge apparently is not willing to admit that climate change threatens our way of life and our standard of living, which it does. And there's no one in this room who would disagree that we need to address the issues of affordability, reliability, security of energy; that goes without saying. That's like saying, "I'm in favour of motherhood and apple pie." But the failure to actually admit that climate change will dramatically reduce our standard of living and change our way of life is a problem, because that affects the way you approach the issue. But I'll accept for the moment that the corporation at least thinks that climate change might cause a problem.

The next question is that methane is a substantial and growing risk, as part of the climate crisis. We have a situation where Enbridge has a leaky system. In fact, we had their employees here a week ago, talking about the need to invest in keeping the methane in the pipe—

The Chair (Mr. Aris Babikian): My apologies. Can you hold your thoughts? MPP Tabuns, is this question related to the bill?

Mr. Peter Tabuns: Yes, it is.

The Chair (Mr. Aris Babikian): Okay, it is related to the bill. Please go ahead and make your question directly to the witnesses, based on the bill.

Mr. Peter Tabuns: Would Enbridge have any difficulty with the bill being amended so that on a regular basis, Enbridge would have to report the amount of methane leaking from its systems, its efforts to deal with those leaks and their steps to retain a workforce so they can be dealt with on a timely basis?

Ms. Cara-Lynne Wade: I would start with how Enbridge Gas has currently a comprehensive, preventive methane reduction program. Alone, just from 2018 to now, we've reduced fugitive-emission methane by 40%.

Our programs are focused on continual surveys that look at and identify where there are methane leaks in our system. We investigate them, we assess them, we triage them and then we address them permanently. We often address them permanently ahead of the regulatory time frames that we are required to.

I would just add that we currently do report both federally and provincially on our methane, and we also do that voluntarily within our ESG reporting corporately. And so, I would just emphasize that safety is core. It's a core value for Enbridge. It's foundational to everything we do and that extends into our methane-fugitive-emission prevention programs that we have in place today, and that we work very closely with our employees to be able to implement the prevention programs that help address these fugitive emissions.

The Chair (Mr. Aris Babikian): One minute.

Mr. Peter Tabuns: Through you, Chair: Then Enbridge would have no difficulty in tightening that up in this legislation, making sure that there were very strong regulations, making sure that leakage was brought down to zero?

Ms. Cara-Lynne Wade: I would just repeat that right now, we have very stringent preventive programs that monitor and address these leaks. I don't think that this specific piece is tied into the long-term energy plan or the integrated energy resource plan, in terms of being able to provide the energy that customers want and need today.

I would agree that addressing fugitive emissions is absolutely part of a long-term energy plan, but what this bill is looking to address specifically is creating an integrated energy plan between the electric and the gas sector, to be able to identify the most cost-efficient, affordable, reliable, resilient energy options that ensure we have the energy

there for our customers that they need today, but also for the customers' energy needs in the future.

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

Interruption.

The Chair (Mr. Aris Babikian): Give me one second. Thank you very much. Now, we move—

Interjection.

The Chair (Mr. Aris Babikian): No, don't worry. The recess is not about the vote. That's what I was trying to clarify. It looks like there is some kind of disturbance in the gallery, so it will not affect us. We will notify you if there is a vote recess. We will notify everyone in the committee.

MPP Yakabuski, it's your turn. The floor is yours.

Mr. John Yakabuski: I'm just going to have a very quick one, Chair, and I thank you. I want to direct this to Enbridge.

I understand the position of the opposition critic. He's passionate in his positions, but the reality is—we're dealing in reality here—without reliability and affordability, an energy system fails. We saw that with the Green Energy Act from the Liberals, that it drove the price of energy up so much that it became a real hardship on people and, as he would put it, their way of life.

Is it fair to say that an energy system that is so unreliable that it becomes unaffordable would be a threat to our way of life? Is that fair to say?

Ms. Cara-Lynne Wade: I would say that as we look at building out an energy system that is going to meet the energy demands of today and the future, that I would agree. Reliability is going to be core and key to be able to move through the energy transition and, as the integrated energy resource plan is developed with both electric and gas infrastructure considered, that we will be able to ensure that we're looking in a technology-agonistic way for all of the energy options that will allow Ontario to continue on its sustainable energy future pathway, but also ensure that we maintain reliability and resiliency and affordability of the energy that we're providing to Ontarians today.

Mr. John Yakabuski: Thank you.

The Chair (Mr. Aris Babikian): MPP Cuzzetto.

Mr. Rudy Cuzzetto: I just want to thank you again for being here. I'm just looking over there and I see two aluminium bottles there that you have for your water. They probably were made at a coal plant. Correct?

Mr. Keith Brooks: Well, probably a steel plant, actually.

Mr. Rudy Cuzzetto: Steel, which is heated by coal to make the steel. But thank you very much—

Mr. Keith Brooks: Well, we know that Ontario is phasing out coal for steel. It's a good thing. We're supportive of that.

Mr. Rudy Cuzzetto: Thank you.

But I want to go to Bruce Power here. We've been able to attract $45 billion of automotive investment in EV here in Ontario. We need baseload power to keep these investments coming to Ontario. What's the role of nuclear in that sector to help us keep those companies continuing to come here and keeping the companies prosperous and employing the people of Ontario?

Mr. James Scongack: I think it's a good question. As I said before, a 24/7 economy needs 24/7 power. That is one of the strongest attributes of nuclear power, past, present and future. We're excited about the role that nuclear power can play. The 7,000 workers that are at Bruce Power today, delivering their refurbishments, delivering that reliability, that's an impressive feat that they've been able to deliver, not only delivering that electricity today but over the long term. But that's more than "it is what it is." That's 30% of Ontario's electricity by 7,000 workers who have achieved that, so I say that's more than "it is what it is." That's them delivering for those businesses.

If we want to attract those industries to Ontario, those industries that have powered strong, good, middle-class jobs, we have to be able to provide that reliability. And it doesn't mean that that reliability can't come from a diversity of resources, but I always like to say, because I'm a big hockey fan, I'm Canadian, if I'm putting a hockey line on the ice, I want nuclear power to be that centre-ice man or woman that you put on every line. You know you can count on them. You know they're going to be there, whether you're on offence or defence or killing a penalty. That's really the role of nuclear power. I don't think we should be ashamed of that as a province.

I know this is political environment at Queen's Park. I actually think there's a growing consensus, whether people vote Liberal, Conservative, New Democrat or Green, that we need nuclear power. I just wish we would say it because I don't think we should be ashamed of it. I think that Ontario can continue to lead the world in nuclear power. You saw that in Poland last week. When people look around the world at excellence in nuclear power, they look to Ontario, and we should be proud of that.

The final thing I'll say, and I don't want to get in trouble for using your time up, Canada is a world leader in the production of life-saving medical isotopes. Our Candu reactors have a unique ability to produce that. If we are not producing these life-saving medical isotopes from nuclear plants, where are we getting them? Patients—40% of Ontarians will be faced with cancer; 100% of us will be impacted. The diagnosis and the treatment of cancer, the sterilization of medical equipment—without Ontario's nuclear fleet, the world does not have that reliability. So not only are we going to be there to provide clean electricity; we're going to be there for Ontarians and people around the world in the fight against cancer.

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Mr. Rudy Cuzzetto: Thank you.

How much time do we have?

The Chair (Mr. Aris Babikian): Two minutes.

Mr. Rudy Cuzzetto: Only two minutes—I have the IESO in my riding, and I was there with my colleague John here. I was looking at—the nuclear is 50%, hydroelectric is 25%, I think natural gas is about 15%, and then we have bio and solar and wind. But when we're refurbishing all of these nuclear plants, we need natural gas because—when

we have peak demands. Can you explain more about why we need this natural gas to do that for us?

Ms. Cara-Lynne Wade: Absolutely. So, as I mentioned in my opening remarks, natural gas and the natural gas system provides four to five times the amount of peak energy, as does the electricity system. This is a really critical point to understand. We, again, provide four to five times that amount, and that peak is when the energy is the most needed. It can be on the coldest day of the year, and from a summer perspective, on the hottest day of the year.

The Chair (Mr. Aris Babikian): One minute.

Ms. Cara-Lynne Wade: Natural gas electricity and natural-gas-generated electricity is there to support the electric system, the reliability of the electric system and the affordability of the electric system. And that system is enabling future decarbonization, and it's also ensuring that we can power, as mentioned, the businesses that are looking to come to Ontario and support the pro-growth agenda of the government and also to support the housing developments and the building of the 1.5 million homes that the government wants to build by 2031. So natural gas plays a critical role year-round but especially, as you noted, on peak to support the reliability and the affordability of the electricity system.

The Chair (Mr. Aris Babikian): Thank you very much.

You don't have too much time—15 seconds.

Interjection: Eight seconds?

The Chair (Mr. Aris Babikian): Fifteen seconds: one, five—okay, so the time is up.

Thank you very much to our witnesses for coming and sharing your view with us and enlightening the committee members with the various aspects of this bill.

We will move to the next session.

CANADIAN RENEWABLE ENERGY ASSOCIATION

ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

ONTARIO CLEAN AIR ALLIANCE

The Chair (Mr. Aris Babikian): We'll start our next panel, and we will start with the Canadian Renewable Energy Association.

Please state your name and your title. You have seven minutes.

Mr. Leonard Kula: Good afternoon. My name is Leonard Kula. I am the vice-president of policy for eastern Canada at the Canadian Renewable Energy Association, or CanREA for short.

CanREA is the leading national industry association advocating for wind energy, solar energy, energy storage and behind-the-meter, solar-plus-storage solutions supporting Canada's energy transition. CanREA's network of about 350 companies represents all portions of the value chain to develop and operate wind, solar and energy storage technologies across Canada.

Ontario has a very reliable power system. Its foundation is a diverse resource fleet that confidently provides electrical energy where and when needed. This includes about 8,000 megawatts of wind and solar generation connected to our transmission and distribution systems that have been successfully operating for up to 20 years in Ontario. For decades, Ontario has also benefited from sizable connections with neighbouring provinces and states, supporting reliable operations, driving economic benefit for Ontarians through the economic trade of electricity, and providing significant flexibility to adjust to changing conditions on the power system.

As we all know, jurisdictions across North America are expecting to transform significantly over the next 20 years or so, as economies electrify and reduce emissions. This is a monumental task. It's not something that can be easily driven by regulators, agencies and utilities through existing practices. Rather, it needs vision and leadership today to set the right course for this most challenging work.

CanREA commends the government for developing the energy vision for Ontario and this Bill 214 that helps implement this vision. Having set this context, CanREA has several comments regarding the contents and implications of Bill 214.

First, I'd like to talk about integrated energy planning. The electricity system in Ontario is going to roughly double in size in the next 20 or so years. We'll need to replace existing generation as it ages or becomes obsolete and add significant quantities of new supply. It's highly likely that we'll also be dependent on technologies that have yet to be invented, or existing technologies that will be deployed at much greater scales than today. The fuel mix that powers our economy will also transform significantly. Given the quantity and pace of change, the transition path over the next 20 or so years must be managed extremely carefully. As such, the launch of an integrated energy plan on a regular cadence to effectively manage this significant change and to drive an affordable, reliable and clean Ontario is necessary and difficult work. The broad system changes needed require clear and, at times, prescriptive government direction and effective coordination across government, agencies, utilities and users and sectors of the economy. Further, and just as importantly, Ontario needs a policy environment that can attract the tens of billions of dollars in financial capital necessary to build the energy infrastructure needed to meet future energy demand growth.

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Specifically, CanREA supports the emphasis upon consultation and the development of the integrated energy plan. CanREA is encouraged that the consultation for the first plan is already under way. CanREA also supports simplification of obligations for the OEB and the IESO, allowing them to embark upon work without requiring the development of implementation plans, and the establishment of directive powers for the implementation of the integrated energy plan. Both these changes speed the path to significant change and progress, consistent with the sense of urgency reflected in the latest IESO projections of electricity demand.

We expect that renewable technologies will be an important part of the integrated energy plan. Wind and solar generation are the most affordable sources of new electricity generation that can be built in Ontario today. Ontario

has recently made a substantial investment in battery energy storage systems. CanREA is confident that our technologies can compete, supporting the triple goals of affordable, reliable and clean.

Next, I'd like to talk about the role of the distribution system and distributed energy resources; that is, opportunities at the local level. Distributed energy resources, or DERs, are low cost, quickly deployable and they support reliability by producing energy at the local level, displacing energy needs at the grid level. DERs avoid or defer transmission build-out when supplies are connected closer to the load, displacing the need to transmit electrons over long distances. DERs involve all Ontarians. Customers want and like them. They provide local resilience during grid outages and provide customers the freedom to choose the energy services and costs that are best for them. The energy vision sets priorities for DERs, including that there's an ongoing opportunity to expand the use of DERs where it is cost-effective and beneficial to meeting local and system needs.

Further emphasizing the government's intention to direct policy attention to facilitating DERs is the integrated energy plan consultation, where about a quarter of the questions relate to them. Bill 214, with amendments that target streamlining the transmission system code and distribution system code, further signals efforts to clear barriers to increased DER development.

The Chair (Mr. Aris Babikian): One minute.

Mr. Leonard Kula: In conclusion, CanREA applauds the Ontario government's commitment to affordable, reliable and clean electricity in its new energy vision, and implemented through Bill 214. CanREA members and our technologies stand ready and willing to contribute to Ontario's electricity needs both at the grid scale and at local levels.

I'll repeat: Wind and solar generation are the most affordable sources of new electricity generation that can be built in Ontario today. Ontario has made substantial investment in battery energy storage, and we are confident that these technologies can compete as part of the solution to achieve the triple goals of affordable, reliable and clean.

The Chair (Mr. Aris Babikian): Thank you. Our next witness will join us virtually. I call upon the AMPCO representative to join us and to start their deputation.

Mr. Victor Stranges: Hello, I am Victor Stranges. I am the treasurer of the Association of Major Power Consumers in Ontario. On behalf of the Association of Major Power Consumers in Ontario, I would like to extend my sincere appreciation for the opportunity to present our comments to the committee regarding Bill 214, the Affordable Energy Act.

AMPCO is the voice of industrial power users in Ontario. We're the foremost choice for major power consumers who recognize that their business success depends on an affordable and reliable electricity system. Our mission is industrial electricity rates that are competitive and fair. AMPCO members directly employ tens of thousands of Ontarians and we collectively represent more than 10% of all electricity consumed in the province.

AMPCO values its long-standing position as a thought leader in electricity policy and as the trusted voice of industrial users across the province. Ontario's recognition of the necessity of reliable and affordable electricity as a critical foundation for a strong and growing economy is something that AMPCO members greatly appreciate.

We are supportive of Bill 214 as it enables necessary planning processes put forward by government and it provides an opportunity to develop a plan many do not think would be necessary now, if ever. We particularly note that the framework changes being sought are because of unprecedented economic growth, which has manifested itself in a 75% increase in electricity demand being forecasted by the IESO.

Economic growth and electrifications are welcome and supported by AMPCO and all its members. This is being characterized as the affordability act, and in today's environment of high inflation and international competitive pressures, affordability is key to the legislation and the plan that it follows.

As an association, we believe plans need to be developed on an ongoing basis, with the possibility for review and refinement. AMPCO looks forward to participating in the consultation process for the development of the integrated energy resource plan and looks forward to working collaboratively with government.

The Chair (Mr. Aris Babikian): Thank you.

We move to our third witness, Ontario Clean Air Alliance, please. You have seven minutes. Go ahead. The floor is yours.

Mr. Jack Gibbons: Thank you very much, Mr. Chair and committee members. I'm Jack Gibbons from the Ontario Clean Air Alliance. Thank you very much for the opportunity to talk with you this afternoon about Bill 214.

The Ontario Clean Air Alliance was established in 1997 to promote the phase-out of Ontario's five dirty coal plants, and now we're working on the next step to clean up Ontario's electricity grid. That is phasing out gas power and moving Ontario to a zero-carbon electricity grid and lower electricity bills. Today, I would like to talk to you about Bill 214's proposed goals for Ontario's integrated energy resource plans.

First, let me say that the bill is proposing many worthwhile goals for our integrated energy resource plans, but two of the proposed goals are mutually contradictory. Specifically, the proposed goal to prioritize nuclear power to meet our future electricity needs is inconsistent with the goal to cost-effectively procure our electricity resources. These two goals are inconsistent or contradictory because new nuclear power is the highest-cost option to meet our future electricity needs. If we want to keep our lights on at the lowest possible cost, we must not prioritize high-cost nuclear power.

This slide shows the costs of Ontario's electricity options, and the lowest-cost options are on the left-hand side. If you look at the third and fourth bar graphs from the left, you can see that the cost of new wind and new solar power, combined with battery storage, costs 10 to 10.5 cents per kilowatt hour. But then, if you look at the bar graph on the

far right, you see the cost of new nuclear power is 24 cents per kilowatt hour. That is more than double the cost of new wind and solar plus storage.

It's not just the Clean Air Alliance that says that new nuclear power is expensive. According to the Independent Electricity System Operator, the cost of new nuclear reactors would be two to three times greater than the cost of new wind and solar.

Now, we all know that wind and solar must be combined with storage to produce 24/7 reliable electricity. The good news is that Ontario has lots of great storage options, including stationary batteries, which the government is procuring now. Our storage options also include our EV batteries; they're mobile batteries that could provide storage to the grid. And the third great storage option is interconnection with Quebec's massive hydroelectric reservoirs, which can act like a giant battery.

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In conclusion, Mr. Chair and committee members, we believe that the vast majority of the people of Ontario want to see our province moved to a zero-carbon electricity grid and lower electricity bills. Therefore, we're recommending that subsection (e) be amended to prioritize zero-carbon resources to meet our future electricity needs, not nuclear power.

Thank you very much for your attention.

The Chair (Mr. Aris Babikian): Thank you to our witnesses.

Now we will start with the question session. The first round will start with MPP Peter Tabuns, official opposition.

Mr. Peter Tabuns: I want to thank all of the witnesses for their presentations today.

I'm going to start with CanREA. Can you tell us, when you said that renewables are the most affordable energy sources in Ontario today, what prices we're looking at?

Mr. Leonard Kula: I don't have prices for you. Jack had prices on his slide.

Mr. Peter Tabuns: Do those prices make sense to you?

Mr. Leonard Kula: Those prices make sense to me. The price of renewables is dependent upon location in many places, wind regime, access to siting and things like that. We haven't had a competitive procurement in Ontario for about a decade, but the IESO has signalled future procurements coming, and we'll get a much better sense of price discovery in Ontario then.

Mr. Peter Tabuns: But in your mind, new solar power and storage, 10 cents at a midpoint cost—that seems a reasonable assessment?

Mr. Leonard Kula: Yes. It might be a tad high, but not unreasonable.

Mr. Peter Tabuns: Okay. So it may be a tad high, but we're not understating the cost, then.

And new onshore wind with power storage, 10.5 cents per kilowatt hour—that seems online with you?

Mr. Leonard Kula: That is a reasonable assumption.

Mr. Peter Tabuns: Okay. That's fine.

One of the things that we talked about was distributed energy. And one of the things we've noticed around the world as we get more and more extreme weather events is the difficulty of keeping transmission lines going. How big is the potential for distributed energy in Ontario to give neighbourhoods and communities their own effective backup or resilience to deal with situations where transmission lines are going down?

Mr. Leonard Kula: There is great potential in Ontario for all sorts of distributed resources, including rooftop solar and local storage. We're probably just taking advantage of a fraction of the potential available.

Mr. Peter Tabuns: Okay. Actually, does CanREA have a study on the potential for distributed energy?

Mr. Leonard Kula: We do. We worked on one; we released it with Dunsky about a year and a bit ago. It looked at the potential of solar plus storage across the country.

Mr. Peter Tabuns: Could you provide that to the committee so it can be circulated to all of us?

Mr. Leonard Kula: Yes.

Mr. Peter Tabuns: That would be great.

Jack, the costs that you have here in your slides: Where are those costs from?

Mr. Jack Gibbons: Well, starting on the left, the energy efficiency cost is from the IESO. That was their cost of saving a kilowatt hour of electricity in 2022.

The price of Hydro-Québec's electricity exports—that's from the Hydro-Québec annual report of 2023.

The costs of new wind and solar plus storage—they're from Lazard, which is a highly respected financial advisory firm.

The price of OPG's nuclear power in 2024 is from the Ontario Energy Board. The forecast of OPG's price of nuclear power in 2027 is from an OPG filing at the Ontario Energy Board.

And the two bar graphs on the right, new gas plants and new nuclear reactors—those costs are again from Lazard.

Mr. Peter Tabuns: And these are all in Canadian dollars?

Mr. Jack Gibbons: Yes.

Mr. Peter Tabuns: So if, in fact, the government was to have an energy-agnostic approach, what would that look like in terms of structuring this bill?

Mr. Jack Gibbons: Well, if we were energy-agnostic, we would put a huge emphasis on energy efficiency, which is by far the lowest-cost option to keep our lights on. And then next, we would be focusing on wind and solar and storage.

Mr. Peter Tabuns: Okay. One of the concerns that I have about the bill is that there is not a requirement to take into account affordability, availability and reliability. The minister "may" consider those things, "may" set objectives. Do you think the minister should be compelled to take those factors into account?

Mr. Jack Gibbons: That makes sense to me.

Mr. Peter Tabuns: Okay, thank you.

I now go to AMPCO. Mr. Stranges, thank you very much for being here today. In the bill, the integrated energy resource plan sets out a number of concerns that may be taken into account, goals and objectives respecting affordability, availability and reliability. Do you think that the minister should be required to take into account affordability, availability and reliability in doing his planning?

Mr. Victor Stranges: Yes, absolutely, it should be taken into account. We've mentioned this before, where there are three important components to electricity. It's the reliability, the affordability, availability. If you don't have one of those three legs, if it was a three-legged stool in Ontario, without one intact, the stool falls over. So despite it being clean or available, it also needs to be affordable. That's the key concern.

As AMPCO and our members, electricity is a large component of our cost to produce our products here in Ontario. We're not only competing with companies around the world, but we're also competing within our own company, because we're a multinational company, for capital and to attract investment to Ontario. The key component is affordability—

The Chair (Mr. Aris Babikian): One minute.

Mr. Victor Stranges: We're technology-agnostic, so we just want the power to be at our facility at a good price, where we can compete in the marketplace.

Mr. Peter Tabuns: So you think the minister should not have discretion in this, that he should be required to take into account affordability, availability and reliability?

Mr. Victor Stranges: Yes, all three should be considered.

Mr. Peter Tabuns: Okay. The question of being technology-agnostic—I mean, this bill spells out what the priorities will be. When you say you're technology-agnostic, how do you think things should be structured so we actually get an agnostic assessment of the options before us?

Mr. Victor Stranges: Well, one of the assessments would be affordability and what that price would be to get that electron to our door. Depending on the investment that Ontario's making—

The Chair (Mr. Aris Babikian): The time is up.

We move to the government side. MPP Yakabuski.

Mr. John Yakabuski: Thank you, gentlemen, for joining us today, either here or virtually. I appreciate that.

Jack, you and I have known each other a long time, and I'd say we generally like each other. We just don't agree a lot on some subjects.

Mr. Jack Gibbons: We agree on most things.

Mr. John Yakabuski: Yes, all those things outside of the energy field. I want to ask you, you're aware that the opposition supported this bill at second reading? They voted for the bill.

Mr. Jack Gibbons: I haven't been following the votes.

Mr. John Yakabuski: Okay, so that much we know. And I have a question for you, Jack, because I know your chart and I know you put your stuff together pretty well. I don't necessarily agree with it, but the numbers there—we're not going to argue the numbers. But I will ask you this: You're hiring people, and one guy says, "Well, I'm going to cost you $20 an hour, but I'll be here whenever I'm needed. I'll be here. I've got your back." And another says, "Well, I'll work for $5 an hour, but I'm going to show up whenever I feel like showing up." Now, seriously, which one of those people would you hire, Jack?

Mr. Jack Gibbons: Well, no one shows up for work every day and there's no power source that shows up for work every day.

Mr. John Yakabuski: Which one of those people would you hire?

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Mr. Jack Gibbons: It's too simplistic, your question, John. Let me remind you that in 1998, Ontario Hydro unexpectedly shut down seven nuclear reactors for safety reasons. All of those reactors were shut down for five years; two of them are still shut down. As a result, we had to crank up the output of our dirty coal plants by 120% to keep the lights on. There's no source of power that's absolutely reliable. Nuclear has had very long outages that caused the coal crisis.

To answer your question, yes, wind and solar are variable, but if they're combined with storage, they can be turned into 24/7 reliable power, and that's what your government's doing. It's making huge investments in battery storage, which is great—

Mr. John Yakabuski: That's not my question, Chair. I'd like to move on to another question.

The Chair (Mr. Aris Babikian): Okay.

Mr. John Yakabuski: Okay, Jack, so you want to go on your thing. Okay, battery storage: If you don't have wind for three days, which we often have, battery storage works on hours, not days—hours. If you don't have wind, if you don't have solar for three days, that battery storage has been used up. We want to talk about reliability, Jack—

The Chair (Mr. Aris Babikian): Please direct your question through the Chair.

Mr. John Yakabuski: Okay. Through the Chair: We want to talk about reliability, and the fact is that if you're going to talk about affordability, you cannot talk about affordability without reliability. The price matters. The reliability determines whether the price is a good price or not.

When we're talking about nuclear—you can talk about 1998 if you want, but I know in the last 20 years, our nuclear fleet has performed as well or better than any nuclear fleet in the world, and the numbers speak for themselves; as James Scongack said earlier, 99% at the most recent refurbished Bruce Power unit. We know our nuclear fleet is reliable, so that's not an argument, Jack, that you can make here. We know the facts about our nuclear fleet. Whatever happened in the early days, we know where we are today. We know what kind of technology is out there and we know our nuclear fleet is reliable.

The very fact of wind and solar—they are unreliable by nature. We can't build a reliable, dependable system that AMPCO needs to power their companies without reliable power. You understand that as well, sir, because you're talking about that. We want to have a system that speaks to all of those technologies with battery storage, but if we don't have something that we can actually say, "Hey, yes, no matter whether it's raining, snowing, sun, not, blowing," whatever the case may be, that we can have it—we have that with nuclear. That is going to be the bedrock of ensuring that we have reliable power. Nothing matters if it's not reliable, Jack. You know that. Nothing matters if we can't say we have it.

As far as 24/7, we do have it. Maybe one unit would be out for refuelling or maintenance or whatever, but we have power 24/7 with our nuclear fleet. It is going to be the bedrock of Ontario powering the future, where we will attract that investment from all around the world, because they know we're going to have a reliable power system, and they're looking for that all around the world.

I guess my question is: Bill 214, support it or withdraw it? Because this is what we've got, assuming we don't have amendments. We don't know what that's going to be. But do you support it or withdraw it? Where do you go?

Mr. Jack Gibbons: Well, no, sir, I don't support it, because if you prioritize nuclear power, you're going to push up Ontario's electricity rates. It's the highest-cost option.

You say batteries aren't sufficient to give you reliability. Well, if you don't think batteries are enough, then we should interconnect more with Hydro-Québec. They've got huge, massive reservoirs and we can interconnect with them. That way, we can have very reliable power 24/7, because Quebec's reservoirs are massive, their storage capacity is 1.6 times greater than Ontario's total annual electricity demand, and they can guarantee that we always have power.

Mr. John Yakabuski: Quebec cannot guarantee, and you know that, Jack. They're struggling themselves with what the future's going to be like with the electrification in Quebec with the changing—as you know, a 75% increase in the demand of electricity. Quebec has a big problem today and they're worried about the future. They're not going to be looking to export power. We're selling them power in the wintertime, Jack. That's the reality of Quebec. All those reservoirs you talk about, without having a source that they can actually build and grow, they're having the problems themselves. Quebec has a real power problem for the future, because they have not gone out—

The Chair (Mr. Aris Babikian): One minute.

Mr. John Yakabuski: They've been dependent on hydroelectric, and God bless them, that's been a wonderful resource. But they can't depend on that for the future demand that is going to be out there in the province of Quebec. You know that and the people here know that and we know that. That's why we can't be looking for that. We've got to be able to build our own system here in Ontario that not only makes us self-sufficient, but makes us, actually, in a position where we can export power to those that need it at market rates, not giving it away like the previous government did.

Mr. Jack Gibbons: Can I respond, Mr. Chair?

The Chair (Mr. Aris Babikian): Sure, go ahead.

Mr. Jack Gibbons: John, you're absolutely correct: Quebec's demand for electricity is forecast to grow. When I'm saying we should use them for storage, I'm not saying that they would be a net exporter to us, but what we would do is, when we have surplus wind power, we would export it to Quebec. That means they could use our wind power to keep the lights on in Montreal and store more water in their reservoirs. And then—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

We move to the official opposition again. MPP Tabuns, the floor is yours.

Mr. Peter Tabuns: To CanREA: My understanding is that solar power is the fastest-growing source of electricity generation in the world right now, according to the IEA. Is that consistent with your understanding?

Mr. Leonard Kula: That's correct.

Mr. Peter Tabuns: I also understand that globally, the amount of solar power that's installed now equals the amount of nuclear power that's installed. Is that your understanding as well?

Mr. Leonard Kula: That I don't know, but it wouldn't surprise me.

Mr. Peter Tabuns: Okay. This whole question of reliability—I know jurisdictions like California really now have their daytime power generation more than dominated by solar. How would you recommend, here in Ontario—and you may borrow ideas from your colleague to your right there—how would you suggest here in Ontario that we ensure that we have firm provision of electricity from renewables?

Mr. Leonard Kula: Thank you for the question. I have come to learn over a long career in the electricity sector that you need to be very cognizant of the jurisdiction in which you're talking about. California has got its own set of conditions. Every province in Canada has its own set of conditions. When you look at Ontario, we've got significant changes in electricity demand every day—upwards of 10,000 megawatts of load pick-up. You've got a dominant summer peak, and a winter peak that's not far behind. You've got great interconnections.

As I said in my remarks, wind, solar and energy storage are important parts of the energy solution. The great strength in Ontario has been its diversified fleet. Every resource has its strengths and weaknesses, and I can go in great detail about every source of energy and what they're good at and what they're not so good at, and the strength of Ontario is the fact that it all combines well together. So when we look at wind and solar, electricity demand is going up at a rapid pace in Ontario. The IESO has signalled a need for 5,000 megawatts of energy-producing resources by the end of this decade. Wind and solar are quickly deployable, and we think it's an important part of the solution.

Mr. Peter Tabuns: I'm going to go back to that in a second, I just want to, with some licence, note the commentary by my colleague on the other side. Our party did vote for this, at second reading, to come to committee for debate and amendment. We will see if it goes any further.

Going back, do you see potential for wind and solar to meet the needs by 2030 that may not be met by other investments? How quickly can you deploy wind and solar, as opposed to other types of generation?

Mr. Leonard Kula: Wind and solar can be deployed in three-ish years, three to four years, if you've got clear signals that you are going to build for—solar is probably about three years. Wind, you probably need an extra year to go ahead and gather the right meteorology data; it's on the order of four years. The biggest challenge is just overcoming the numerous hurdles in an effort to site, locate

them. There's limited transmission in Ontario. Those are the bigger barriers than going ahead and building the facilities.

Mr. Peter Tabuns: So three to four years, and my understanding is that the projection by the IESO is that the new nuclear developments will come online in the mid-2030s. So we're talking a 10-year deployment schedule.

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Mr. Leonard Kula: I'll take their word for it.

Mr. Peter Tabuns: Fair enough. Okay, then I'll go back to what you are very familiar with. Three to four years, you could deploy those 4,000 or 5,000 megawatts of capacity in Ontario, renewable.

Mr. Leonard Kula: That is correct.

Mr. Peter Tabuns: Okay. The other thing that—no, it's not going to be relevant.

That's it. Chair, I can pass.

The Chair (Mr. Aris Babikian): We move to the government's side now. MPP Dowie.

Mr. Andrew Dowie: Thank you, Chair. I want to thank all the presenters.

I'd actually like to start with CanREA. Not far from my neck of the woods is a kind of a legacy of the former solar farm deployment. In fact, there's one in the middle of residential development, and it indicates the process that wasn't quite supported by rural municipalities who were cut out of the planning process. So you would have subdivision that would be created and then a number of solar panels put in between the houses, specifically Philip Crescent in Belle River, Ontario, if you're seeking this.

Siting of these renewable facilities is quite important, particularly for wind and solar. Belle River is an energy project put on an unwilling community. Their council did not want to have a solar farm in the middle of the residential subdivision, but also, the government of the day allowed it to happen. So this government empowered municipalities with decision-making authorities on things like this.

I wanted to get a better understanding from you as to how important it is to engage in consultation with rural municipalities and Indigenous communities when it comes to building energy projects.

Mr. Leonard Kula: Thanks for the question. Earlier today, Minister Lecce spoke about announcing the largest procurement of new resources, and he mentioned that he brought together three different groups, the OFA, AMO—the municipalities—and CanREA. I stood with him on that platform. So we recognize, and our members recognize, the importance of those consultations.

A lot of things have changed over the decade or so. A lot of people have learned valuable lessons, and our members understand the importance of engaging municipalities, farmers. We note that the most recent procurement of storage, the bulk of those had strong Indigenous representation and participation. We understand the importance, and everybody takes that to heart as they look to site projects.

Mr. Andrew Dowie: Thank you very much.

Chair, I'll pass the time to MPP Gallagher Murphy.

The Chair (Mr. Aris Babikian): MPP Gallagher Murphy.

M^me^ Dawn Gallagher Murphy: Thank you to the witnesses for coming in today.

My question will be directed to Mr. Victor Stranges of the AMPCO. Today, we've been speaking a lot about reliability and the critical need for reliability for our power grid, for Ontarians. With that being said, I could only imagine that millions of dollars could be lost if there was indeed a reliability source issue.

This being the case, I'm wondering, from AMPCO's perspective—your organizations choose Ontario because of our clean and reliable grid. Mr. Stranges, could you please explain to us how important it is to have both clean energy but, most importantly, the reliable energy for those who you represent?

Mr. Victor Stranges: Yes, reliability is absolutely paramount in all of our businesses. We're high-fixed-cost capital investment companies where you want to put as much through-put through your plant, for be it, as possible to dilute that fixed cost. When the plant's not running, you're running up the bills, you're running up costs and any downtime with incurring extra cost. The reliability of electricity being one of our main energy components at any of our membered companies is key.

When you mention clean, clean is nice, but we have a very clean grid to begin with. We feel that investments in industry would be a more substantial way to decarbonize rather than benefit through investments in the electricity sector. When you look at the marginal costs curve to reduce greenhouse gases and emissions in the province, to prioritize projects through industry rather than through electricity would optimize the environmental effects that we see, and it would be more fiscally responsible.

We all have our own corporate ESG and objectives. Ontario's clean electricity system certainly helps meet those objectives, but we're also doing many other things. As these multi-national companies, we're all part of our—to produce and meet our goals.

M^me^ Dawn Gallagher Murphy: That's great, thank you very much.

How much time?

The Chair (Mr. Aris Babikian): The government side has two minutes.

M^me^ Dawn Gallagher Murphy: Just one quick item: You mentioned that it's already clean. Can you elaborate on your comment there that we already have a clean grid? Can you speak further on that note?

Mr. Victor Stranges: If we look at the IESO reports over the last five years, on average, it's over 90% clean and not emitting greenhouse gases in terms of our electricity generation, our capacity mix and generation mix. We see that as a clean grid compared to our competing jurisdictions, where we're competing with others in North America, down south in the USA and areas abroad like Asia, China, Europe. We're clean compared to our competitors, and to continue to spend on a cleaner grid, we don't think is the best opportunity to put money in the province. The cost to reduce those last few megawatt-hours is going to be very expensive.

M^me^ Dawn Gallagher Murphy: That's great. Thank you very much, Mr. Stranges.

I'm going to quickly pass my time, Chair, to my colleague MPP Pinsonneault.

The Chair (Mr. Aris Babikian): MPP Pinsonneault.

Mr. Steve Pinsonneault: This one is for AMPCO as well. Your company deals with the largest power consumers in the province: How important is affordable energy to them?

Mr. Victor Stranges: As mentioned, affordability is the key concern when it comes to energy here in the province. We're competing, as we mentioned, globally. Within North America, there are huge incentives for some operations to put capital in the ground at other areas, other provinces. Ontario needs to lead with low-cost energy.

Ontarians continue to be faced with punitive carbon taxes embedded in their electricity price, but given the economy-wide push to decarbonize, many cases to electrify—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up. That concludes our session.

We will take a recess until 3 o'clock so that our next panel of witnesses are here. We're early a little bit.

Mr. John Yakabuski: We'll probably have a vote at that time too.

The Chair (Mr. Aris Babikian): I understand. When the vote recess happens, we will inform and we will make a decision accordingly.

The committee recessed from 1439 to 1459.

The Chair (Mr. Aris Babikian): The committee is reconvened.

ONTARIO HOME BUILDERS' ASSOCIATION AND BUILDING INDUSTRY AND LAND DEVELOPMENT ASSOCIATION

SENIORS FOR CLIMATE ACTION NOW

ONTARIO ENERGY ASSOCIATION

The Chair (Mr. Aris Babikian): We will start with our next panel. Thank you very much for coming. Each one of you has seven minutes to deliver your remarks. After then, we will start the question period. I will start with the Ontario Home Builders' Association. Please identify yourself and your title.

Mr. Scott Andison: Good afternoon, Mr. Chair. My name is Scott Andison and I'm the chief executive officer of the Ontario Home Builders' Association. With me, who you'll also hear from today, is Paula Tenuta, the senior vice-president of policy and advocacy with the Building Industry and Land Development Association.

The OHBA is the voice of the building land development and professional renovation industry in Ontario, representing over 4,000 member companies and organized into 28 local associations across the province, such as BILD, representing the GTA. Our collective members, both residential and commercial, are community builder partners that support the provincial objectives to reduce the cost of building new homes and employment areas across the province. They're committed to improving certainty, affordability and choice for Ontario's home purchasers and enhancing employment opportunities.

We thank you for the opportunity today to speak to Bill 214 and the Affordable Energy Act, which lays the groundwork for more integrated planning, transparency for costs and energy expansion to support businesses and more affordable housing. This proposed legislation, if passed, will aid with the ability to electrify new communities quicker, in less costly and more efficient ways.

The economy of our province and the daily lives of its 15 million residents need a reliable electricity system. The demand on the system is growing quickly. According to Ontario's Independent Electrical System Operator, the province's demand for electricity is forecast to increase by 75% by 2050. We therefore applaud the provincial government for creating a plan that has a vision and introducing this timely legislation.

Building on and providing support to the existing provincial housing plans, Bill 214 provides forward steps that will enable Ontario to turn a new corner on employment and housing supply. However, we all recognize that the solutions need to be long-term in their thinking. They will require a concerted effort between municipalities, the province, local distribution companies and our industry to collectively make it faster, less expensive, and more efficient to electrify new communities and bring more housing supply to the province.

That's why we applaud today the Minister of Energy and Electrification's announcement, made in concert with proposed legislation, to establish a housing electricity growth forum. It will bring together municipalities, local utilities, industry, construction leaders, and the Ontario Energy Board to discuss ways to accelerate electricity connections, while also reducing costs. This is the right approach, given the necessary work and implementation that will be involved to support the initiatives contained in Bill 214. We look forward to continuing to engage and participate in this process.

Today, we'll address our support for the bill and reinforce the need for these proposed changes with examples of some of the challenges our members have faced relating to electrifying new communities across the province. Our comments are very scoped and reflect items that our members have brought to our attention. They're specific to the bill's proposals related to energy planning and amendments related to the distribution system code and transmission system code.

Bill 214 allows for regulation-making authority in these areas. We'd like to take this opportunity to remind the province that our members are experts in execution and implementation. Therefore, we'd be pleased to lend our expertise as a resource to assist with the creation of regulations and to look forward to those consultations.

Now, to start on some of those components of the proposed legislation, I will give the floor to my colleague Paula. Thank you.

Ms. Paula Tenuta: Thank you, Scott.

Good afternoon, members of the committee. My name is Paula Tenuta. I am the senior vice-president of policy and advocacy for the Building Industry and Land Development Association.

Communities are expanding, residential areas are growing, and this comes with a greater demand for electricity. Tied closely to Bill 214's proposals are recommendations that we see in the Ontario Energy Board's connection report released last month. It outlines the OEB's commitments and steps related to the minister's letter of direction, and we applaud the OEB for many of their identified action items, which Bill 214 would assist to implement.

One of those items is Bill 214's proposed regulation-making authority related to the distribution system code and transmission system code, to enable more timely and cost-effective electricity connections for new homes and industry. This is a much welcome step, as our members have experienced challenges related to the delivery of energy infrastructure required to service residential, commercial and employment developments. To start, there is often little to no public information or transparency from the local distribution companies, which I'll call LDCs for ease, regarding the availability or existing capacity of the electrical system for new developments. These are projects that have been planned, sometimes are already built or have been approved for development, only to receive notification from the local distribution company that there's no electrical power for the project, or it would come at a price.

There's often very little or no transparency related to the price tag, and these inconsistencies and misinterpretations of the rules have come at a cost to the new home buyers. The implementation and interpretation of the OEB rules and regulations vary throughout the GTA and the province by the LDC. The OEB's distribution system code sets the minimum conditions that an LDC must meet in carrying out its obligations to distribute electricity. However, there is no unified interpretation by them.

Let's take an example of the first-payer issue, where one company—the first into a larger planned subdivision, the first builder in a site plan or first phase of a development project—is forced to pay for power to service the area. In one instance, the solution to service and build new overhead electoral infrastructure was estimated—

The Chair (Mr. Aris Babikian): One minute.

Ms. Paula Tenuta: One minute? Thank you very much. I'll do as much as I can, and then I'll get to it hopefully in some of the remarks—to pay 80 million to service the first subdivision phase. Reportedly there's no detailed breakdown or full justification from the LDC of how this figure was calculated. I'll move on to say that this is a cost that is going to be built by the homebuyer.

Lastly, I want to make one remark towards energy planning that we can get to hopefully in the question-and-answer period. We are very pleased to see that the province reinforced the need for the electrical energy board to continue to work with stakeholders to improve the regional planning process. We are pleased that they created an integrated planning framework, and this will give us an opportunity to work with the LDCs, the OEB, municipalities, and everyone involved so that we can collectively plan for energy in the future and plan for these communities that will continue to grow in a balanced, transparent way for the future and all of the consumers of Ontario. Thank you, committee, and hopefully we'll get to some of our remarks that I didn't get to later.

The Chair (Mr. Aris Babikian): Thank you.

Now I call upon the Seniors for Climate Action Now representative to deliver his remarks and please identify yourself and your title.

Mr. David Robertson: Thank you to the Chair and to members of the committee for this opportunity. My name is David Robertson, and I'm here on behalf of Seniors for Climate Action Now.

SCAN is a young, fast-growing organization of seniors who are calling on the government to take decisive action to reduce greenhouse gas emissions and address the climate emergency. Most of our members are retired from the workforce. We use our skills, our experience, our resources in an effort to protect future generations from the consequences of severe weather and the risk of ecological collapse.

While SCAN will address some of the specific issues, we are equally concerned with both the context and the policy framework of the bill, because behind the various clauses is an urgent story of climate breakdown, missed emission targets and a far-reaching energy transition.

Here are three points as background: First, we are in a period of climate breakdown, and an act that purports to shape energy planning needs to address the role of energy either as an accelerant of climate chaos or a way to limit the worst of it. Bill 214 is an accelerant.

Second, energy planning and climate targets are linked. The latest annual report on Canada's greenhouse gas emissions shows that Ontario is the province with the highest year-over-year greenhouse gas emissions. Bill 214 is silent on climate targets.

Third, there is a global energy transition under way. The International Energy Agency notes that, and I'll quote, "renewable power generation capacity is set to rise from 4,250 GW today to nearly 10,000 GW in 2030," short of the tripling target that was set at COP28 but more than enough to cover the growth in global electricity demand with renewable power generation.

Bill 214 sets a direction at odds with these developments. On October 22, the government released its vision for Ontario's affordable energy future. It commits to the largest and the most expensive expansion of nuclear power in Canada's history. It provides natural gas companies a long and profitable lifeline. It sets Ontario households up to be overcharged on energy bills and shortchanges them on renewable energy. And it continues to ignore the climate crisis.

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On October 23, the government followed with the bill misnamed Affordable Energy Act. On October 24, Stephen Lecce, Minister of Energy and Electrification, presented a speech to the Empire Club outlining Ontario's quest to become an energy superpower by spending untold billions to build nuclear reactors in a slim chance hope that we can sell electricity abroad and sell those reactors abroad.

Bill 214 is confusing, even contradictory. The bill talks about "cost-effective procurement of electricity resources" but then it goes on to "prioritize nuclear generation." Nuclear

is the opposite of cost-effective. The bill talks about "using electricity to reduce overall emissions in Ontario" but commits to fossil gas generation that will actually increase emissions.

The bill is called the Affordable Energy Act, but when it comes to providing affordable energy, the act doesn't compel the minister to act. The draft bill states that an integrated energy plan "may include goals and objectives" relating to "the affordability of energy for consumers." That "may" should be a "shall."

The bill talks about public consultation in a similarly ambiguous manner. Section 3 of the act is drafted under the heading "Consultation required." It states: "The minister shall, before issuing an integrated energy resource plan under subsection (1), consult with...." And then after naming a long list of groups, it says it is restricted to the consultation of those groups that the minister considers appropriate—that the minister considers appropriate. Consultation is required, but only with those the minister decides. And while consultation is required, it doesn't happen very often.

By attempting to embody the government's vision, the bill distorts what should be an evidence-based approach to energy planning. It distorts the process in two significant ways: first, by setting as a goal the fanciful aspiration of becoming an energy superpower, and second, by choosing the least cost-effective energy sources as a starting point.

Our members have faced decades of unnecessarily high energy costs. We have paid too much in electricity rates. We have paid too much for the fossil fuels to heat and cool our homes. We have seen a large and increasing portion of our tax contributions used to subsidize electricity rates that have escalated because of bad energy choices made in the past. We remember how Ontario families have been burdened with the legacy costs of past bad energy decisions.

The Chair (Mr. Aris Babikian): One minute.

Mr. David Robertson: We have seen our incomes fuel exorbitant fossil company profits. And now, after a summer of costly and damaging floods, we see our insurance rates increase dramatically.

What we are trying to do, and what Bill 214 should help to do, is to safeguard future generations from decades of escalating energy costs and the risks and shocks of severe weather. It could be otherwise.

Bill 214 could have different starting points: Avoid overbuilding costly megaprojects; focus more on conservation and efficiency; give priority to renewable sources that are safe, clean and quick to get online. Identify the most cost-effective options; support communities and households with the upfront cost of energy switching.

The government has an energy vision, but there's a fine line between vision and hallucination. The world is in a clean energy transition—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

Now we'll move to the Ontario Energy Association. Please state your name and your title. You have seven minutes.

Mr. Nameer Rahman: Ladies and gentlemen, my name is Nameer Rahman. I am the director of policy with the Ontario Energy Association. I would like to thank the members for allowing me to speak here on Bill 214.

The Ontario Energy Association is a representative industry association that represents a broad sector of the energy landscape, including transmission, distribution, gas, energy storage as well as energy services.

I'm here to speak largely in favour of Bill 214, the Affordable Energy Act, because we do believe that this is a step forward for the province. Overall, we're extremely supportive of the government's plan to enable the energy transition faster, because that's what is really at the heart of this bill. Ontario is at a crossroads in the energy sector, and it needs bold action to push us into the future, and the minister's integrated energy resource plan will kick-start what will hopefully be a multi-decade journey into that transition. Bill 214 helps lay the platform for this work to happen.

We are, in particular, supportive of elements within schedule 1, particularly the references for the need for an IERP, or the integrated energy resource plan, and for it to happen on a five-year cycle. The cyclical planning, based on technical outputs like the IESO's annual planning outlook, gives the industry stability and predictability from a policy and planning standpoint, which is required for an orderly transition. This was a core point that we've advocated for for the last few years, and we're very, very happy to see this come to fruition.

Further to that, this government's commitment to ensuring energy efficiency and demand-side management represents the strongest support we have seen in the sector in decades. The 12-year funding commitment that was recently announced is significantly better than the three-to-five-year tranches that we had seen in previous years, and it allows the utilities the opportunity to step back into the energy efficiency space knowing that there will be a long-term funding commitment.

I'd just like to say, the cheapest kilowatt hour procured is the one you do not consume, and energy efficiency helps us not consume and be more prudent in our energy profiles.

We support schedule 3 and the need to include EV charging within our thinking. It is currently a significant gap in the electricity-policy-setting framework. EV uptake, combined with heat pumps, represents the most significant change to the residential load profiles. It's massive. Referencing EVs within the OEB Act will allow us to better integrate EVs, charging capabilities, as well as ancillary services such as vehicle-to-grid discharge within the energy policy and planning framework.

Fundamentally, I'd just like to say that when the Electricity Act was written, when the OEB Act was written, we had a very unidirectional grid. We've got these technologies now that have changed the fundamental construct of that grid, and the legislation really needs to keep up, and it does; this allows us to look at it more holistically.

This government has prioritized the building and the connecting of housing unlike any government before. The OEA has worked collaboratively with the government and the OEB and other stakeholders to find solutions to enabling faster and more cost-effective ways to connect new housing

and reduce the burden on first-mover developers. This includes a suggestion that both municipal and LDC planning frameworks be brought together within common forums for discussion. We're very glad to have seen this being taken up by the OEB and produced and presented to the minister and being adopted by the minister. The policy proposals in general will help ease the cost and the burden that's imposed on first-mover greenfield developers.

We would like to focus a little bit of attention to schedule 2. Schedule 2 gives the government broad powers to implement regulations into the transmission system code, the distribution system code as well as the authority to exempt peoples and things from cost recovery and cost allocation rules. This schedule is necessary for certain transmission-related infrastructure projects where the cost allocation framework just doesn't work. It will allow critical infrastructure to be developed that can serve both load growth, like housing projects, as well as commercial and industrial load, and we are fully supportive of the transmission system application.

We do have, however, some constructive suggestions on how schedule 2 could meet the government's objectives without unintended consequences. These could be, for example:

—ensuring that the cost allocation in the bill is between the connecting party and ratepayers, which is consistent with good regulatory policy;

—that utilities are held whole for total cost recovery, including the OEB's fair return standards;

—that we allow the OEB to deal with consequential elements arising from LGIC regulations without undermining the policy intent of the regulations—ideally, my preference is that LGIC regulation not live in operational policy, but if this is the way it must be, but that's my preference; and also

—giving stakeholders the mandatory opportunity to comment on LGIC proposals arising from schedule 2.

None of these things will interfere with the government's much-needed plan to begin the energy transition via the IERP. The overall plans and goals are important and we continue to support them.

1520

I would like to conclude by saying that the OEA vigorously supports the government's overall plan to bring proactive planning back to the energy sector, prioritizing the energy transition and bringing legislative consideration for grid-edge technologies such as EVs. The tremendous potential of the grid can only be enabled by bold action and we're at the beginning of that journey. Thank you very much.

The Chair (Mr. Aris Babikian): Thank you.

We move to question period. We will start with the official opposition. MPP Tabuns, the floor is yours.

Mr. Peter Tabuns: Chair, thanks very much and my thanks to all the presenters today. I appreciate the information you've brought. I'm going to start with Mr. Robertson from SCAN.

In your document, you talk about the fact that there's no doubt that there will be an increase in demand for electricity, but you have concerns about the accuracy of projections for the scope of that increase. Do you want to enlarge on that?

Mr. David Robertson: Thank you for the question. We haven't been very good at forecasting energy demand. In fact, we have a long history of missing the projections, time and time again. We are at a time now where we are going to increase electricity demand—that's clear. The shift in the economy more towards electricity, the shift from cars, from internal combustion engines to EV—we know the shifts that are happening. There will be an increase in electricity demand, but the question is, is it going to be what it's projected to be: 75% by 2050? Four cities the size of Toronto? I don't think that there is much base for some of that forecasting, and I think that an act that is drafted to embody a government's vision to export electricity because it wants to be an energy superpower distorts the forecasting process.

I think it needs to be evidence-based. It needs to be done in rooms where there are experts that can talk and that can understand. It shouldn't be just some random modelling, and it shouldn't be, "Ontario wants to be an energy superpower. We'll need to export electricity. We'll need to produce more electricity in order to export it." Really, our focus should be about energy-import replacement, not trying to get into the market of exporting electricity.

Mr. Peter Tabuns: Can you talk to the consequences of overbuilding the generation infrastructure?

Mr. David Robertson: It's very hard. We know that we're on the most expansive and expensive nuclear energy agenda in Canada's history. I find the numbers absolutely boggling, and I think we all should, but one of the problems is we don't even have the accurate numbers, so we're forced to do this on the back of the envelope. We know that every refurbishment is around $13 billion. We have three major refurbishments—$40 billion is there. The government just announced $3 billion to the Atomic Energy Control Board of Canada—another $3 billion. We've announced a major expansion at Bruce probably, and then we've got four less-big nuclear reactors—I won't call them small modular reactors because they're not small at all; they're just less big. We have four massive reactors being built at Bruce, four smaller ones at Darlington—that's $60 billion. We're up over $100 billion already. If we add in the $26 billion for the deep geological burying of the nuclear waste—the three million spent rods we've got—we're at $126 billion and counting.

How are we going to pay for that? How are energy consumers in the future going to be able to afford those rates? All around the world the projections now—the International Energy Agency suggested that nuclear won't get beyond 10% of the world's energy supply. Why are we giving it 60%? Why are we giving it a priority in Ontario that is very expensive? Those—

Interruption.

The Chair (Mr. Aris Babikian): My apologies. We have to interrupt this session because we have a vote bell. We will resume probably in—

Interjections.

The Chair (Mr. Aris Babikian): A 10-minute bell? So we will come back in around 20 minutes. Okay? Thank you.

The committee recessed from 1525 to 1544.

The Chair (Mr. Aris Babikian): Okay. The committee is back. We will continue where we stopped. It was the official opposition time, and we have three minutes and 40 seconds, I believe, if my memory serves me right.

Mr. Peter Tabuns: It was 3:42, but I'll take it.

The Chair (Mr. Aris Babikian): Okay. That's fine. We will give you two seconds extra.

Mr. Peter Tabuns: To the Ontario Energy Association: Mr. Rahman, you started off by saying the cheapest kilowatt hour is the one you don't have to produce.

Mr. Nameer Rahman: Yes.

Mr. Peter Tabuns: This bill has removed that cheapest kilowatt hour option as our first priority. I don't know if you're familiar with that.

Mr. Nameer Rahman: I'm not certain I interpret the bill the same way as you do. Schedule 1 definitely talks about introducing energy efficiency and EDSM, and that's where we talk about conservation and demand management programs. That's the rubric under which we operate. Behind that is a series of announcements that have been made over the last, I would say, month or so in that space, including commentary for a 12-year commitment to CDM, so that they're not spending, and a reframing of CDM as electricity distribution system management.

So I don't view the bill the same way, and we know that we've worked very hard and very collaboratively with the IESO to develop what we call "stream 1" programs—that's the provincial CDM programs—as well as stream 2, to get the LDCs back into the space and work on this. So there's a lot of activity going on there.

Mr. Peter Tabuns: Okay. One of the concerns I have is that the goals and objectives of the plan include affordability, availability and reliability of supply, but as the minister himself said today, the way things are set up, he has discretion as to respecting those goals. In the act as written, the integrated energy resource plan "may" include goals and objectives respecting affordability, availability and reliability of the supply.

Would the OEA agree that, in fact, the minister should be compelled to consider those in developing a plan?

Mr. Nameer Rahman: I think the minister in any ministry is always looking at that, regardless of what's in the legislation. As to whether they should be compelled to look at that, I'm not going to comment on that.

That being said, if you are in this space, you are automatically looking at it from an affordability, reliability and efficiency standpoint, because you have to balance what I would call competing policy objectives oftentimes, and I can break that down just a little bit for you. Reliability is going to be a thing as climate mitigation action is required. We've got a reliability initiative, especially for—if you think about severe storm or severe weather outages, system hardening costs money.

The Chair (Mr. Aris Babikian): One minute.

Mr. Nameer Rahman: The impact on that is going to be against the affordability measure, but that doesn't mean affordability is dropped away as I thought. I mean, it's always going to be first and foremost. It's always going to be a consideration as a part of the decision-making framework.

Mr. Peter Tabuns: Okay. Thank you.

Less than a minute?

The Chair (Mr. Aris Babikian): Yes.

Mr. Peter Tabuns: I'll pass and I'll come around when I get my next turn.

The Chair (Mr. Aris Babikian): Okay.

Now we move to the government side. MPP Pinsonneault.

Mr. Steve Pinsonneault: Thank you, Mr. Chair. Through you, to the Ontario Home Builders' Association: Heating homes in the north is different than heating homes down here, as a harsher and colder winter impacts communities differently. Explain to me how important you find the integrated energy plan that focuses on all energy, as opposed to just renewables or just natural gas.

Ms. Paula Tenuta: If I may take that answer—

The Chair (Mr. Aris Babikian): Identify yourself, please.

Ms. Paula Tenuta: I am Paula Tenuta. I'm the SVP of policy and advocacy for the Building Industry and Land Development Association, in conjunction with the Ontario Home Builders' Association.

I firmly believe—and I think it was a profound, great step to create this integrated plan, because what it does is it brings balance, to answer your question, of all these different sources of energy that we will need to build the 1.5 million homes, to provide the growth that the entire province needs, both rural areas and urban areas for this province and for the new consumer.

It goes above that though. I think this is what needs to be highlighted, is that whether it's rural or more urban, we do have a need for what I'm going to call master planning, where we can bring everyone together who is going to be needed to be a part of that planning conservation, to plan for these communities, no matter where they are across the province. That involves the Ontario Energy Board; the province, both MMAH and the Ministry of Energy and Electrification; all of our friends here at the table; municipalities, which is key; as well as our association and our industry, because, collectively, we all have a hand in building this community.

I feel as though the province and the minister have done a fantastic job in listening to the fact that municipalities and the local distribution companies really do need to come together as stakeholders. They need to be considered stakeholders, the distribution companies, so that they are a part of that planning for all communities across the GTA, and this master plan, I'm going to call it, or this electrification plan that brings everyone together will do exactly just that. It's a great first step for the conversation that we need collectively to move forward, and I will concur that probably my colleagues here across the table would agree.

Thank you for the question.

1550

Mr. Steve Pinsonneault: Yes, thank you for that.

The Chair (Mr. Aris Babikian): MPP Jordan.

Mr. John Jordan: I just have a follow-up to my colleague's question. When we're looking at, again, the home builders' association—new builds in northern Ontario and in my riding, even eastern Ontario, a lot of rural construction. Is there anything in the multi-source approach to the bill,

but also the conservation approach within the bill—can you foresee future savings in construction as a result of this new bill?

Mr. Scott Andison: Thank you for the question. When it comes to having choice, both at the consumer level as well as the builder level, they're able to match what the market demands are, able to match what the current situation is, just in terms of the timing. To us, it's really about having that choice and being able to match the sources of heating and electricity and all that goes into homebuilding to match the market needs. It needs to match the economy at the time, and it needs to match what consumers are looking for. So as someone who grew up in northern Ontario and experienced all kinds of cold as well as heat in the summer, we had various different ways to be able to heat and cool homes. As builders, it is about that choice.

Mr. John Jordan: Thank you.

The Chair (Mr. Aris Babikian): MPP Gallagher Murphy.

M^me^ Dawn Gallagher Murphy: Chair, through you, I would like to thank the witnesses who came forward this afternoon. Thank you very much for your time.

My question will be posed to the Ontario Energy Association. I don't know if you were here earlier, but one of the things we were talking about is that last week, our government made an announcement with regards to 1,300 new EV charging ports to be installed in small- and medium-sized communities. This is obviously going to give us greater access outside of our large, urban areas. By doing this, and if this bill is passed, we will enable building EV charging infrastructure much easier, as it would cut red tape.

My question to you is, what has the OEA heard about electrification when it comes to EV, and how will cutting the EV infrastructure red tape help with this?

Mr. Nameer Rahman: Excellent question. EV is a complex issue for our members and that's partially because if you've got a house that takes 10 units of energy, that's 10 kilowatts. An EV comes in and the battery is 70 kilowatts, you've got in one battery 700 times a house's usage. So rolling in EV, thinking on the OEB Act and looking at it from an infrastructure perspective allows us not only to have charging opportunities, which reduces the friction for commuters, it allows us to do the uptake on EVs.

But also, what people sometimes forget is that the cost benefit when you take a look at electrification of transportation, a lot of the savings really come from the fuel-switching component. You're not paying for gas and you don't have an engine to check as much, it's just a battery, and that's where you have that value proposition.

So for us, the EV uptake element is absolutely critical as a part of the electrification journey. We are supportive of it, and we have a lot more work to do in terms of integrating EVs within our distribution and service territories to ensure that that transition happens smoothly. Good things, all in all, and very supportive.

M^me^ Dawn Gallagher Murphy: Thank you.

The Chair (Mr. Aris Babikian): MPP Cuzzetto.

Mr. Rudy Cuzzetto: I want to thank everyone for being here. As you know, we've been able to attract $45 billion of automotive investment here in Ontario.

The Chair (Mr. Aris Babikian): One minute.

Mr. Rudy Cuzzetto: We've been able to get VW, Honda, Stellantis. I used to work for Ford Motor Company in Oakville. How does this bill help us meet our demands of clean, affordable and reliable energy?

Mr. Nameer Rahman: The nature of the grid is going to fundamentally change, and if you were talking about a single-direction grid like we've had for the last hundred years, we wouldn't need to do all of these things. But now, all of what we call "grid edge technology" is happening behind the meter. It's DERs, it's Tesla Powerwalls, it's vehicles with these big batteries and big capacities, and these also represent an opportunity for us not only to democratize energy from a consumer standpoint but have them participate in the grid. This means that you've got clean energy that you can feed back. There may be economic opportunities through stacked-value programs and, at the same time, by engaging in this, you've created the opportunity to sustain that economic development, the influx of dollars—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

We will move to the second round of questioning. We will start with MPP Tabuns from the official opposition.

Mr. Peter Tabuns: I want to go to the Ontario Home Builders' Association. Listening to your comments, do I understand this correctly that, in fact, financially, it's far more advantageous to hook up gas to a new development than it is to hook up electricity? Or did I misunderstand your comments?

Mr. Scott Andison: The point that we're making in this is that it is about making the choice in terms of what makes sense at that time. So when you think about what consumers are looking for and you're going to require electricity into the home, some homeowners and homebuyers might be quite content with having electrical cooking appliances. Some of them may want natural gas appliances. It is about that choice. When you sit down with a home builder and you're working out the deal of what you are going to be purchasing in a pre-build environment, you get to make those choices. When you have that choice removed, that could make the difference in terms of some cost affordability between families starting out in purchasing the new home, whether they qualify or not for a new mortgage.

Mr. Peter Tabuns: I'll just go back, though. With this change, will there be an equivalence in the cost between the gas hook-up and the electricity hook-up? Currently, is there a disadvantage to an electrical hook-up and an advantage to a gas hook-up?

Mr. Scott Andison: I'm going to defer to Paula Tenuta on this one.

Ms. Paula Tenuta: Through you, Chair, I would say that what we need to maintain is balance, what we need to maintain is fairness, what we need the maintain is choice. What we are hearing on a repetitive basis is that, specific to electricity, the costs are going to surpass, sometimes, in excess of $20,000 per home, which currently, today, perhaps, might be a little bit more than gas. However, we need to stress that all choices are good choices for new consumers.

What we also need to recognize is that what this legislation does is, it's going to help ensure that infrastructure costs are kept low and they're not a barrier to affordability across the province. What this legislation also does is extend the horizon for which electricity can be hooked up. We're having examples of members who are ready to plan for these larger communities and, specifically when it comes to electricity, are then told by the company they either don't have the capacity or it's going to come at a price, and then sometimes the capacity, if it exists, isn't located in the proper places.

Again, it goes back to financial planning, finding a funding mechanism that is going to work for any source of energy, whether it's gas or electricity, coming together to recognize what those needs are and how to properly plan for, and finding a formula that's going to work for—at the end of the day, it's going to be the consumer that purchases these homes.

Mr. Peter Tabuns: Thank you.

Mr. Robertson from SCAN, the bill does not actually require the energy plan to be in line with the government's climate plan. I think that's problematic. You seemed to allude to that as well. Do you want to expand on that?

Mr. David Robertson: First of all, I think we have to realize that the government doesn't have a climate plan.

Mr. Peter Tabuns: Fair comment—

Mr. David Robertson: But to the degree that it had one in the past and is no longer described as just a "glossy brochure," as the government lawyers recently described it in a court case, if you take a look at Ontario's Affordable Energy Future and you type in a search instrument and you say "climate" in that document, you get two references, one of which is a reference to the business climate. How do you have an energy vision, looking out for decades, without considering the climate?

Ontario is missing its climate targets—2030 is receding. We are not going to meet our climate targets, and yet the legislation we have in front of it doesn't even consider climate targets.

1600

Mr. Peter Tabuns: Okay. I have no further questions. Thank you very much.

The Chair (Mr. Aris Babikian): We move to the government side. You have seven minutes—seven and a half minutes. Who's going to start? MPP Pinsonneault.

Mr. Steve Pinsonneault: Thank you, Mr. Chairman. Through you, through to the Ontario Home Builders' Association: The upfront costs in building homes are high. This bill addresses that point-blank. Are you supportive of, particularly, the last-mile connection charges?

Ms. Paula Tenuta: Through you, Chair, we are absolutely supportive of the last-mile connections. I'll tell you why that is important. Again, it goes back to the scenarios that I give you, where, if you look at capacity in general, we have to account for that, as it sounds, last-mile connection.

The caution I will give to you is that it will require, again, a lot of planning. This bill allows for that. It allows for that conversation to take place. It recognizes that we need to do something. So whether it's a last-mile connection or changes to the distribution code or extending the revenue horizons—all of that is important. All of that has been recognized by this government, especially when it comes to the connection to building homes and serving the communities for the future of Ontarians. So thank you for the question.

Mr. Steve Pinsonneault: Yes, thank you for that.

The Chair (Mr. Aris Babikian): MPP Dowie.

Mr. Andrew Dowie: Thank you, Chair. I want to thank everybody for being here.

The question is actually for the Ontario Energy Association. When I think of how we best fund supply, there are things we can do at home: I've changed all my bulbs to LED. I drive an electric car. You insulate, for example. You can make better use of the assets you've got.

So this bill, if passed, expands energy efficiency programs to all Ontarians and puts money back into the pockets of many Ontarians as well, and certainly, megawatts back into the grid that don't get used up because of the advent of conservation and efficiency. I'm wondering how the OEA might categorize the importance of energy efficiency programs.

Mr. Nameer Rahman: We categorize energy efficiency extremely highly. It is a policy priority of ours. As I'd alluded to earlier, we've got two working groups that we're collaborating in to develop this space. The potential for this is huge, and huge because the latent capacity that you have with the new grid-edge technology really has the opportunity to take a lot of that bulk system need that you might require from the traditional grid.

But there are also secondary applications in terms of deferring local asset costs and build-outs, because now, you're not hitting the peak load on your wire because you're figuring out how to rebalance the system and feed back into the system using local distributed assets.

So CDM and DER—that's distributed energy resources—are a priority focus for us. We do have a project going on DER, in terms of DER uptake and it will continue. We're thankful for the government for having prioritized it the way it has. This was not the case for many years.

Mr. Andrew Dowie: Thank you. Chair, I'd like to ask the same question of the Home Builders' Association, actually.

Mr. Scott Andison: Sorry, can you just repeat that question?

Mr. Andrew Dowie: Yes, just, if passed, this bill expands energy efficiency programs to all Ontarians. It puts, certainly, money back in our pockets. It gives me an opportunity to actually help save energy. It saves on my own bills at home too.

I'm wondering, how will these programs make building homes more efficient, and does the industry welcome the changes that are in this bill in terms of energy efficiency?

Mr. Scott Andison: The industry absolutely welcomes the changes that are proposed in this bill. This is all about driving down the cost of building new homes. This is about getting more people into homes and, particularly, new people into their first-time home, which right now, for many, unfortunately, is unattainable. There are a number of factors that are increasing the cost of building: We've got develop-

ment charges. We've got other types of charges going in there.

Governments seem to be, unfortunately, in the position of being the largest benefactors of when new homes are built when they take 30% in the form of government fees and taxes that, unfortunately, get passed on to homeowners. So we welcome this for many reasons, but one of them, in particular, is on affordability. When you shine the light on something and there's a lot more transparency in the process, and all the players that are involved have an opportunity to work together and figure out what the issues are, and break those down in co-operation, you end up with a much more efficient system, and most likely, a much more affordable system.

Mr. Andrew Dowie: Wonderful. Thank you so much.

Chair, I believe that's it for the government side.

The Chair (Mr. Aris Babikian): Two minutes and 42 seconds—no questions? Okay.

Thank you very much to the Ontario Home Builders' Association, Seniors for Climate Action Now and the Ontario Energy Association for your deputations. Good luck to you. That ends this session.

THE ATMOSPHERIC FUND
ASSOCIATION OF MUNICIPALITIES OF ONTARIO
NORTHWATCH

The Chair (Mr. Aris Babikian): We will start this session with the Atmospheric Fund. They are here personally to make their deputation. We have two more who will join us virtually, so we will start with the Atmospheric Fund.

Go ahead, please. You have seven minutes, and please state your name and title.

Mr. Evan Wiseman: Great, thank you so much. My name is Evan Wiseman and I'm the senior climate policy manager from the Atmospheric Fund. We are a regional environmental agency in Toronto, and we invest in low-carbon solutions that benefit the greater Toronto and Hamilton area and help scale them up for broad implementation across the province.

TAF is broadly supportive of the recommendations proposed by the government and will participate in the accompanying EROs to assist in the effective implementations of this legislation. With that being said, I'd like to highlight three specific areas that could benefit from clarification.

First, in our recommendation 1, we support the wording changes under subsection 25.30(2)(e) that states: "measures aimed at promoting electrification or using electricity to reduce overall emissions in Ontario." This is a positive step that will provide regulatory certainty for companies like Volkswagen, Meta and Google looking to meet shareholder expectations for emissions reductions and achieve net-zero targets.

To strengthen this recommendation, we propose the development of a program to support home-heating electrification in communities not currently on the natural gas network. Modelled similarly to the Natural Gas Expansion Program and funded by electricity ratepayers, this would give municipalities eager to get off electric baseboard heating, propane or oil with a new option, increasing consumer choice. This comparable program would be much less expensive per door in terms of cost than the natural gas equivalent currently is.

Beyond our first recommendation, we propose a broad action that lies outside the scope of this process, and that is that the government should set economy-wide emissions reduction targets tied to the integration energy resource plan's five-year reviews. This would enable status updates and plan adjustments while offering clear guidance and certainty to the IESO, utilities, municipalities, energy companies and companies working to meet their ESG requirements.

Finally, the IERP should prioritize the integration of distributed energy resources into its strategy for promoting all cost-effective energy efficiency measures. DERs allow municipalities and utilities to implement local solutions, deferring or eliminating grid expansion costs by generating and managing energy where it is used. I promise that was my only four-part recommendation.

But moving on to our second recommendation, we support the government's changes to the distribution code sections 70.4 and 70.5 specifically. The current system unfairly burdens "first movers," customers whose projects trigger grid expansions and therefore bear the full cost of those upgrades, even when the benefits extend to multiple users. This system is highly inefficient. It deters investment and slows the adoption of low-carbon technologies.

By allowing flexible cost-recovery mechanisms and spreading the upgrade costs among all beneficiaries, the changes foster proactive planning, enhance grid reliability and support timely grid expansion. These changes align with the principles of fairness and efficiency, and will support Ontario's energy transition.

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Which brings me to our third and final recommendation, focused on enhancing data accessibility. This is the most substantive of our recommendations, as it requires legislative direction to amend specific parts of the bill. Ontario's energy sector lacks data transparency, which limits effective planning, investment and decision-making. To address this, Bill 214 should mandate the publication and accessibility of key data. Our proposed amendments are scoped narrowly and are included in the packages in front of you. Additions are marked in bold, and the deletions are shown with a strikethrough. The amended language we recommend is as follows, under section 25.29(2):

"(i) the informed engagement of the interested persons, groups and communities in the energy sector that have been briefed on up-to-date information...."

And then the second amendment, as you can see, is very limited. We replaced "key" with "all," and we removed the discretion from the minister. Now, this is important. To ensure success in this process, we recommend:

—regular publication of high-quality standardized data to support long-term planning;

—following best practices from Alberta, California and New York state, which excel in data transparency and are models to follow; and

—adopting open-by-default data policies with security measures to protect sensitive data for process planning.

Transparent, accessible data will improve efficiency, attract investment and enhance affordability for ratepayers. If legislative changes are not pursued, regulatory guarantees should be pursued to ensure effective data-sharing. Our submission provides options for securely sharing data to address concerns, as often raised by the IESO. These recommendations were previously shared with the IESO, but we have yet to see progress on this issue.

The IERP process created by Bill 214 is a critical step in modernizing Ontario's energy system. However, its effectiveness depends on the availability of robust data to enable meaningful engagement for more organizations, companies and municipalities.

Thank you for your time, and I'm happy to answer any questions you may have.

The Chair (Mr. Aris Babikian): Thank you very much.

We move to the Association of Municipalities of Ontario. We have Karen Nesbitt personally with us, and we have her colleague Lindsay Jones joining us virtually.

Ms. Karen Nesbitt: Thank you for affording me the opportunity to meet with you today. My name is Karen Nesbitt. I'm the senior manager, policy, at AMO, joined virtually by Lindsay Jones, director of policy and government relations.

Municipalities are committed to working with the province and energy partners to deliver clean, reliable and affordable energy. AMO has previously called on the government to provide a clear plan for Ontario's energy future that delivers on this shared vision. We welcome the government's recent vision paper and Bill 214 as significant foundational steps towards launching the forthcoming integrated energy resource plan. AMO eagerly awaits this plan. We ask the government to chart a path to meet its 2050 demand projections while reducing emissions and keeping energy reliable and affordable for all Ontarians. We don't want anybody to be left behind.

Municipalities play a central role in determining what energy projects move forward locally. The decisions being made about energy today will have long-lasting impacts. Importantly, these decisions include considering whether to approve carbon-emitting or renewable energy projects. The government's bill sets out measures keeping Ontario on track to meet our 2030 emissions targets.

However, neither the bill nor the province's vision paper commit to a long-term clean energy supply, which specifically is defined by a net-zero carbon emission plan and target. This is out of alignment with the growing consensus on the importance of electrification and lowering carbon emissions. The federal government has made this commitment. The Independent Electricity System Operator's Pathways to Decarbonization report sets out recommendations towards achieving this goal.

Even the government's own Electrification and Energy Transition Panel has recommended the province commit to a clean energy economy by 2050 and aligning government policy with those of other jurisdictions. As the panel stated in its report, "Much of the world—including Ontario's major trading partners—has committed to achieving economy-wide carbon neutrality by 2050. Net-zero pledges now cover 90% of global gross domestic product (GDP). In the context of this shift ... the panel recommends that Ontario adopt a strategic approach to economic and energy policy that contributes to global climate solution."

Municipalities are increasingly hearing from residents about the urgent need for governments to take action to combat climate change and transition to clean energy. Residents are clear: Strong, immediate action is required to mitigate the devastating impacts of extreme weather incidents and other climate-related challenges. We saw the impact that flooding and forest fires had across the province this summer. From emergency services, to repairing critical infrastructure, it wreaked havoc on impacted communities and necessitated significant municipal resources to address.

Municipalities are on the front lines of these changes, bearing the brunt of climate change costs—in fact, the Financial Accountability Office of Ontario estimates it's going to add about $4 billion to maintain our assets, going forward, in the face of climate change impacts. Municipalities own and operate the majority of these assets.

We need bold climate action planning to protect our communities and ensure a sustainable future. Investing in clean energy is crucial to mitigate these costly climate impacts. To ensure effective and coordinated efforts, local decisions about new energy project investments must align under a province-wide decarbonization strategy.

We ask the province to make a commitment, backed by an integrated plan, to meet a net-zero emissions target by 2050. The bill presents an opportunity to make that commitment and ensure a decarbonization plan is embedded in our integrated energy plan expected for 2025.

AMO strongly supports the integrated approach the bill is taking to make sure that all key players in the energy system are working together. As part of this approach, it will be important to place local housing and economic growth at the centre of energy planning. It is essential that energy planning is coordinated and the planning assumptions of municipalities, transmitters, distributors and generators are all aligned to make sure the right infrastructure investments are made at the right time. This is crucial to ensuring we can power new homes and businesses.

Municipalities are actively leading on local planning for new housing and economic opportunities in our communities and are making sure that growth-enabling infrastructure is in place when and where it's needed. However, we often hear from our members that energy planning is not aligned with municipal plans in all instances. In some cases, new homes or businesses cannot be brought online because the electricity just isn't available. This can only be resolved through closer planning coordination.

We strongly support the integrated approach to energy planning put forward in the bill, which encourages strong relationships and consultation between municipalities and energy partners. We believe the best outcomes will come when energy planners engage early and often with municipalities and use local growth planning as the basis for

decisions about how new energy infrastructure investment should be made. Without this coordination of effort, we risk not being able to deliver growth-enabling infrastructure.

Finally, the bill would enable changes around how costs are allocated to connect new homes and businesses to the electricity grid. We understand that the government intends to shift the cost and risks away from "first movers," who currently bear the burden for these new connections. We support finding a fair approach to managing the cost of new connections and electricity infrastructure. In doing so, the province must also ensure that these costs and risks do not fall back on municipalities or local utilities, which are already facing challenges in funding growth-enabling infrastructure.

The Chair (Mr. Aris Babikian): One minute.

Ms. Karen Nesbitt: We ask the province to assume responsibility for backstopping new connections, ensuring that municipalities and local distribution corporations are not burdened with the risks of unrealized cost recovery on new infrastructure for last mile connections. This would prevent potential service cuts, rate hikes or property tax increases to address any shortfalls.

Overall, we're pleased to see this bill and a vision for Ontario's energy future moving forward. We support the collaborative approach the government is taking on the development of an integrated energy plan and ensuring municipalities are active participants in the energy system. We encourage you to incorporate the recommendations we made here and in our written submission.

We look forward to working with the government to ensure clean, reliable and affordable energy for our residents and businesses. Thank you very much.

The Chair (Mr. Aris Babikian): Thank you.

We'll move to our third presenter, Brennain Lloyd from Northwatch. Brennain, you're on.

Ms. Brennain Lloyd: Good afternoon. Thank you. My name is Brennain Lloyd, and I work with Northwatch. We are a regional environmental non-governmental organization in northeastern Ontario. We were founded in 1988. We have a dual mandate, both of advocating for environmental protection and supporting public participation in environmental and social decision-making.

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Over these decades, our areas of focus have been natural resource management; forestry and mining; energy and electricity, particularly the nuclear fuel chain, issues related to that and electricity planning; and waste and water quality.

We have three primary areas of concern with Bill 214: the discretionary nature of public consultation commitments, the promoting of electricity exports and the prioritizing of nuclear power.

With respect to the discretionary nature of the planning process, we see that in several sections, it outlines that those who will be engaged in the consultation are those that the minister considers appropriate. Participation will be—the minister intends to consult where the minister consider it appropriate to do so. And in a later section of one of the schedules, it additionally outlines that the documents, the data to be made available will be that which the minister considers appropriate.

I think this is very problematic. What we need is a reliable, consistent, open, accountable and evidence-based planning system. We've seen a number of changes over the last several years, and we very much welcome the bill's commitment to an integrated resource planning process, to an electricity planning process, but we're very concerned that the planning system itself will fall short because of the very discretionary nature which appears to be built into the approach.

Our second concern is promoting electricity exports. In the preamble, it recognizes Ontario's long-term energy potential and promotes the notion of exporting Ontario energy, presumably electricity, beyond our borders to support economic growth. This is problematic.

As Northwatch, we have, since the early 1990s, maintained an approach and advocated for an approach to electricity planning which is one where you have a demand-supply balance at a local, regional and district level. We should, at whatever concentric circle you choose to apply, have a demand-supply balance within that region or area. The notion of promoting the exporting of electricity runs absolutely counter to that.

There are lots of good reasons to support a demand-supply balance at a local and regional level: greater grid stability, greater efficiency, fewer line losses and so on. To begin wholesale exporting of Ontario electricity for the purpose of commercial benefit, for profit benefit, leaves all of the environmental impacts, and there's no such thing as a free lunch when it comes to electricity production or other energy production. If you're creating, generating electricity for the purpose of exporting it, you are leaving those impacts at home while the benefits are going elsewhere, and the only benefits that stay at home are those of the for-profit sector which is doing the exporting.

We're very concerned about the prioritizing of nuclear power. This occurs in a number of places in recent announcements from the government, but the prioritizing of nuclear power generation to meet future increases runs directly counter to the cost-effective procurement of electricity resources. And we've heard that from some of the other speakers today.

Despite the incredible promotional campaign we've seen from the nuclear sector and the support that the nuclear sector has received from government at both the federal and provincial level in that promotion of nuclear power, it really is yesterday's industry. It's on a decline internationally. From 1996 to 2023, it declined from a 17.5% share of electricity supply to 9.15%—so almost halved, and that trend continues in terms of share of electricity supply.

We see that recent projects—there are a few projects. One project relatively recently, the Vogtle project in the state of Georgia, was eight years over its projected coming online.

The Chair (Mr. Aris Babikian): One minute.

Ms. Brennain Lloyd: It was a $14-billion projected cost to $36.85 billion.

With the nuclear option, we have the long-lasting legacy of nuclear waste. Our region has been responding to intentions to potentially transport, process, bury and abandon all of Canada's high-level waste in a single location. Those

are long-term costs, environmentally and fiscally, and it's really unique to the nuclear power industry that they produce those kinds of long-lasting burdens.

Additional concerns:

—the absence of conservation measures;

—numerous internal conflicts;

—a disconnect with climate concerns; and

—the potential for increasing subsidies in some sections of the act.

Thank you.

The Chair (Mr. Aris Babikian): Thank you very much.

We move to the question part of the session. We will start with the official opposition. MPP Tabuns.

Mr. Peter Tabuns: Thanks again to all the presenters today. I appreciate the information you've brought.

I'll be bouncing around, but Brennain, I'd like to start with you. In your final slide, you talked about internal conflicts in the bill. Could you expand on that? That line was fairly short.

Ms. Brennain Lloyd: One conflict is this conflict between a goal of cost-effectiveness and the promotion of nuclear power. Those two don't travel together.

There are also some internal conflicts or internal uncertainties around areas of affordability with what I see as creating a potential for subsidies. I see that in the electric vehicle charging stations. It's not clear who picks up the tab, whether that's ratepayers or taxpayers. If that's the case, then that would be an unequal distribution of costs between who's using the product and who's paying for the product.

I think there's also some uncertainties around the connection charges into the electricity grid. Again, I certainly accept and support the notion that we want to have more affordable housing. I'm not sure that there's going to be a tie to affordability and the reduction of connection charges or the dispersion of connection charges. And again, I'm concerned about the internal inconsistencies and the potential for those costs to be passed on to the ratepayer or the taxpayer in either case.

Mr. Peter Tabuns: I appreciate that. I may come back to you.

Evan, Atmospheric Fund: You are making this recommendation to add "measures aimed at promoting electrification or using electricity to reduce overall emissions in Ontario." You think that we should be establishing "clear economy-wide emissions reduction targets for each five-year period."

It makes sense to me, but just on the record, can you expand on why that should be the case?

Mr. Evan Wiseman: Absolutely. This is a great opportunity to really do system planning from an economy-wide perspective. TAF does an inventory every year where we focus on transportation, buildings, agriculture, heavy industry. Emission reductions are uneven across the board because different technologies come online at different points. But basically, the thought is, if you have goals economy-wide, you can see where you're doing well with, say, industry such as steel and aluminum manufacturing; how you're doing with buildings; and then where you're coming in with electricity production specifically, which impacts emissions, really, across all the observable sectors.

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And so, by doing five-year planning, you can see how you're doing with your emissions and electricity, how that's impacting buildings, how that's impacting your transportation, how that's impacting especially heavy industry that you're seeing, like ARC reactors coming online for steel and aluminum plants. By setting these targets, you can have an even distribution and incentivize where you need more non-emitting resources in order to kind of pick up the slack. We know getting to an absolute zero-emissions electricity system would be very difficult, particularly in those last few percentages, but currently we're on the wrong track, and this would be a way to get Ontario back on the right track towards a lower-emitting grid, which would highly incentivize further investment compared to all other North American jurisdictions.

Mr. Peter Tabuns: Okay. One more for you, and then I want to go to AMO. You talk about clarity for distributed energy resources and the idea that LDCs should be given the ability to pursue them and IESO can provide funding for these initiatives. What's the advantage to distributed energy resources? Since I've looked at this before, to some extent, I want you to expand on cost savings and resilience in the face of extreme weather, if you could speak to those elements.

Mr. Evan Wiseman: Yes, absolutely. I think you see it whenever an ice storm happens or if you have a cottage or if you're in a rural area and you see—I think it was maybe two years ago you had that storm blow through northern Durham and the Kawarthas that just absolutely eviscerated Uxbridge and other municipalities nearby, and broke brand new hydro poles nearby as if they were toothpicks.

Distributed energy systems would be the equivalent of having neighbourhoods, towns, municipalities having local resources domestically, so that they're not offline for days or weeks at a time, especially when it comes to storage. We do applaud the government for their recent storage procurement because it is quite notable. That sort of investment and that sort of technology, when accompanied with things like solar and wind, can reduce the reliance on a grid in an increasingly temperamental environment.

DERs can also help provide electricity where it's needed. In Toronto, for instance, we're energy-constrained. There are only two major arteries in and out. You can build 100 new plants around Toronto; there's only so many wires that you can move the electricity in. By increasing the amount of storage and solar and wind accessible to Toronto, you can reduce the need of Toronto to be reliant on things like Pickering and other resources nearby. But also just by virtue of the fact that you're producing electrons where you then need them, you don't have to then move them. Anyone who has looked at a bill can see the cost around distribution. It does lower rates and bills specifically in the long term because you're using energy where you make it.

Mr. Peter Tabuns: Thank you.

Ms. Nesbitt, with regard to AMO, you seem to have a similar bent with regard to using this energy plan to help

drive emissions reductions. You're quite correct in saying municipalities are on the front line of dealing with the climate crisis. Can you talk about the thinking at AMO about the necessity of moving forward to reduce climate destruction?

The Chair (Mr. Aris Babikian): One minute.

Ms. Karen Nesbitt: Yes, it would be my pleasure. I think it's two levels. One is that municipalities are facing the effects on the ground today and are interested in any measures that can help increase climate resilience, improve our infrastructure, address emissions, so that we don't have that same fiscal pressure on the ground. That can improve public health by reducing emissions, can improve the economy by creating new jobs through a clean economy, can increase energy security.

I think we're also, from a municipal perspective, making decisions on long-term energy proposals that are coming to the door of municipalities for new projects, whether they be a gas plant or a windmill or battery storage, and it's incredibly helpful to have a framework to work within to ensure alignment to provincial goals and long-term plans. This is why we're calling for a target to be set—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

We move to the government side. Who wants to go first? MPP Pinsonneault.

Mr. Steve Pinsonneault: Thank you, Mr. Chair. Through you, to AMO: Unlike the previous Liberal government who imposed energy projects on unwilling communities, our government empowered municipalities with decision-making authorities when it comes to the energy projects. How is this being welcomed by municipalities across all of Ontario?

Ms. Karen Nesbitt: Through the Chair: Thank you very much. Municipalities welcome the partnership that you've vested in this level of government to make decisions at the local level about what projects make sense within the context of local communities, and more specifically, welcome the role through municipal approval around proposals that come forward. Municipalities play a critical role in the energy sector, as you know, because they are promoting and implementing local energy efficiency plans, green energy programs, as well as enabling local planning for housing and the economy and have a vested interest in ensuring the energy is there, frankly, to deliver on those growth plans and strategies. We see them as having a critical perspective in that coordinated planning, as well as an important role in decision-making on projects that get hosted within their communities.

Mr. Steve Pinsonneault: Thank you for that response. I actually sat on municipal council when the Green Energy Act came in, and I can tell you there was a lot of unrest when they started imposing the projects on the municipalities. But it's really good to hear that our policy is being welcomed across the province. Thank you.

The Chair (Mr. Aris Babikian): MPP Yakabuski.

Mr. John Yakabuski: I would like to pose a question—well, "question" may be a bit of a—questioning the question. I was a little surprised because AMO's position on non-emitting sources and zero emissions—we've been actually quite broadly praised for the progress that this bill brings when it comes to bringing non-emitting sources of electrification here into the mix in Ontario because we all, I think, have that same eventual goal. So, I'm a little bit miffed, quite frankly, with AMO's position that they don't—it sounds to me like you don't feel we're doing what we should be doing in this bill with regard to the promotion of non-emitting sources. We have the additional responsibility, as you would be aware, of making sure that at any time that we have the electricity that the province, the people, its industries, institutions etc. demand and require—to make sure that we have the power that is necessary to power Ontario at every moment.

So am I asking for clarification, maybe, on where AMO stands on our action to deal with climate change and making sure that our production is as non-emitting as possible, ensuring that we also have the power to deal with the need?

Ms. Karen Nesbitt: Through the Chair: I welcome the opportunity to provide clarification, because we fundamentally share the same goal of clean, reliable and affordable energy. I think, from an AMO perspective, a couple of things: We congratulate and applaud the province for its leadership in investing in new renewable energy generation and storage, as well as the bill's focus on energy efficiency.

We would see setting a target of net-zero emissions for 2050 as an organizing principle that helps to structure the forthcoming integrated energy plan towards a more tangible, specific goal. We would see this as not being very inventive on behalf of our sector but instead looking to leading jurisdictions, advanced jurisdictions internationally and seeing that that's where the commitments are being made and looking for that clarity in an Ontario context. Again, two reasons: to help make the right decisions in improving energy proposals at the municipal level but then also in recognition that municipalities are on the front lines of climate change and looking for leadership from other levels of government to help make climate change resiliency a priority.

Mr. John Yakabuski: Thank you.

Done.

The Chair (Mr. Aris Babikian): MPP Gallagher Murphy.

M^me^ Dawn Gallagher Murphy: Chair, and through you to Ms. Lloyd from Northwatch: Thank you very much for being here with us—actually, to all the witnesses, thank you very much.

My question: Really, when I'm looking at nuclear technology, Ms. Lloyd, Ontario is a global leader in nuclear technology and innovation, including in cutting-edge cancer-fighting medical isotopes. Through Bill 214, we are looking to secure a long-term supply of these life-saving medical isotopes from the facility and, in addition, the small-modular-reactor development, which will also help power homes, the homes that we desperately need.

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Now, how does Northwatch justify its efforts in basically dismantling—because I did hear from you in your testimony there. You said that nuclear—I forget your exact phrase. I think you said, "Nuclear is on its way out." So, my

question is, how do you justify your efforts in dismantling an industry that not only powers homes but also contributes to international energy, but most importantly in this cutting-edge medical field, especially for fighting cancer? If you could comment on that, I'd appreciate it.

Ms. Brennain Lloyd: Certainly, thanks for the question. We don't need nuclear power reactors to produce medical isotopes. Medical isotopes have, until fairly recently, been produced exclusively in accelerators or in research reactors. More recently, both Bruce Power and Ontario Power Generation have begun extracting certain medical isotopes as a by-product of their process. We're not reliant on nuclear power reactors for the production of those isotopes. So that's the first thing.

The second thing, you mentioned small modular reactors as if they are also part of the wave of the future, and I think that they are often referred to as "power point" reactors. We are not seeing small modular reactors. None have yet been brought on-line. Yes, Ontario Power Generation has committed to four so-called small modular reactors at the Darlington site. They're 300 megawatts, so they're not really small. They're not really new; they're a 10th generation of a much earlier boiling-water reactor design. But generally, as a class, small modular reactors are more expensive per energy unit and produce more nuclear waste per energy unit than even the conventional nuclear reactors. Ontario Power Generation also—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

We move to the second round of questioning. MPP Tabuns from the official opposition.

Mr. Peter Tabuns: Brennain, I'm going to come back to you. In your comments, you talked about your concern with the discretionary nature of public consultation, and since that's a concern I have as well, would you please expand on what your thinking is?

Ms. Brennain Lloyd: My read of the bill is that the minister retains all discretion as to who and how people are engaged in the consultation or the development of the plans. I also didn't see, in the bill, any setting out of what the steps for the planning process would be. I think there needs to be public engagement and engagement of civil society organizations, municipalities, First Nations, in the early stages, and then there needs to be consistent opportunities for participation throughout the planning process. It needs to be evidence-based.

In a later part of the bill, it indicates that data upon which the plan is built will also be at the minister's discretion in terms of which information and what data is made available, and I think that's really problematic. I think that we need to have a planning system that is regularized, that we know that the plan is on a three-year term or a five-year term and these are the steps in that planning process. It needs to be a system that allows the participants, the intervenors, to test the evidence.

For many years now, nuclear projects have been exempt from the provincial Environmental Assessment Act, and that's problematic. Many years ago, we had Ontario Hydro's 25-year demand-supply plan, which was subject to the Environmental Assessment Act, and in the course of testing that plan it was found to be unreliable, and Ontario Hydro actually withdrew the plan, rather than argue it through.

So I'm not suggesting that every plan has to go through a full environmental assessment, but I think major projects need to be the subject of environmental assessments—including nuclear projects—and we do need to have a regularized, fully participatory, evidence-based planning system.

Mr. Peter Tabuns: Thank you very much.

I want to say to the three presenters, you've been very thorough, I appreciate it.

I don't have further questions, Chair. I'll turn it back to you.

The Chair (Mr. Aris Babikian): We'll move to the final questioning session. We will start with the government side. MPP Yakabuski.

Mr. John Yakabuski: Thank you to all the presenters today.

Going back to your submissions—and I think we've got universal support on the last-mile proposal that's in the bill. Maybe you could expand—and I think we did talk about gas as well. You know that we did reverse a decision that the Ontario Energy Board would have brought, taking away the principle, basically, of—similar to a last-mile issue with gas connections, which would have made the front line responsible for those costs, which would have been prohibitive, of course.

The last-mile portion of this bill—we're very happy with the response on it. Maybe you could expand a little more on what that's going to mean, to help us solve another problem in Ontario, which is housing, by being able to take those costs and spread them over the broad spectrum of a development, subdivision, whatever the case may be, and how that might help us solve two problems here in Ontario. If I could get a response from both of you on that—we'll start with you, sir.

Mr. Evan Wiseman: I think fixing the first-mover priority helps to provide some more stability around how our electricity system is going to be planned going forward, particularly around investments. For instance, near where I live in Scarborough, there's a Canada Post facility and an Amazon facility right beside each other. If one is going to upgrade to electrify its fleet and the other one knows that, one might delay its investment in order to have to pay less later. So removing that increases the ability and the reliability of the rates on that.

I think the point around last-mile and what you're seeing from municipalities in how they're planning their communities, prioritizing electrification over gas—I think it was interesting to hear, around consumer choice earlier. But I think the point here is that for municipalities, in order to lower things like DC charges, infrastructure costs, you are talking about having to shift over how we plan our future homes—so subdivision planning with smart technology to enable demand response. For instance, if the 1.5 million new homes were just mandated to have smart thermostats, they could participate in IESO programs on the demand side management and save, potentially, billions of dollars of investment, just through simply lowering demand.

On that last mile, though, if you're just going to pick an all-of-the-above approach—we know siting for natural gas takes two years. That adds plans and costs to new developments. Electricity does not take that long—as well as thermal networks.

So enabling subdivisions and the planners to move over to other thermal networks, like you see in Denmark, or even here in Toronto, such as The Well, is a good example, or other sorts of thermal planning that include things like heat pumps—that will help to avert infrastructure costs down the line, which will reduce costs on DCs and lower home prices. But, really, you can't expect to have four of these networks operating all together and there to be cost savings. At a certain point, you do have to make some decisions.

Ms. Karen Nesbitt: I would definitely echo some of TAF's comments around how this last-mile connection change, increasing the timeline for who's responsible for paying into those connections, makes a ton of sense. It helps address a critical barrier that we've seen preventing growth, in some instances. So I would like to congratulate and recognize the province for addressing that issue and blocker.

I think it's important to note, as you referenced, that this is critical infrastructure—this is our roadways and our water and waste water systems. This is what's needed to be able to build in Ontario. Thinking strategically about removing the barriers to that building and proceeding in a way that's more coordinated is exactly what Ontario needs.

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Mr. John Yakabuski: Thank you very much.

No more questions from the government side.

The Chair (Mr. Aris Babikian): Anyone else from the government side? No?

That concludes this session. Thank you very much to all our witnesses and for coming and sharing your ideas and suggestions with us. Have a nice day.

ENERGY STORAGE CANADA
SOCIETY OF UNITED PROFESSIONALS
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The Chair (Mr. Aris Babikian): Now we have our next session. We will start with Justin Rangooni from Energy Storage Canada.

Mr. Rangooni, are you online?

Mr. Justin Rangooni: Yes, I am. Can you hear me okay?

The Chair (Mr. Aris Babikian): Yes, we can hear you.

Go ahead. You have seven minutes. Please identify your name and title.

Mr. Justin Rangooni: Thank you for the opportunity to participate in this committee hearing on Bill 214. I am Justin Rangooni, the executive director of Energy Storage Canada.

Energy Storage Canada is the national trade association for the sector. We advocate for all energy storage technologies, be it batteries, compressed air, pump and thermal storage, amongst others. We advocate for all durations, short and long, across the entire energy system, from behind-the-meter residential systems to distributed energy resources to utility scale energy storage projects.

Our members represent the entire value chain, including developers, technology providers, utilities and everything in between. The growth of our association is matched with the growth of the energy storage sector, not just in Canada, but globally. [*Inaudible*] and that is something we should all be proud of. Through the IESO and at the direction of this government, recent procurements will ensure that at least three gigawatts of energy storage projects will be installed in Ontario by the end of the decade, supporting the reliability of our grid and electricity affordability for consumers.

In fact, nine of 10 of the projects feature over 50% First Nation equity, and we also saw a price decrease of about 30% between the first and second procurement for storage resources, both of which are fantastic stories. This builds on more than a thousand megawatts of behind-the-meter storage projects that are providing value and reliability to our large commercial industry customers.

We're happy to speak in support of Bill 214, specifically the aspects that we believe will enable further energy storage to help optimize our clean energy assets, including distributed energy resources. Our comments will focus on sections 25.29 and 25.30 of the act, which allows for an integrated energy resource plan.

In October, the minister released a vision paper, Ontario's Affordable Energy Future, which outlines the framework for an integrated plan to meet Ontario's growing domestic needs. Moreover, the paper signals the province's intention to press its advantage to exceed its domestic needs and export it to neighbouring jurisdictions to support their decarbonization efforts.

We applaud the government's intention to do this by fully leveraging Ontario's current clean energy advantage. It's an ambitious target and will require energy storage solutions, short and long. A range of energy storage technologies available worldwide is proliferating rapidly. Energy storage solutions will help alleviate peak costs and balance fluctuating energy system demands and optimize current clean generation. The diversity of the technologies available and the even greater range of services they can provide is one of the greatest opportunities our industry presents to the grid, and we're going to need them all.

Current projections by the IESO anticipate electricity demand will increase by as much as 75% by 2050. This forecasted energy need already presents a substantial undertaking for the industry, requiring infrastructure development at a scale not seen in the province for a generation. To that end, Ontario's recent vision paper presents a bold outlook supported by world-leading procurements in energy storage, but to realize that promise and potential, especially in the face of growing demand, the plan for energy storage must expand to optimize its assets to the fullest to enable export opportunities while maintaining reliable and affordable energy domestically.

Energy storage solutions can optimize the province's grid so no electrons go to waste, storing any excess or optimizing ongoing generation to ensure energy is available when it's needed domestically or for export. Energy storage is a critical component of Ontario's future grid and an important tool for the province and the IESO to leverage to achieve their objectives.

Members of the committee may not know this, but Ontario is on target to be only the third jurisdiction in the world to procure long-duration energy storage. The IESO has signalled the energy needs are changing and the type of researchers they need are changing too. They are signalling that as our system transitions to new sources of power, it may need longer duration of storage. This is another exciting opportunity.

Storage technologies can help Ontario and the government's vision in different ways. Distributed energy resources can help customers manage their impact on the system and alleviate constraints at the distribution level that will help last-mile connections and connect more communities faster through new utility-scale projects being built today that will help manage future reliability and make our existing fleet more efficient. And soon, through long-duration storage that will meet our future system needs as the grid evolves, how and when we need to store will change, including making our exports more efficient.

In conclusion, storage assets are affordable and can work with many different and all types of generation, helping them all to be more efficient and effective, maintaining reliability, driving down costs for customers and supporting our energy transition. You could say energy storage is like bacon; it goes with everything.

Energy Storage Canada is excited to continue working with the province and system operator to realize Ontario's affordable energy future as a province to not only able to meet its domestic needs but to support the growing demand for clean energy in neighbouring jurisdictions as well.

The Chair (Mr. Aris Babikian): We move now to the Society of United Professionals. The floor is yours. They are joining us virtually. Can you identify yourself and your title? You have seven minutes.

Ms. Laurie Reid: Certainly. Members of the committee and to the Chair, thank you for the opportunity to present today. My name is Laurie Reid, and I serve as secretary-treasurer of the Society of United Professionals. In previous jobs, I worked for Ontario Hydro, as it was then known; Enbridge Gas distribution; the Canadian Gas Association; and as a senior adviser at the Ontario Energy Board for more than 20 years.

I'm joined by society research staff officer Nathan Jackson.

The Society of United Professionals is a union representing more than 10,000 engineers, scientists, supervisors and other professionals in Canada's energy and legal sectors. Our members work in every aspect of the electricity industry. They are involved in generation, transmission and distribution of electricity; management of the electricity system; regulation and enforcement of standards; and management of the electricity market.

We are in the midst of a climate emergency that demands dramatic and urgent action. The government, in the society's view, should focus on achieving net-zero greenhouse gas emissions through a fair and just transition for all communities and workers. The Ontario government can achieve this, in part, by supporting a shift towards the electrification of our economy, powered by greenhouse-gas-emission-free nuclear hydro and renewable energy.

The society applauds the government's prudent decision to refurbish the Pickering Nuclear Generating Station, in addition to recent announcements to construct a new, full-sized nuclear generating station at the Bruce nuclear site and the installation of three additional small modular reactors at the Darlington nuclear site.

But we shouldn't stop there. We must continue to significantly expand the province's publicly owned and operated nuclear fleet through the investment in additional new, full-sized Candu reactors at OPG. And I said "Candu reactors" for a reason. We strongly urge the government to prioritize Candu technology, since Canada's Candu nuclear supply chain currently supports over 89,000 good, mostly unionized jobs, while ensuring Canada's energy independence.

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The society views Bill 214 as a crucial first step in creating an electricity system that can power our net-zero energy transition. The legislation's clear prioritization of nuclear power generation ensures Ontario's electricity system will remain one of the cleanest in the world even as demand for electricity increases significantly.

However, the society cannot support the bill as written. We have significant concerns with amendments made to the Electricity Act in schedule 1 of Bill 214. Of particular concern is the repeal of sections 25.29 to 25.31 and the text proposed as substitution, which removes the role of the IESO in energy planning. The society represents nearly 700 members of the IESO. These people are experts in their field and are the most qualified voices to discuss long-term energy planning in the province. The society is proud of the work our members do and cannot support any legislation that removes IESO consultation from the province's energy planning process. The society is deeply concerned that Bill 214 signifies a shift from energy planning by technical experts to energy planning by lobbyists. The society urges the committee to amend the proposed legislation to reintroduce the language from 25.29(3) of the Electricity Act that is repealed in the proposed Bill 214.

The society is also deeply troubled by what appears to be a removal of limiting greenhouse gas emissions as one of the stated objectives of the energy plan, as described in section 25.29. The existing language of the Electricity Act that would be repealed under Bill 214 specifically lists greenhouse gas emissions as a consideration in electricity planning. The proposed substitute language in Bill 214 makes no reference to limiting greenhouse gases, air emissions or carbon emissions as one of the goals or objectives which may be included in the energy plan. The society urges the committee to amend the proposed legislation to reintroduce the repealed language identifying carbon emission

levels as an included goal and objective of long-term energy planning.

Finally, I want to address privatization. Ontario's local distribution companies face significant infrastructure challenges preparing for the shift towards electrification. The society believes the provincial government should be supporting LDCs through capital investment and infrastructure upgrades to prepare them for electrification. However, the section in the fall economic statement instead raises concern that the government solution to LDC infrastructure needs is to encourage privatization of LDC assets. The society strongly opposes the privatization of our existing electricity assets and encourages the government to support our LDCs by investing in the capital upgrades needed to facilitate the electrification of our economy.

In summary, as the union representing professionals across the province's electricity sector, the society supports the general intentions of Bill 214 to prioritize investment in nuclear energy to power the electrification of Ontario's economy. However, the society is unable to support the legislation as drafted as it reduces the planning role of society members of the IESO or the technical experts on our electricity system. Furthermore, the proposed legislation removes existing references to greenhouse gas emissions in our long-term energy planning, which we believe is a crucial consideration with respect to mitigating climate change.

Thank you for the opportunity to share our concerns with Bill 214 with this committee, and we look forward to any further discussions on the proposed legislation.

The Chair (Mr. Aris Babikian): Thank you very much.

Our final deputant is the International Brotherhood of Boilermakers. Please identify yourself and your title. You have seven minutes.

Mr. Jonathan White: My name is Jonathan White. I serve the International Brotherhood of Boilermakers as the director of Canadian sector operations in Canada. I thank you for the opportunity to come and present before the committee today.

The International Brotherhood of Boilermakers has been making and maintaining Canada's industrial facilities since the 1890s. Our trade is a major builder in shipyards, petrochemical plants, pulp and paper mills, steel mills, fabrication shops, cement plants, and certainly within Ontario's energy sector. We fabricate, we install, we maintain and we inspect boilers and pressure vessels, along with the associated equipment that keeps Canada's industrial sector strong.

It was several decades ago that the bold and ambitious decisions were made that resulted in Ontario benefiting from the incredible energy mix that we still enjoy today. We can find ourselves losing sight of the importance of energy planning. For context, it's been over a century since Adam Beck 1 came online, and not only did it come online, but it put Ontario on the map in terms of large hydroelectric generation.

These megaprojects that placed Ontario in such a desirable position in terms of clean, reliable baseload energy ended with the building of the province's nuclear generating facilities and the large hydroelectric projects. We certainly applaud the success of the major component replacement work at Bruce Power and the refurbishments of Darlington.

But a more recent example of Ontario's strong commitment to our energy future was the announcement to refurbish the B side of Pickering. Refurbishment of Pickering is an example of long-term energy planning. It's a current-day example of Ontario making the choice to invest in itself. Likewise, all long-term energy planning for Ontario must also maintain a focus that encourages Ontario to invest in itself.

Bill 214 encourages this focus with the amendments to promote long-term value and growth for Ontario, and is one of the most important gifts that we're in a position to give to our great-grandchildren. Ontario's long-term energy resource plan will provide a proactive means to ensure a future of affordable, clean, reliable baseload electricity for the province. It provides an opportunity to consider an all-of-the-above approach that would evaluate the long-term value offered to the province. Not through a band-aid-type fix or through ideologically rooted fallacies, but only through diligent review of the figures and the actual true value provided to Ontario, can we maintain an optimum energy mix.

We have heard it said that numbers do not lie. However, numbers can be presented in such a way that they significantly distort and twist the understanding of the situation. The energy sector has borne witness to this through various efforts to ignore the province's primary need for reliable baseload power. An integrated plan allows each type of energy generation to stand on its own merits and to be evaluated as such. Long-term resource plans provide an opportunity to ensure our energy mix and technology selection is in Ontario's best interests. It also gives us an opportunity to ensure that our first priorities remain so, and do not become distorted.

Does an energy source provide reliable baseload, or is it intermittent and less than reliable? Does an energy source provide long-term economic value to Ontario, or is it dependent on subsidies to create an appearance of being cost-effective and sustainable? Does an energy source provide domestic energy security, or is there risk of foreign decisions being made or influenced outside of Canada that would undermine our own energy security? Does an energy source optimize the number of well-paying jobs that it supports in Ontario, or does it outsource or minimize those jobs? Does an energy source utilize existing or possibly grow our domestic supply chain, or does it erode those predictable supply chains and leave us vulnerable to foreign supply chain interruption? Does an energy source optimize our ability to export our own energy technology around the world, or does it better position other nations to capture the export market?

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The Chair (Mr. Aris Babikian): One minute.

Mr. Jonathan White: From the way we produce steel to the way we power vehicles, to our interest in data centres, we constantly see an increase in both current and forecasted demand. Ontario's approach to prioritize nuclear power is

fitting, and it's a fitting testament to the energy mix that we've seen through our nuclear energy.

On behalf of the International Brotherhood of Boilermakers, we support Bill 214.

Again, thank you for the opportunity to appear before this committee.

The Chair (Mr. Aris Babikian): Thank you very much.

We will start the first round of questioning with the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I have questions, starting off, for Mr. Rangooni and Ms. Reid, but if I can start with Mr. Rangooni—Justin, are you still out there?

Mr. Justin Rangooni: I am here, sir.

Mr. Peter Tabuns: Excellent. When you talk about long-duration storage—because this issue has been coming up throughout the day—what are we talking about?

Mr. Justin Rangooni: What we're looking for are basically energy storage resources that can store energy and dispel it or eject it greater than eight hours—we're talking about eight hours, 10 hours; for some technologies, you're looking at days, weeks, months. So you can basically contrast it with the four-hour lithium that's being procured right now, which is more commercially ready. There's also pumped-energy storage, which you're familiar with. That has been in this province for a long time. That's long-duration, because it can hold that water into the reservoir for a long time. There are now also other long-duration technologies coming—if it's compressed-air technologies; it could be different battery chemistries; it could be thermal storage using molten rocks, molten salts in the ground. It's really exciting. There's new battery chemistry.

Why we're excited about this procurement and we hope to see more long-duration procurements is, by the end of the decade, you could have a really long menu of different energy storage technologies of different durations that the system operator can choose to utilize for their purposes.

Mr. Peter Tabuns: At this point, what are we talking about in terms of cost for delivery of power, when we're talking about energy storage? I'm not going to talk about the technologies that may come at the end of the decade—technologies that are available today to firm up solar or wind power. What's the cost per kilowatt hour supplied?

Mr. Justin Rangooni: I'd have to get the numbers, but they are on the record. The last two procurements that the IESO did was about 600 megawatt to 800 megawatt hours per business day, which actually came in much cheaper in the second procurement than the first procurement. It actually came in cheaper than the non-energy storage capacity resource that they were procuring.

The lithium prices of batteries have gone down significantly. That's why you're not just seeing it in Ontario; you're seeing it across Canada and globally—that if you're looking to utilize energy storage and you need this thing built in the next 18 months, two years, you're looking at four-hour batteries, but if you have a bit of a longer timeline, you can look at the long-duration energy storage that needs a little bit of a longer lead time.

Mr. Peter Tabuns: You said that the use of energy storage would be a positive thing for exporting energy. Can you expand on that?

Mr. Justin Rangooni: This is the great thing about energy storage. In the past, there were always concerns with intermittent, variable generation that maybe the renewable generation is—the wind is blowing or the sun is shining not necessarily when the system needs it. So what was happening—you saw curtailments, you saw exports that lost, but, also, with the nuclear assets as well, or even water power, it was a way that people were saying, "Well, we can't really manage it. We could only use the energy when we need it, and when we have any excess, well, we're going to have to only export that when the market conditions require it." And in most cases, it was either at a negative or at a loss or at no cost.

Now, with energy storage, you could store that surplus energy, all those surplus clean energy assets. If you can time it right—and obviously it would take a little bit of work—now you can hold on to that energy, not just for domestic use, but now you could look at exporting it to our neighbour jurisdictions when it makes the most economic sense: when they need it and maybe the prices are really good, where it makes sense to export that clean energy asset. That's why we say that if you're looking at exporting the clean energy advantage Ontario has, you need energy storage.

Mr. Peter Tabuns: Okay. Thank you very much. I really appreciate that.

If we could go to Ms. Reid, I would appreciate that too.

Ms. Laurie Reid: I'm here.

Mr. Peter Tabuns: There you are. I believe you're there. Here at our end, the pictures go in and out. You never left; your picture just wasn't on the screen.

Thank you for your presentation. Can you expand a bit on your concerns about the removal of the requirement of consulting the technical expertise of the IESO in producing the long-term energy plan? I have my own concerns, but you're one of the professionals who actually does this, and you know the professionals who do the work. What is your concern about this removal?

Ms. Laurie Reid: To my mind, the planning for long-term energy within the province should always start with the experts for what's possible, what's needed, what it should be, as opposed to coming up with the energy mix or the siting of projects and then trying to work it into a scope and trying to make it fit.

Originally in the legislation, it says that the IESO will do various reports and there will be consultation, those reports will be made public, and there will be consultation on those reports. That has been removed from the legisla-

tion. In the society's view, that's looking at long-term planning backwards.

Mr. Peter Tabuns: Okay. It's interesting, because we went through Bill 165 and the whole reshaping of the relationship of the OEB to the gas industry. You were very concerned at that time as well—or the society was; I can't remember if you were the presenter.

Ms. Laurie Reid: I was.

Mr. Peter Tabuns: Oh, you were. Okay. You were very concerned about the move, essentially, to a lobbyist-driven planning process and going away from an evidence-based planning process. So you're seeing that replicated in this particular instance. That's correct?

The Chair (Mr. Aris Babikian): One minute.

Ms. Laurie Reid: We're concerned about that. The purpose of the deregulation of the electricity system 24 years ago was to take government influence out of the planning process and the running of the electricity system in Ontario. We're not convinced that the current government can maintain that independence and that hands-off approach if they're not being guided by technical experts.

Mr. Peter Tabuns: I may not get an answer from you, but I get a second round of questioning. I am very concerned, as well, about a just transition, and I'll talk about another part of the energy system. If we substantially electrify the vehicle fleet in this province, the need for refineries and the whole oil and gas processing system is going to drop quite substantially. I don't see anything in this plan that actually says, "Okay, southwestern Ontario, Sarnia: Industry is going to change underneath your feet. We are actually going to make the plans now and the investments now to make sure that those workers actually have a continuity of work." You talk about just transition. Have you—

The Chair (Mr. Aris Babikian): Thank you very much, MPP Tabuns. The time is up.

We move to the government side. MPP Yakabuski.

Mr. John Yakabuski: Thank you very much to the presenters. I do want to start with Laurie Reid here, if I may, from the Society of United Professionals. I'm a little confused, because on one part you're saying you want us to build nuclear: You want us not only to build 4,800 new megawatts at Bruce, but you want us to build at the OPG sites. This is part of our plan. But on the other hand you're saying, "You can't do anything unless you talk to us and our folks at the IESO."

In the bill as it stands, there's nothing in it that prohibits the minister from having all of those consultations and conversations and getting that information and advice from those professionals. There's nothing that prohibits him from doing that. It does give him, at the end of the day, the authority to act as the minister.

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On one hand, you're saying, "Go, go, go," and on the other hand you're saying, "No, no, no." The bill as it stands—you support it or you don't support it, because this is a game-changing, circumstance-altering bill for the power system here in Ontario, our power supply and our economic future. Do you support it or not?

Ms. Laurie Reid: I hope I was clear in my presentation, and it should be clear in our submission as well: We support it, with amendments. The society is certainly very pleased to see the announcements that have been made about nuclear and the support for them in the bill. However, we wonder and we are a little confused about taking out the emphasis on the IESO contributing to the planning of the long-term energy plan for the province, and we'd like to see it reinstated.

Mr. John Yakabuski: Well, they haven't been taken out. The minister, at the end of the day, has the decision-making power to make those decisions with regards to those. It doesn't mean in any way that people are being taken out, but the authority rests with the minister. Would you agree that that's what the bill does?

Ms. Laurie Reid: I would agree that it rests all the decision-making power with the minister. I would contrast it with what is in the bill now, which suggests that the IESO has a very strong technical part of the planning.

Mr. John Yakabuski: Thank you very much.

Mr. White, I was listening, and it would appear that maybe the boilermakers have specific desires as to what direction the government goes when it comes to procurement.

Mr. Jonathan White: Certainly, as I personally believe that all Canadians should.

Mr. John Yakabuski: Okay. So you're making that submission here today, which has really nothing to do with the legislation. The legislation as it sits is something that your folks very strongly support, I would submit.

Mr. Jonathan White: We do.

Mr. John Yakabuski: Thank you very much.

Anybody else?

The Acting Chair (Mr. Rudy Cuzzetto): Go ahead, MPP Dowie.

Mr. Andrew Dowie: I want to thank everybody for your presentations today. Actually, we've had presentations all day about what is clean energy. I think that's a question that there doesn't seem to be unanimity on. But one thing that I do know is, from the economic development perspective, Ontario's clean energy grid is something that's very attractive to companies. I look at my own backyard, with the NextStar EV battery plant. Our clean energy grid was cited. It's been one of the reasons why that company came here and that companies will choose the province of Ontario, and that certainly includes, in their mind, the nuclear fleet. They consider that to be clean energy and emissions-free energy.

I guess this question might be best for Energy Storage Canada. When it comes to battery storage, we have the ability to store our clean energy that is generated from all of our sources, but how does storing energy via a battery

allow energy to be affordable? Is it primarily that it's generated at non-peak times in that you get to conserve it for a long enough duration that it won't peter out and it won't expire? I'm hoping that that can be elaborated upon.

Mr. Justin Rangooni: I think that's a very good question. One of the benefits of energy storage is that it does minimize the need for additional generation. If energy storage wasn't there, you wouldn't be able to optimize your clean energy assets you had. As I mentioned before, it helps with the exporting by ensuring that no electron goes to waste, be it curtailed, exported at a loss, water spilled or what have you.

What energy storage has allowed is that anything that's being produced, for the most part, can be stored and the system operator needs to properly balance that. Then, when it's needed during those peak times especially, that clean energy that's stored can be discharged to the system. Without energy storage, you probably would require more generation. With energy storage, that's not necessarily required. That's one of the many benefits that energy storage provides to the system.

Mr. Andrew Dowie: Thank you very much. How do I put this? Well, the advantages of wind and solar are particularly supported when combined with storage—I think I've heard that today—because they are not operating when it's not—so, for solar, when it's cloudy out, it's not generating electricity. When it's not windy, there's no wind happening.

I actually really liked MPP Yakabuski's earlier comment in a prior conversation where he had mentioned that if someone is committing to going to work only during certain hours of the day when the work is needed, that may be a bit problematic for the overall source.

The Chair (Mr. Aris Babikian): One minute.

Mr. Andrew Dowie: Okay. Maybe with the time that's left, if you can elaborate on how energy storage continues making energy more affordable for Ontarians.

Mr. Justin Rangooni: I would just say, energy storage also makes everything better, as I mentioned. This will optimize nuclear assets or waterpower assets. Whatever your supply mix is, it's beyond just optimizing the renewables. It does a great job doing that, and you probably heard a lot about that today, but I'd also want to talk about how it can optimize the other additional assets, even nuclear or waterpower. In fact, we signed an MOU to ESC, Energy Storage Canada, with the Canadian Nuclear Association, the Canadian hydro association, saying, "Listen, we support each other. Let's tell that story of how energy storage and hydrogen and nuclear and SMRs can all really work together to continue to make our energy system clean."

The Chair (Mr. Aris Babikian): We move to our final round of questioning. We will start with the official opposition. MPP Tabuns.

Mr. Peter Tabuns: I want to thank everyone who's presented today. It's been a very useful introduction of information, the three of you who are here.

To the boilermakers: In the purpose of this plan, the minister may include goals and objectives respecting affordability, availability, reliability. And "may" is a discretionary word as opposed to saying that the minister "shall"—is required to—consider those things in planning. Do you think that the minister should be required to consider affordability, availability and reliability when doing planning?

Mr. Jonathan White: I appreciate the question. The boilermakers' take on that is that we've seen the energy sector in Ontario improve under this government and the discretion they've shown in doing that leaves us quite confident that when they're balancing the need for reliability and affordability that they will make the choice that is appropriate for Ontario and for Canada.

Mr. Peter Tabuns: So you don't believe that the legislation should reflect a requirement that those things be taken into account?

Mr. Jonathan White: I don't believe the government should have handcuffs placed on them for that reason.

Mr. Peter Tabuns: Okay. Thank you. I appreciate you taking the time.

I'd like to go back to Ms. Reid and the question I was asking about the transition for energy workers. As I was asking before I so grievously ran out of time—no criticism, Chair; I know the clocks are what they are—we know that in the energy transition, there will be many new energy jobs that will come into being and other energy jobs will go out of being. If you're talking about mass electrification of the vehicle fleets in Ontario, you are going to be processing, refining, distributing far less in the way of fossil fuels—simply the reality. People who work at what are now called gas stations but what will become charging stations will still be employed. But in the refining sector, it's going to be a very different story.

Do you support an amendment to the bill to actually incorporate an integrated energy planning—labour market planning to make sure that workers in the energy sector are provided with the support they need to continue employment potentially in other areas of energy production and management?

Ms. Laurie Reid: Thanks very much for the question. I'm going to hand it over to my colleague Nathan Jackson to respond.

Mr. Peter Tabuns: Fair enough.

Mr. Nathan Jackson: Hi. Nathan Jackson, Society of United Professionals researcher and economist.

On the subject of a just transition, I think that we would be very supportive of an amendment that ensures that any long-term energy plan considers the impact of workers, absolutely. One of the things that we've talked about, we've consulted with various levels of government on this, on the

upcoming jobs crunch in the sector, because of electrification, is both the opportunity for a just transition, which—and for a long time, "just transition" has sort of been a buzzword that has been thrown around and a promise to people that hasn't really materialized. We're talking about what are right now good-paying jobs, oftentimes unionized jobs, and we've never really been able to present them a clear replacement.

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What we see with the expansion of nuclear energy—and we know because we represent the workers who work in the nuclear generating stations. These are very good jobs that do have union protection, and it would be a very just transition if we shifted folks away from fossil fuel industries. As far as the overall number of positions that we're looking at, the Electricity Human Resources Canada estimate puts us up to about 130,000 new jobs in the electricity sector needed in Canada by 2050. A portion of that is replacing retirees—it is an aging sector—but the vast majority of that is new work that will be created because of the expansion that's coming with electrification.

So making sure that those are good union jobs is something that we're very concerned about, but we do think that we can finally follow through on the promise of a just transition away from fossil fuels, and the electrification future is the way to do that.

Mr. Peter Tabuns: Just as you see with any industrial transformation—when we went from horse-and-buggy to automobiles, when we introduced air travel, we created whole new categories of employment and hundreds of thousands of more jobs.

My sense, and it seems that it's yours as well, is that this bill, if it's going to be doing energy planning, needs to be doing labour market planning at the same time. Is that fair?

Mr. Nathan Jackson: Absolutely. I think that's fair.

We know we need a significant number of trained workers to do this work. But do we have the funding in place at our post-secondary education institutions to actually get people trained to do the work that we're going to need in the next couple of decades? There are a lot of missing pieces that make it very difficult for us to meet the coming demand that comes with electrification.

Mr. Peter Tabuns: Thank you.

The Chair (Mr. Aris Babikian): One minute.

Mr. Peter Tabuns: Ms. Reid, we're looking at spending, according to the IESO, something like $400 billion in electrical investment in the next few decades. I am very worried about spending that kind of money without requiring the professionals at the IESO to be part of the planning process.

Is that consistent with your understanding—that at that level of spending, you need energy professionals to be doing assessments?

Ms. Laurie Reid: Of course. The society's view is that at any level of spending, you need that.

Mr. Peter Tabuns: Fair enough. But $400 billion has got to catch your attention.

Ms. Laurie Reid: Yes, I would agree.

Mr. Peter Tabuns: Okay. I don't have any other questions.

I want to thank everyone today for their presentations. It has been very useful.

The Chair (Mr. Aris Babikian): Now we'll move to the government side. MPP Pinsonneault.

Mr. Steve Pinsonneault: Thank you, Mr. Chairman. This question, through you, is to the International Brotherhood of Boilermakers.

Boilermakers have an important role in refurbishing our nuclear fleets—clean and reliable energy source that powers this province 24/7. This bill looks towards prioritizing nuclear energy.

Out of all people, the boilermakers would know how safe and efficient nuclear facilities are. Can you please speak towards that?

Mr. Jonathan White: I appreciate the question.

Yes, nuclear in Ontario has been, I would say, the safest industry that the boilermakers operate in. That's not opinion—if you take a look at the studies of how many deaths have resulted from nuclear power production compared to any other form of power production, nuclear comes out ahead. To the other part of the question, in terms of—I believe it was reliability. Is that correct?

Mr. Steve Pinsonneault: Yes.

Mr. Jonathan White: Reliability: Nuclear power is 24/7. Actually, it wasn't that long ago that one of our Canadian reactors set the world record for longest run in service. That is noteworthy: noteworthy for a Canadian technology, noteworthy for an infrastructure service by Ontario and the rest of our country.

Mr. Steve Pinsonneault: Thank you for that response. Your organization is very hands-on. It's refreshing to hear that it's safe. Thank you.

Mr. Jonathan White: Thank you.

The Chair (Mr. Aris Babikian): Any more questions from the government side? Seeing none. Thank you very much. Thank you to our witnesses for sharing your advice and input with us. That concludes this session and that concludes also our meeting today.

As a reminder, the written submissions deadline is today, Monday, November 18, at 6 p.m. The deadline for filing amendments to the bill is Tuesday, November 19, at 4 p.m.

That concludes our session. The committee is now adjourned until 9 a.m. on Thursday, November 21, 2024.

The committee adjourned at 1736.

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