



ISSN 1181-6465

Legislative Assembly
of Ontario
Second Session, 41st Parliament

Assemblée législative
de l'Ontario
Deuxième session, 41^e législature

Official Report of Debates (Hansard)

Tuesday 18 October 2016

Journal des débats (Hansard)

Mardi 18 octobre 2016

**Standing Committee on
Estimates**

Ministry of Energy

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie

Chair: Cheri DiNovo
Clerk: Eric Rennie

Présidente : Cheri DiNovo
Greffier : Eric Rennie

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

CONTENTS

Tuesday 18 October 2016

Ministry of Energy	E-97
Hon. Glenn Thibeault	
Mr. Serge Imbrogno	

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 18 October 2016

Mardi 18 octobre 2016

The committee met at 0900 in committee room 1.

MINISTRY OF ENERGY

The Chair (Ms. Cheri DiNovo): Welcome. Good morning, everyone. The committee is about to begin consideration of the estimates of the Ministry of Energy for a total of seven hours and 30 minutes. As we have some new members, a new ministry and a new minister before the committee, I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry, and the ministry for its part demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately. In the past, members have asked questions about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry approach to a problem or to service delivery, or about the competence of the ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Are there any questions before we start?

Mr. Todd Smith: Chair, if I could, would it be possible—I know I've requested this in the past—when the Amethyst Room is available, if the Clerk could move

the committee to that room just because of the closed-circuit television that's available?

The Chair (Ms. Cheri DiNovo): Eric?

The Clerk of the Committee (Mr. Eric Rennie): Yes, absolutely. The request had gone through earlier in the session of Parliament. We're just meeting in room 1 today because social policy is using the Amethyst Room, but tomorrow afternoon we'll be back in the Amethyst Room.

Mr. Todd Smith: Thank you, Clerk.

The Chair (Ms. Cheri DiNovo): Thank you, Mr. Smith.

I am now required to call vote 2901 of the estimates, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

Hon. Glenn Thibeault: Thank you, Chair DiNovo and all committee members. I'm pleased to be here today to talk to you about the Ministry of Energy estimates.

First, I'd like to start by introducing the senior ministry officials who are here with me today. Of course, we've got Deputy Minister Serge Imbrogno sitting to my left; we have assistant deputy minister of energy, supply division, Steen Hume; assistant deputy minister of the conservation and renewable division, Kaili Sermat-Harding; the assistant deputy minister of strategic, network and agency policy division, Michael Reid; assistant deputy minister, corporate services, Rob Burns; and executive director, Investment and Governance Secretariat, Scott Nelms.

I also want to recognize the hard work, dedication and commitment that these leaders and the entire ministry staff devote to energy projects throughout the province every day.

I'm pleased to be here in my first appearance at the estimates committee as the Minister of Energy to share some of the great accomplishments our ministry has achieved and is working towards. But before I delve into these achievements, I would like to begin by saying a few words about energy and electricity policies in our Building Ontario Up plan.

Perhaps the best way to start is with our overarching goal: to provide clean, reliable and affordable power, which is central to supporting businesses, creating good jobs and building a stronger economy. As our economy continues to expand and grow, and as innovations in electric cars and electrified regional public transit present themselves, we are increasingly dependent on the stability of our energy system. This makes our unwavering commitment to a cost-effective, clean, robust power generation supply that much more imperative.

As you are all no doubt aware, over the past 10 years, Ontario's electricity system has been significantly rebuilt and dramatically reformed. We were faced with an aging infrastructure, a shortage of supply and a system that relied on expensive imports and dirty coal. We've taken significant action to reduce emissions from the electricity sector through the elimination of coal-fired electricity generation and associated investments in emission-free generation.

In April 2014, Ontario became the first jurisdiction in North America to fully eliminate coal-fired generation from our energy supply. The elimination of coal-fired generation has resulted in a 30-million-tonne reduction in greenhouse gas emissions since 2003. In 2015, Ontario's electricity generation was over 90% emissions-free. The people of Ontario can be proud that closing our coal plants was the single largest climate change initiative undertaken in North America, and had the equivalent impact of removing up to seven million cars from Ontario's roads.

To add to this tremendous accomplishment, we're so very proud to recognize that the government passed legislation making it illegal for any future government to burn coal to generate electricity, cementing a future of cleaner air and healthier citizens.

We wouldn't be where we are today without the many partners inside and outside of government who develop the electricity generation, transmission and other energy-related facilities that help power our economy and ensure that Ontario remains one of the best places in the world to work, live, invest and raise a family. I'd like to acknowledge and recognize the hard work of our agencies and partners for helping us achieve our goals: the Ontario Energy Board, or the OEB; the Independent Electricity System Operator, or IESO; Ontario Power Generation; and, of course, the utilities. Local distribution companies across the province are the face of energy for the people of Ontario. Together with these agencies and partners, we have made significant progress, transforming our electricity system into one that Ontarians can count on.

The Ministry of Energy has a critical role in supporting the government's long-term priorities of economic prosperity, environmental stewardship and sustainable communities. We meet these priorities through the results of key initiatives such as the 2013 long-term energy plan, the industrial conservation initiative, nuclear refurbishment, continuing to support and encourage indigenous community participation in energy projects, and broadening the ownership of Hydro One, just to name a few.

I'll take the opportunity now to share with you some of the excellent progress and exciting work that has taken place in 2015 and 2016. I'll start with one of our most recent accomplishments, one I'm extremely proud of. In July, Ontario selected Watay Power to connect 16 remote First Nation communities, which currently rely on diesel power, to the province's electricity grid. Once complete, the project will provide more than 10,000 people living in remote First Nation communities in northwestern Ontario with a reliable, clean supply of electricity. Watay Power plans to begin construction work starting in 2018, once all approvals are secured, with the goal of completing construction and connecting communities by 2024.

Next I'd like to talk about the Green Investment Fund. As a down payment to Ontario's Climate Change Action Plan, the government is investing \$100 million to help homeowners upgrade their homes, reduce their energy bills and cut greenhouse gas emissions through the Green Investment Fund, or GIF. In partnership with Enbridge Gas Distribution and Union Gas, the program will help about 37,000 homeowners across the province conduct audits to identify energy-saving opportunities and then complete retrofits such as replacing furnaces and water heaters and upgrading insulation. Homeowners who heat their homes with natural gas, oil, propane or wood can apply for rebates towards energy audits and retrofits.

Staying on the theme of achievements, our main priority is to provide Ontarians with clean, reliable and affordable energy. We're achieving that goal and these key objectives through the implementation of the 2013 long-term energy plan, more commonly known as the LTEP. The 2013 LTEP was designed to balance five principles that guide all of our decisions: cost-effectiveness, reliability, clean energy, community engagement, and putting conservation first. For the past two-plus years, we've been rolling out a variety of initiatives under the plan, and it will continue to guide our efforts.

The overarching theme throughout the LTEP and the guiding principle of the plan is that we are committed to putting conservation first. Conservation is the cleanest and most cost-effective energy resource we have, providing multiple benefits to Ontarians. It offers families and businesses a way to save money on their energy bills and improve their home comfort, and improve their quality of life. It reduces strain on our electricity system and the need to build expensive energy infrastructure, mitigating upward pressure on energy prices. And it reduces greenhouse gas emissions and air pollution, contributing to a cleaner future for our children and for our grandchildren.

0910

Overall, the more we save the less we need to look for new supply. It means bringing that mindset to work with our agencies, with local distributors and with ministries that we partner with. And it means building a culture of conservation in Ontario.

As we plan our energy needs for the next 20 years, conservation will be the first resource we consider before building new generation, transmission and distribution

infrastructure wherever cost-effective. When you consider the potential for large-scale electrification, making the most of our existing resources and achieving maximum efficiency becomes doubly important.

Our ministry is providing leadership in implementing conservation first by setting energy conservation policy and establishing energy efficiency standards. Ontario has been regulating the energy efficiency of products and appliances for over 25 years. We set efficiency standards for over 80 products and appliances using electricity, natural gas, oil and propane found in all sectors, residential, commercial and industrial. Since 2012, over 60 products have been updated with new or updated efficiency standards, and harmonized with efficiency standards of leading North American jurisdictions such as the US Department of Energy.

Earlier this year, the Energy Statute Law Amendment Act, 2016—or Bill 135—included an amendment to the Green Energy Act, 2009, to enable regulating the water efficiency of products and appliances which consume both energy and water. By setting water efficiency standards for these products, we will be able to further reduce energy and water consumption and GHG emissions in Ontario. We continue to show leadership in regularly updating our energy efficiency regulation. Proposals for the next update to Ontario's energy efficiency regulation, including water efficiency standards for five products, have been posted on the environmental registry for a 45-day public review.

Product efficiency standards also play a key role in achieving commitments made by the Council of the Federation, the Canadian Energy Strategy, and by the Energy and Mines Ministers' Conference to advance energy efficiency efforts in Canada. CES and the EMMC were engaged in complementary work to support a national harmonization of efficiency standards, and Ontario was co-chairing the work with BC and NRCan.

Efficiency standards also support Ontario's Climate Change Action Plan and objectives of the First Ministers' meeting on a pan-Canadian framework in reducing GHG emissions from the building sector.

A 2013 LTEP reinforced our commitment to conservation. It set a long-term conservation target of 30 terawatt hours in 2032 and a goal of meeting 10% of peak demand using demand response by 2025. Our long-term conservation target represents a 16% reduction in forecast gross demand from electricity, the equivalent to more than all the power used by the city of Toronto in 2015.

In 2015, preliminary results show Ontario achieved 1.2 terawatt hours of net energy savings and 366 megawatts of net peak demand savings through electricity conservation programs delivered by local distribution companies, and, for program delivery to transmission-connected industrial customers, by the IESO. These preliminary results build on the 9.9 million gigawatt hours of net energy savings and the 3,628 megawatts of net peak demand savings conserved from 2005 to 2014 through programs and changes to building codes and product standards.

Energy efficiency will also help us with another key priority: meeting our objectives to reduce greenhouse gas emissions through our government's climate change action plan.

In collaboration with its agencies and partners, the ministry is working on a number of initiatives to make progress in implementing Conservation First. Ontario launched new six-year electricity and natural gas conservation frameworks to support electricity and natural gas utility conservation and energy efficiency programs. Both frameworks are a long-term commitment to conservation and energy efficiency and are aligned to enable greater collaboration of conservation efforts among utilities.

On January 1, 2015, Ontario launched its new Conservation First Framework to support province-wide and local electricity conservation programs. It builds on the success of programs already in place from 2011 to 2014 and supports the development of new programs to meet local needs and offer more customer choice. The new framework ensures that conservation and energy efficiency expertise, rebates and incentives will continue to be available to Ontario's homes and businesses to help them use energy wisely, manage their energy bills and reduce their greenhouse gas emissions. Underlying the foundations of this framework is an understanding that local utilities know their customers and are in the best position to deliver conservation programs. The new framework gives local utilities more control over the conservation programs offered in their service area. The framework is expected to achieve seven terawatt hours of electricity savings and to assist the province in achieving its long-term conservation target. All local distribution companies across Ontario have submitted their 2015-to-2020 conservation and demand management plans to the IESO, the Independent Electricity System Operator, for review. All plans are now approved.

On December 22, 2014, the Ontario Energy Board released a new demand-side management, or DSM, framework, which supports the delivery of natural gas conservation and energy efficiency programs. The new DSM framework puts conservation first by doubling budgets to approximately \$825 million for Ontario's two major natural gas distributors, Enbridge Gas and Union Gas. This brings Ontario's total spending on natural gas conservation in line with leading US jurisdictions. Enbridge Gas supplies natural gas to approximately 40% of Ontario homes and businesses and Union Gas to approximately 30%. The framework also encourages the co-ordination and integration of natural gas conservation programs with electricity conservation programs. On January 20, 2016, the OEB approved plans and programs for Enbridge and for Union Gas. The government is also working in partnership with Enbridge and Union to invest \$100 million from the Green Investment Fund towards residential energy audits and retrofits.

To help consumers continue to see cost savings and manage electricity prices, we've put a number of programs in place. I'll start with a new initiative I'm

especially proud of: the Ontario Electricity Support Program, also known as OESP, which was launched on January 1 of this year. For many low-income Ontarians, paying their monthly electricity bill is a challenge. For those who apply and meet the eligibility requirements, the OESP provides monthly credits that range from \$30 to \$50. This can be very significant for a low-income family. For customers with unique electricity needs, they could be eligible for a higher level of assistance. That's through the OESP program.

We eliminated the debt retirement charge for residential customers on January 1, 2016, resulting in a savings of about \$70 per year for a typical customer who consumes about 750 kilowatt hours per month.

The Northern Ontario Energy Credit provides assistance to low- to moderate-income individuals and families living in northern Ontario, who can be exposed to higher energy costs due to the more severe winters and heavier reliance on more expensive home heating fuels. For the 2016 benefit year, qualifying individuals received up to \$146 annually and families, including single parents, received up to \$224 annually.

0920

Because even more help is needed with the cost of electricity, I'm especially proud of our most recent announcement, including the Ontario Rebate for Electricity Consumers Act, which will lower electricity bills for people and businesses across Ontario. This legislation, if passed, will rebate an amount equal to the provincial portion of the HST directly on electricity bills for millions of families, farms and small businesses—an 8% permanent rebate every month.

We're doing this because we know that families need help with the cost of everyday living. Despite consistent economic growth since the global recession, many families aren't feeling Ontario's resurgence in their everyday lives.

We also recognize that rebuilding and cleaning up Ontario's electricity system has come at a cost. Over the last decade we've rebuilt our transmission and distribution grid, we've invested in clean generation and we've closed the last dirty coal-fired power plant. But we need to take the next step in ensuring that that clean and reliable system is also affordable. We're able to take action now because years of careful management are leading to a balanced budget in 2017-18, and we believe that Ontarians should be the first to benefit from the province's fiscal discipline.

Recognizing this, we are introducing new measures that would take effect January 1, 2017, including rebating the provincial portion of the HST to reduce bills by 8%—on average, that's \$130 annually; cutting delivery charges for the most rural customers by 20%—that's 330,000 families and \$540 annually; and empowering industrial businesses to reduce bills by one third through the industrial conservation initiative. Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.

This plan builds on our government's commitment to provide affordable access to energy, including providing support for low-income families, expanding natural gas to more communities, and grid-connecting remote First Nations communities.

We also have developed a number of cost mitigation programs and taken key steps to work with industry to keep electricity costs competitive with other jurisdictions. This includes an important list of actions taken in recent years to reduce system costs and mitigate increases, including:

- renegotiation the Samsung agreement, reducing contract costs by \$3.7 billion;

- deferring the construction of two nuclear reactors at Darlington, avoiding an estimated \$15 billion in new construction costs;

- maximizing the value of our existing nuclear fleet by starting Bruce refurbishments in 2020 instead of 2016, thus helping to achieve \$1.7 billion in savings relative to the 2013 long-term energy plan forecast;

- by continuing to operate Pickering up to 2024, pending regulatory approvals, which could save ratepayers as much as \$600 million;

- reducing feed-in tariff or FIT prices through annual price reviews, saving ratepayers at least \$1.9 billion; and

- introducing strong competition between developers of large renewable projects through the LRP process to drive down prices and secure clean, reliable generation for the province.

As a result of lower prices and revised procurement schedules, LRP I costs were approximately \$1.5 billion lower than the 2013 LTEP forecast. This would save the typical residential electricity consumer an average of approximately 56 cents per month on their electricity bill relative to previous forecasts.

We've also recently undertaken significant action to reduce costs for ratepayers while at the same time securing a clean and steady supply, which I'd like to speak to you about today.

Over the last 10 years, Ontario has taken a bold step forward and is leading the world in renewable energy. Approximately 18,000 megawatts of wind, solar, bio-energy and hydroelectricity energy are currently contracted or are online. These technologies comprise approximately 17% of Ontario's energy supply mix.

The contribution of wind and solar to our provincial supply mix is expected to rise to 23% by 2025, of which 15% will come from wind, providing clean, emission-free generation for Ontarians.

Ontario ranks first in Canada for installed wind capacity, with wind energy providing enough electricity to power approximately 1.2 million homes each year, although, as part of this success, we must consider the options before proceeding with any further renewable procurements, and in doing so, seek the best advice of our experts.

On September 1, our electricity sector experts at the Independent Electricity System Operator delivered the Ontario Planning Outlook. This report highlights that

Ontario has one of the cleanest and most reliable electricity grids in North America and provides modelling that shows that we will have a strong and steady supply of power for the next 10 years. In short, it is clear to me that there is no urgent need to pursue additional electricity supply at this time.

Given these conclusions, it only makes sense that as a government and as a new minister, we look carefully at our procurements and make common-sense adjustments where required. Therefore, we have decided to suspend the second phase of the Large Renewable Procurement process as well as the Energy-From-Waste Standard Offer Program, deferring the procurement of more than 1,000 megawatts of energy projects. Instead, we will review the role of these procurements as part of the next long-term energy plan consultations, which I know many of you are looking forward to taking an active part in when they get under way later this fall.

Ontario will honour the renewable contracts that have been signed, including those signed earlier this year under the first LRP process. However, we will not proceed with any other planned procurements for large, utility-scale wind, solar, biomass, bioenergy or water power projects.

Based on the evidence from the IESO, we are confident that we will maintain among the cleanest, most reliable electricity systems in North America. When our experts tell us that we can do without procuring additional generation, it's up to us to heed that prudent and responsible advice and ensure savings for electricity consumers.

The decision to suspend the LRP II process is expected to save \$3.8 billion in electricity system costs relative to the LTEP 2013 forecast, saving the typical residential electricity consumer an average of approximately \$2.45 per month on their electricity bill.

The Chair (Ms. Cheri DiNovo): Minister, you have just under five minutes left.

Hon. Glenn Thibeault: Thank you.

While our government remains committed to clean energy, as I said, all contracts that have already been signed will be honoured, and we are taking a responsible, evidence-based approach to adjust to evolving needs. Our next long-term energy plan will consider the complete picture of Ontario's needs and how best to deliver savings for ratepayers in the years ahead. That's what Ontarians expect their leaders to do, and this must be our focus as we move towards renewing the long-term energy plan.

I want to thank the committee for the invitation to join you here this afternoon to discuss our work—the work that our ministry is doing to make Ontario's electricity system clean, reliable and affordable for all.

Chair, I believe I have about three or four minutes left.

The Chair (Ms. Cheri DiNovo): Yes, you do.

Hon. Glenn Thibeault: I'm more than happy to share that with the committee. With that, I will look forward to the questions, which I know will be focused on the pressing policy issues and priorities of all Ontarians.

The Chair (Ms. Cheri DiNovo): Thank you, Minister.

We now move to the official opposition: Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Chair. It's great to be here this morning.

You talked about the IESO telling you that you didn't need to embark on any more large-scale energy projects. I suspect they've been telling you that for some time, but that's not my question.

You highlighted the Ontario Electricity Support Program as one of your cornerstone programs. We've dealt with that in our constituency offices. It's more a source of frustration for people who come through the door than it is, "Oh, great. There's some help for us."

A family of four making \$39,001 is not eligible for anything; a family of four making \$39,000 is not eligible for anything under your program. So I think it needs to be pointed out.

0930

The question I've got this morning is: On page 113 of the public accounts, which states that the Ontario Energy Board spent nearly \$12 million on the Ontario Electricity Support Program—of that nearly \$12 million, \$9 million was spent on consulting and professional. Do you approve of \$9 million worth of consultants to figure out how to hand out a rebate—\$9 million in consultants?

Hon. Glenn Thibeault: Thank you for the question. Chair, I think it's very important to say that we are very proud of the OESP. It's designed to offer support to those who need it the most. The important thing to emphasize is that in order for those people to benefit from this program—it's \$45 a month for families who qualify for that, it's a sliding scale for others; and up to \$75 a month for those who heat their home with electricity, who use medical equipment—these families need to apply for the program, but in order to apply, they need to know about it.

So we've worked with the OEB to ensure we've done everything we can to make sure that these families know about it. Currently, in 10 months, we've had 145,000 families sign up for this program. That's great news. We want to see more families sign up for this program.

In talking about the comprehensive OESP, I'd maybe ask the deputy to talk in the particulars about that.

Mr. John Yakabuski: We know the program. Could you answer the question as to whether or not you agree that \$9 million—

Hon. Glenn Thibeault: The unfortunate thing, though, is that when I was at the AMO—

The Chair (Ms. Cheri DiNovo): One at a time, please. Mr. Yakabuski?

Mr. John Yakabuski: I would like an answer as to whether or not you believe \$9 million was an appropriate amount to spend.

Hon. Glenn Thibeault: Some \$12 million to have 145,000 families, and hopefully more, to sign up for this program is money well spent. We're very proud of this program, and this is a very comprehensive program.

The unfortunate thing is that when I was at AMO—

Mr. John Yakabuski: And how much money have you—

Hon. Glenn Thibeault: Hang on. I'm answering your question.

When I was at AMO, and we were talking with councillors, mayors and other individuals from communities, it was members who would come in from opposition ridings, specifically the PC Party, who didn't know this program existed. We want to ensure that MPPs right across the board help their constituents with this program and let them know that this program exists. We'll continue to make sure that we put the money in place to let families know—10 months, 145,000 families. That's a pretty good record for us in terms of what we're seeing, and we'd like to see more families on that.

Mr. John Yakabuski: I can assure you that the information is in every one of the PC constituency offices—every one of them.

Hon. Glenn Thibeault: Well, I hope they're promoting it. I really do hope they're promoting it.

Mr. John Yakabuski: We don't have \$10 million in consultants to advertise—

Hon. Glenn Thibeault: But you started, sir, saying, in the question, about people coming in the door—

Mr. John Yakabuski: I asked about \$9 million for consultants, and you agree that \$9 million—\$2.5 million was spent on advertising. We get that. It's still a lot of money, but \$9 million—

Hon. Glenn Thibeault: We're pretty proud of this program.

Mr. John Yakabuski: —\$9 million on consultants. Are you comfortable that that is an appropriate amount?

Mr. Serge Imbrogno: Mr. Yakabuski, maybe I can give you some details on that. This is a new program—

The Chair (Ms. Cheri DiNovo): Would you state your name first? Thank you.

Mr. Serge Imbrogno: Sorry. Serge Imbrogno, Deputy Minister of Energy. This was a new program that the OEB developed. We asked the OEB to come up with a program that would deliver the benefits to low-income households. The OEB had to procure consultants to undertake the development of the software. Because it's income-tested, we have to link that software into the Canada Revenue Agency as well.

Mr. John Yakabuski: That information is available—

Mr. Serge Imbrogno: So there's a whole infrastructure that had to be built in order for the program to be up and running. I know the OEB—

Mr. John Yakabuski: Of those 140,000, how much money has been paid out under the OESP?

Mr. Serge Imbrogno: We can get that to you.

Mr. John Yakabuski: That would be helpful.

Mr. Serge Imbrogno: I will give you that exact number, but I think—

Mr. John Yakabuski: We'd like that number, how much money has been paid out, because that's—

Mr. Serge Imbrogno: There's about 140,000-plus households that have been approved—

Mr. John Yakabuski: —that's how we'll measure against \$9 million in consultants, \$12 million in fees.

Mr. Serge Imbrogno: This is an ongoing program, so that includes the start-up costs, which would be one-time, and then there's ongoing costs. So the \$9 million—

Mr. John Yakabuski: Yes, but we understand, you guys—

Mr. Serge Imbrogno: A large portion of that is the start-up costs.

Mr. John Yakabuski: —have a program that runs for a little bit, then you come up with a new one, and then you hire a new bunch of Liberal-connected consultants who get well paid for their work. So we'd like to know how much money has actually been put out to the public, to those needy families, as you say, under the OESP. The amount of dollars—you give me a number—

Mr. Serge Imbrogno: We can get those to you. The procurement was done in an open, competitive fashion.

Mr. John Yakabuski: Could we get, then, a release of every one of those consulting contracts, every firm that was part of that \$9 million? Could we get the details of every one of those contracts and what work was done for \$9 million? Am I correct when I say that that \$9 million goes on to the rate base of every other electricity consumer in the province who is also struggling?

Mr. Serge Imbrogno: Those costs would be covered through the OEB, and the OEB recovers its costs through rates.

Mr. John Yakabuski: Through rates; right.

Mr. Serge Imbrogno: The OEB would publish that information. To the extent that the OEB makes that public we can get that information to you.

Mr. John Yakabuski: Would publish what information—the contracts?

Mr. Serge Imbrogno: In terms of the contracts and the detail on those contracts.

Mr. John Yakabuski: So would you provide those to us?

Mr. Serge Imbrogno: I'll check with what the OEB has provided, and if they make that public, we can provide that to you.

Mr. John Yakabuski: Only what they make public— or can you force them to make the contracts public?

Mr. Serge Imbrogno: I don't think we would force the OEB to make information public. I would think—

Mr. John Yakabuski: You guys have given 96 directives to the OEB. I'm sure you can give one more.

Mr. Serge Imbrogno: We'll talk to the OEB and see what they've made public, and then we can provide that information to you.

Mr. John Yakabuski: Okay. So at the same time that this government spent \$6.5 million consulting on how to sell Ontera for \$6 million—I'm not surprised that I'm not getting clear answers on these consultants, and a lot more about how the OEB might have some information for us. We'd really like an undertaking that we're going to get an absolute clear answer as to what was spent and how it was spent. I think the people of Ontario deserve to know.

The ratepayers who are paying for those contracts deserve to know that.

So why wouldn't you have just applied—I mean, there are 500,000 households who would be eligible for this program. Why wouldn't you have just applied this to the households with the lowest incomes, instead of hiring consultants—\$9 million on consultants—and flashy advertisements that are self-promoting for the government? Could you not have simply made this program available like the Ontario tax credit used to be available? It's an income-based program that's done on your tax returns. Could you not have had a program that was simply directed at the lowest-income families in Ontario without having this flashy advertising campaign that cost two and a half million dollars but was certainly designed to make the government look magnanimous and generous to the people of Ontario? That's what seems to be the mantra, because you've got 140,000.

We're here in to the 10th month of the program and you've got less than a third of the families that are eligible for this who have actually benefited. You call that a success rate? It's at a time when hydro rates are the highest they've ever been, among the highest in North America, and you've got less than a third of the people who have benefited from it, yet the consultants have all been paid. I'm sure the consultants' \$9 million is money in the bank. Why would you not have simply dealt with this on an income-based criteria?

Hon. Glenn Thibeault: I can answer the very first piece. The OESP is a comprehensive program. The ad buy is done by the OEB, consisting of print, radio and bus shelter advertisements.

The one thing that you mentioned—these are non-partisan ads. If you look at the ads—and you can see them if you just go outside and look at any of our transit stops; they're right across the region, right across the province—these are non-partisan ads.

Mr. John Yakabuski: That's your opinion.

Hon. Glenn Thibeault: Well, no. They're non-partisan ads. It's very straightforward.

Slips were included in all the ODSP and Ontario Works cheques, and the OEB is requiring LDCs to send out bill inserts in all electricity bills. The government is partnering with social service agencies, food banks, libraries, the Ontario Native Welfare Administrators Association, legal aid offices and senior living centres to ensure that eligible Ontarians are aware of this program. The OEB is requiring that all our electricity utilities include a link on their website to the online OESP application portal.

0940

There's so much more to talk about, so I'll hand it over to the deputy.

Mr. Serge Imbrogno: I'll just add to that. This program is rate-based, but it also links income and electricity use. If you just do it through the tax base, you don't have that linkage. So it allows us to provide a higher incentive for households that, for example, have electric heat or are First Nations. That's why you have an application-based

program. It's linked to your income and it's linked to your electricity consumption. If we just did it through the tax system, we wouldn't have that linked to electricity consumption. So it's application-based and it has that linkage.

Mr. John Yakabuski: But the last we were able to get figures on—and our office has been tracking—it's six to eight weeks to process the application. Six to eight weeks: That's a month and a half to two months to process an application. You've spent \$9 million on consultants to come up with a program, and now it takes six to eight weeks to process an application? Do you consider six to eight weeks an acceptable length of time to process an application? Is that the way we work in this day and age, where we have access to information very quickly? It's not like we're doing it by snail mail anymore.

Mr. Serge Imbrogno: The OEB is working to streamline that process. I think one of the challenges that we have, because it's income-tested—

Mr. John Yakabuski: But \$9 million was spent on consultants. Could they not have figured out a program that worked for that money?

Mr. Serge Imbrogno: I think one of the challenges we have, because it's income-tested through the Canada Revenue Agency, is that they require a wet signature. We're trying to work with the CRA to see if we can do that electronically. That would speed up the process—

Mr. John Yakabuski: So it's income-tested anyhow. Does this not prove my point that, really, what this was all about was another advertising shell game for the government of Ontario? Those ads—you can call them non-partisan if you want. I believe that's your opinion. Other people would have a completely different opinion, and I'm one of them, but I'm not alone. An awful lot of people would share my view that they're not non-partisan at all. Every one of them makes sure that it's very highlighted that it's the government of Ontario—it's not the province of Ontario; it's the government of Ontario that is the kind grandfather or the kind uncle in this case.

When your success rate is so low, and the other thing that—when we've had people come in and talk about Bill 13, the rebate program, we've had deputies by telephone and written—how they all fall just short. The question that the governing members have always asked is, "Have you applied for the OESP?" or the LEAP or whatever, any one of the multitude of programs that the government has. But people still keep falling further and further into energy poverty because they're not working. When people fall just outside of those parameters, there's no answer for them. For \$9 million, you'd think you might have been able to come up with something that actually addressed the challenges and the problems that real people are facing.

You've got 140,000 participants at this point, you say, but we've got 500,000 people who are supposedly eligible and we've got almost 600,000 people in this province who had their hydro cut off last year. They didn't have their hydro cut off because they've got scads

of money sitting in the bank or in a mattress. They got their hydro cut off because they can't afford to pay for it.

So when you've spent \$9 million on consultants, I think one of the key issues—and I hope you don't have that figure and are just not revealing it to me; I hope you're not hiding that from me—because the real measure would be how much money you actually paid out in a program that cost \$12.5 million to implement.

That's the part we know from public accounts. We know that there's obviously a whole lot more. How much money is spent, for example, in constituency offices, helping people with their applications? I know how many people come into our office and use our staff time to assist them through it. We have a lot of people in my riding of Renfrew–Nipissing–Pembroke who do not have a high degree of education, and that correlates with their lower incomes. They struggle to fill out applications. My staff spend time filling out those applications. So in real terms, how much money has been spent in processing those applications on the other end, not just the \$9 million in consultants? The proof of the pudding is in the eating, as they say. We need to know how much actual money was paid out to families under this program.

When we talk about the response time on an application—six to eight weeks—or approval time or whatever we want to term it, did these consultants not, as part of their \$9-million bill, come up with a recommended processing time and say, "Lookit, we've really gotten you a great problem. Thank you for the \$9 million. We're so happy that we're very good friends with the Liberal government, and \$9 million is very pleasing to our partners"? Did they not recommend some kind of a faster processing time than six to eight weeks?

When people are struggling with hydro bills, they don't come into our office and say, "I'm going to run into a bit of a financial wall in a few weeks here, maybe eight weeks." No, they come into our office because they're already at the wall. Six to eight weeks: For some of them, by that time, they're looking at electricity disconnection and reconnection charges, and if they haven't got the money to pay their bill, they don't have the money to pay their reconnection charges.

Did they recommend a processing time? And what about, again, automatic entry for low-income customers? It would have simplified it, gotten to a lot more people a lot more quickly and helped them out in a much more timely fashion.

Mr. Serge Imbrogno: I just want to repeat that it is a new program. The OEB is working to try to expedite the application process. We're meeting with stakeholders, and they have ideas for how we can expedite that.

I'll check on the turnaround time. That may have been the early days, and they may have been able to work out some of those initial bugs in the system and turned it around faster.

But I think part of it is that we're also working with the federal government and the revenue agency to say: Is there a way that we can move away from the wet signature and have it more like you do on your taxes, where it's done automatically online?

It's a new program. We're working through some of those things. We want to expedite it, and there are some ideas to try to do that moving forward.

Mr. John Yakabuski: Chair, just to make sure that I'm covering all the bases, we have an undertaking from the ministry, the deputy minister, to provide us with the information on those contracts. Is that something I have to do by way of request?

The Chair (Ms. Cheri DiNovo): Legislative research is noting all of this.

Mr. John Yakabuski: Do I have to make that request for that, or are my questions to the minister sufficient?

Mr. Ray McLellan: When a question is not answered to your satisfaction and they've indicated that they will undertake to provide a full—I mark it down, so that's part of the process.

Mr. John Yakabuski: So I don't have to make the formal request.

Mr. Ray McLellan: No.

Mr. John Yakabuski: That will be provided. I just wanted to make that clear.

So we know, then, that you will be providing us with that information with regard to the contracts for those consultants.

Mr. Serge Imbrogno: I undertook to talk to the OEB to see what they've made public and to provide that information to you.

Mr. John Yakabuski: And what about what they haven't made public?

The Chair (Ms. Cheri DiNovo): If I could interject for a second, I just want to remind the member that it is up to the minister as to what is provided.

Mr. John Yakabuski: Oh, I understand that, but it's up to me to get it on record as to what I'd like to see provided.

For those things that aren't made public, what undertaking can we have?

Mr. Serge Imbrogno: I think I'd report back to the committee and tell you what is available. I think that we can go from there.

Mr. John Yakabuski: Okay. How much time do I have left?

The Chair (Ms. Cheri DiNovo): About 10 minutes.

Mr. John Yakabuski: Do you think—I know you've already answered that, but I need to have these things on the record. Do you think that the \$12 million spent on the OESP, the Ontario Electricity Support Program, was spent wisely? Because as I said, this is in addition to the cost of the program, and I've articulated a few of those costs that, first of all, you have no way of calculating, and that is the human cost in 107 constituency offices. But I think there's probably a way of estimating the cost in human time of every one of those applications where there's been assistance in a constituency office. You want our constituency offices to be part of this process, which we are—mine probably as much as any, because I live in a rural part of the province, a lower-income part of the province, and I happen to be the energy critic, so right off

the bat, more people come to us than come to some other constituency offices.

0950

An additional \$12 million is going onto the hydro bills to pay for this. An additional \$12 million is going onto the hydro bills to pay for just the consultants and the advertising program. Consultants and advertising: \$12 million.

In addition to that, as I said to the deputy, every cost involved in the administration of this program, from the top down, which is difficult to calculate—it would be in the millions and millions of dollars. People's time is valuable. When we're serving somebody on a program that you people spent \$12 million designing, it's time that my constituency staff and others are not putting towards other problems that constituents bring through our door.

We have a constituency budget, as you are well aware—it's a global budget—and we can't hire more people. Over the last few years, I could have hired two people just to deal with hydro problems, whether it's the Hydro One billing fiascos and embarrassing ratepayers by taking them to the woodshed, so to speak, and making them feel guilty, and billing numbers that—with a lack of response to the point that we have to have the Ontario Ombudsman look into the problem. We could have had two additional staff in our office dealing with hydro bills. We can't do that because we don't have the budget to do that. We don't have the freedom to hire people beyond what our global budget allows.

When you have a problem in this province—you've only recently recognized it. In fact, Minister, when you were first appointed to cabinet—congratulations—you implied that there wasn't a problem with electricity prices in Ontario. But you have a constituency office too, and I'm sure that in that constituency office you dealt with many constituency complaints with respect to the price of electricity and people's inability to pay their hydro bills.

So when you put all of those things together and you come up with a program that you cite as a success, when you've reached less than a third of the potential candidates for this program, after spending \$9 million on consultants to come up with what should have been a foolproof, perfect program—\$9 million is a lot of money. Would you agree that \$9 million is a lot of money?

Hon. Glenn Thibeault: Nine million dollars is a lot of money.

Mr. John Yakabuski: Yes—and then \$2.5 million to advertise that. And you still have only a third of the people who are eligible getting a benefit from it. Would you still consider that, here on the 18th of October, 2016, to be a success?

Hon. Glenn Thibeault: Some 145,000 families are currently on this program that we have done in 10 months. I would see that as a success. As the deputy started speaking to, with the initial start-up cost to get this program under way—I am very proud of this program. It's something I want us to continue to promote. I'm hoping that we get more and more families on this,

because if there are more families who actually can qualify for this program, then I would like to see them on it.

Deputy, do you have any other comments in relation to that?

Mr. Serge Imbrogno: I would just repeat that a large portion of the \$9 million was a one-time start-up cost. Those won't be repeated in the going-forward years.

I think you have to take into account that this is a program that the OEB started—it was all competitively procured, so the cost of the consultants, the cost of the system, were the lowest costs that we could come up with, and a lot of that was one-time start-up costs. The going-forward costs will be less to administer.

It is part of getting the information out to low-income families that you have to put that money into the advertising and into social agencies to help them when people come in and they need the support.

I think, as a ministry, we're very proud of this program. We're proud of the fact that we got it up and running when we said we would. We have everything linked to the CRA within the ministry and across the government. I think, from our perspective, it is a program that we are proud of.

Mr. John Yakabuski: You said it was all competitively procured. Were you part of that process?

Mr. Serge Imbrogno: No, that was the OEB. The OEB follows an open competitive procurement process.

Mr. John Yakabuski: So the names of those firms would already be public?

Mr. Serge Imbrogno: I would think it's usually public accounts—

Mr. John Yakabuski: Are you aware of the names of those firms, that you could actually tell me them today? Do you know the names of the firms?

Mr. Serge Imbrogno: Yes. The firm that won the contract is ICF. It actually won the contract to administer the system, to start up the system. I think IBM was also procured initially to help the OEB with the specs to contract with a firm like ICF.

Mr. John Yakabuski: But ICF is administering it.

Mr. Serge Imbrogno: They're the ones that set up the actual software to get the program up and running.

Mr. John Yakabuski: So how much of that \$9 million went to those two firms?

Mr. Serge Imbrogno: That's what I don't know.

Mr. John Yakabuski: You don't? So how many firms were involved?

Mr. Serge Imbrogno: From what I know, there was IBM, which started to provide the OEB with advice on how to set up the system, how to set up the procurement contract. Then there was the bid that went out, and ICF was the winning bidder.

Part of why ICF won is that they had a similar system in the United States, I think in the Detroit area. So they were able to take that and apply it to Ontario, and I think that's one of the reasons why we got a very low start-up cost on the program.

The Chair (Ms. Cheri DiNovo): Mr. Yakabuski, you have about two minutes left.

Mr. John Yakabuski: Oh, okay. I'm going to turn this over to my colleague Mr. Smith.

Mr. Todd Smith: How do you reconcile the fact that the Ontario Clean Energy Benefit was cancelled on the first of the year, that that was no longer something that was necessary, the 10% savings, and now, suddenly, months later, what was the cataclysmic event that occurred where suddenly there wasn't a crisis in electricity in Ontario any longer, but then suddenly there was a crisis where you had to remove the provincial portion of the HST off hydro bills, when previous ministers had made the decision to remove the clean energy benefit?

Hon. Glenn Thibeault: I know I only have two minutes, so I'll try and speak quickly. The government has always been looking at ways to try and find opportunities to mitigate downward pressure on rates. The Samsung agreement, renegotiating that, was \$3.7 billion in savings. There are many other programs that were put in place.

When the one program that you're speaking of ended, we also eliminated the debt retirement charge. So we've been doing many things as a government to continue to have downward pressure on rates.

When I took over as minister, part of my mandate letter, and what the Premier was talking to me about, was trying to find ways that we could help families that were having a difficult time with some energy rates. For me, talking with constituents, talking with people across the province, talking with stakeholders and looking at some of the options and the levers that we had within my disposal, this was an opportunity for us to bring that forward.

Mr. Todd Smith: But how do you reconcile, though, the clean energy benefit coming off—or putting it back on, I guess—and then removing the 8% portion of the HST? How do you reconcile that?

Hon. Glenn Thibeault: In relation to the—

The Chair (Ms. Cheri DiNovo): Mr. Smith and Minister, the time is up now. We now move to the third party: Mr. Tabuns.

Mr. Peter Tabuns: Minister, I have limited time, so I'll touch on a few issues and I'll enlarge on other themes when we come back to our full hearing.

You announced the cancellation of Large Renewable Procurement and said it would save the average ratepayer about \$2.45 per month. Can you tell us when that savings would be in effect?

Hon. Glenn Thibeault: In relation to the LRP II, that would have been a future cost that would have been on the bills of consumers. By suspending the LRP II, we're not putting that cost onto the ratepayers.

For further explanation, I know that the deputy can talk about that in detail.

1000

Mr. Peter Tabuns: That's good, but I'll just go back. When is that \$2.45 effective? Is that effective January 1 next year? Is it effective January 1, 2020? TVO had reported 2032. Which—

Hon. Glenn Thibeault: In part of the 2013 long-term energy plan, which is where the costs were based off of,

it gets technical, hence asking the deputy to answer the question specifically for you.

Mr. Serge Imbrogno: If the LRP II process would have continued, you would have had the RFP round. There would have been qualified bidders. They would have put a bid in. They would have been selected. So that process would have taken a couple of years, and then you would actually have to build the project. In the 2018-19 range, you would have expected the facilities to have been built, and at that point the charge would have appeared on the bill.

Mr. Peter Tabuns: So in what year would that so-called savings have been effective?

Mr. Serge Imbrogno: Not an exact year, but in the 2018-19 time frame. We can give you that exact number if you're looking for it relatively to what we assumed in the long-term energy plan.

Mr. Peter Tabuns: So are we saying that—you would issue the RFPs. There would be a process of people searching for sites. There would be construction. Are we talking seven years from now that that—

Mr. Serge Imbrogno: I wouldn't say it was seven years. I'd say in the three-year range.

Mr. Peter Tabuns: That's very fast build-out, don't you think?

Mr. Serge Imbrogno: Well, it's qualified candidates. They go through that process.

Mr. Peter Tabuns: So you're saying 2020, then?

Mr. Serge Imbrogno: In that range. I'd prefer to get you that exact number, but I think that would be the process that—

Mr. Peter Tabuns: I would be very happy if legislative research would note that you've made an undertaking to give us the exact number. I appreciate that.

Mr. Serge Imbrogno: The year. It's probably going to be a range. It won't be exact.

Mr. Peter Tabuns: I'm happy to take a range.

Mr. Serge Imbrogno: I'll get back to you with a range.

Mr. Peter Tabuns: So that isn't a reduction in our hydro bills as of January 1, 2017; that's a reduction from the projections that you'd set up previously?

Mr. Serge Imbrogno: That's correct.

Mr. Peter Tabuns: Okay. In doing your calculations, what was the average cost per kilowatt hour for the power that would have been produced from wind or solar producers? You know how much it comes out to. You know how much would have been on a bill. What would the cost of the power have been?

Mr. Serge Imbrogno: In our 2013 long-term energy plan, we would have made all those assumptions public in the modules that are part of the 2013 LTEP. Those would have been the costs that would have been embedded, and those would have been the savings that are provided from not proceeding.

Mr. Peter Tabuns: So the savings are based on the calculations made in 2013. As I understand it, the cost of wind power has dropped substantially since then, and, by 2020, would be even cheaper. So the \$2.45 is not based

on the current cost of wind per kilowatt hour; it's based on the 2013 number. Is that correct?

Mr. Serge Imbrogno: There would have been an assumption in the 2013 LTEP of price digression, so that would have been built into that assumption.

Mr. Peter Tabuns: And did that price digression reflect your actual experience?

Mr. Serge Imbrogno: Since it's a competitive process, it's hard to say in two or three years what the actual costs would have been. For whatever reason, it could be higher or lower, but it's all based on what we projected in the 2013 LTEP, and that included assumptions on digression of prices going forward, both solar and wind.

Mr. Peter Tabuns: Can you tell us what the number would have been from the 2013 projections?

Mr. Serge Imbrogno: That's in the modules that are part of the long-term energy plan. So there are some modules—

Mr. Peter Tabuns: Can I ask you to actually pull that number out for us?

Mr. Serge Imbrogno: I can refer you to the modules and tell you what tables they're in, if that would be helpful.

Mr. Peter Tabuns: Well, if you would do that, and if you would also tell us what the difference is between the projections and the most recent actual experience with renewable project pricing coming in with this competitive bidding. I'm assuming that competitive bidding is giving you prices lower than you were projecting in 2013.

Mr. Serge Imbrogno: The LRP I information is out there as well. That's publicly available.

Mr. Peter Tabuns: So you will be providing me with the tables that will show me the projected prices that you're basing this \$2.45 savings on; is that correct?

Mr. Serge Imbrogno: I'm going to give you a reference to where you can find the information and the LTEP modules, which are in the public domain.

Mr. Peter Tabuns: And if I can't find those modules, I'm sure you'll be helpful and give me a copy of them.

Mr. Serge Imbrogno: I'm sure we'll be able to help you find those.

Mr. Peter Tabuns: Good. The second question: The Ontario power outlook says that we face flat demand for the next decade. Actually I have a variety of scenarios, but one of those is flat demand. It also says that 1,200 megawatts of non-utility generation—NUG—capacity is coming up for contract expiry between now and 2018. Are you renewing those NUGs as the contracts expire? I'm happy with either of you answering. I'd just like an answer.

Mr. Serge Imbrogno: No, there's no intention for us to renew those contracts.

Mr. Peter Tabuns: So that's about 1,200 megawatts of power?

Mr. Serge Imbrogno: Yes, I think the table on page 11 gives you the gas-fired generators that are expiring contracts.

Mr. Peter Tabuns: That's page 11 of the Ontario Planning Outlook?

Mr. Serge Imbrogno: Yes, for 2021-29. I guess that's about seven megawatts of capacity—or seven gigawatts. Seven thousand megawatts.

Mr. Peter Tabuns: Seven thousand megawatts of capacity?

Mr. Serge Imbrogno: Yes, seven gigawatts, and then there are additional contracts expiring in 2030-35. Some of those are NUGs; some of those are the clean energy supply contracts.

Mr. Peter Tabuns: What about contracts that are expiring over the next three years?

Mr. Serge Imbrogno: Well, the 2016-20—that number is there. It appears to be less than one megawatt.

Mr. Peter Tabuns: Less than one megawatt?

Mr. Serge Imbrogno: One thousand megawatts. One gigawatt here.

Mr. Peter Tabuns: Okay, so one gigawatt is expiring?

Mr. Serge Imbrogno: In 2016-20, it's expiring, and then the bulk of it is in the 2021-29 time frame.

Mr. Peter Tabuns: Okay. And you're not renewing any of those?

Mr. Serge Imbrogno: There's no direction from the minister to the IESO to renew them, so there's—

Mr. Peter Tabuns: So that means automatically they would not be renewed. Is that correct?

Mr. Serge Imbrogno: They would not be renewed but they could be part of the market if they want to bid in at whatever the market price is, if they can be economic.

Mr. Peter Tabuns: So if they can bid in at two cents or three cents a kilowatt—

Mr. Serge Imbrogno: They could be a market participant and participate that way.

Mr. Peter Tabuns: Do you expect any of them to bid in at those prices?

Mr. Serge Imbrogno: Well, it's a fairly low price. You have to cover your variable cost.

Mr. Peter Tabuns: So you're not renewing those contracts; is that correct?

Mr. Serge Imbrogno: There is no directive from the minister to the IESO to renew those contracts.

Mr. Peter Tabuns: And, Minister, are you expecting to issue a directive?

Hon. Glenn Thibeault: One of the things I'm relying on right now is the long-term energy plan. The consultations have started. We launched them last week. The first consultation will be next week in Toronto, then we go into Sudbury and other northern communities. The importance of the long-plan energy plan is to hear from stakeholders to talk about what our energy needs are going to be for the next decade—

Mr. Peter Tabuns: I appreciate all that. Are you currently planning to renew any of those contracts? Are you planning to issue a directive?

Hon. Glenn Thibeault: For me, right now, it's looking at what the long-term energy plan is going to do before I would move on any of that. Since it's a long time away—what, we're talking in 2021-29?

Mr. Peter Tabuns: Actually, no, 2016-20, so this year and over the next three years.

Hon. Glenn Thibeault: On the 1,000 megawatts? I apologize. I thought you were talking about the 2021-29.

Mr. Peter Tabuns: No, I'm talking about today and tomorrow.

Hon. Glenn Thibeault: Still, again, I'm not looking at doing anything in relation to those contracts, as it stands at the moment. I'm looking forward to working with the IESO on all matters relating to contracts because the IESO is the organization that sets those contracts and signs those contracts.

Mr. Peter Tabuns: So you've cancelled the LRP II because we have excess capacity, and on the same basis you're not renewing these contracts. Is that correct?

Hon. Glenn Thibeault: The LRP II suspension was in relation to the adequate supply of power that we have, and from what they outlined to me in the OPO and the conversations that I had with the IESO, there was no need for that power, currently.

Mr. Peter Tabuns: And so there's no need for these NUGs either. You aren't going to buy new gas power in place of the wind power that we could have had?

Hon. Glenn Thibeault: One of the things that I'm looking at and one of the things that I have conversations with the IESO about is what our current needs are. The LRP II contracts, as the deputy minister answered to you earlier—we're looking at three or four years before that would be in place. For me, when we're coming and talking about the NUGs, the current supply that we have is what we need in relation to that.

Mr. Peter Tabuns: So you don't need these NUGs and you're not renewing contracts?

Hon. Glenn Thibeault: That's not what I said. I said I need to continue to work with the IESO to listen to their advice because they're the system operator.

Mr. Peter Tabuns: And so what are they advising you?

Hon. Glenn Thibeault: We haven't had that conversation around the NUGs just yet.

Mr. Peter Tabuns: Are they renewing NUG contracts without your permission or are they letting them expire and letting them fold?

Hon. Glenn Thibeault: Well, I'm having a conversation, as I said, with the IESO to talk about this. We'll continue to look at each opportunity to save ratepayers money as best we can.

The Chair (Ms. Cheri DiNovo): Mr. Tabuns, you have about three minutes.

Mr. Peter Tabuns: Let's be very clear. We have a climate crisis. We have these NUG contracts expiring. They burn gas. You've decided you don't need renewables. Are you going to make sure that you're not going to be renewing these gas-fired contracts in a situation where we're supposed to be reducing our greenhouse gas emissions? What are you going to do?

Hon. Glenn Thibeault: The important thing for us is to recognize that we've already got 18,000 megawatts of renewable online. We recognize that we're in a climate crisis, because we've already shut down coal. We're leading North America when it comes to clean energy.

When it comes to the contracts, I'm having conversations with the IESO about the importance of every contract. But to say that I'm going to act on something without even having a clear conversation with the IESO—I don't make assumptions; I base it on fact. The IESO is going to provide me with facts, just like the deputy minister is providing the committee with facts.

Mr. Peter Tabuns: So for now you're not ruling out continuing these gas-fired contracts in the midst of a climate crisis?

Hon. Glenn Thibeault: I'm not ruling out anything in terms of renewables and in terms of any of the existing system that we currently have.

Mr. Peter Tabuns: Well, that's very clear.

What is the average price per kilowatt hour that's being charged by these NUGs?

Hon. Glenn Thibeault: Deputy?

Mr. Serge Imbrogno: I don't have that information handy. I think—

Mr. Peter Tabuns: Can you provide us with that information? Will you take an undertaking to that effect?

Mr. Serge Imbrogno: To the extent that it's in the public domain, I'll undertake that undertaking.

Mr. Peter Tabuns: Is it in the public domain?

Mr. Serge Imbrogno: Well, the OEFC may publish the information because a lot of the NUG contracts are held by the OEFC. The OEFC probably has an aggregate number that they provide. They don't give you the contract-by-contract—

Mr. Peter Tabuns: I don't care about contract-by-contract. I want to know the aggregate. That would be fine.

Mr. Serge Imbrogno: I think the aggregate is available because they recover that through the rate base. That information is there.

Mr. Peter Tabuns: If you could provide us with the cost per kilowatt hour, that would be great.

Mr. Serge Imbrogno: I'll provide you with whatever cost the OEFC publishes in its annual report.

Mr. Peter Tabuns: Do you think you could provide that by tomorrow?

Mr. Serge Imbrogno: As soon as I get out of this committee, I will ask my staff to find that information.

Mr. Peter Tabuns: Excellent. It is comforting to know that. Thank you.

How much time do I have left?

The Chair (Ms. Cheri DiNovo): You have 30 seconds or so.

Mr. Peter Tabuns: Darn.

The Toronto Hydro sell-off—why do we have a tax on the sale of local distribution companies? Do you know why there's a tax on the sale?

Mr. Serge Imbrogno: There are a number of taxes involved. Right now, the municipality—the LDC—pays payments in lieu of tax. They're a commercial company. There's also—

Mr. Peter Tabuns: But at the time of sale, there's that 33% tax that we've talked about in the past.

Mr. Serge Imbrogno: Yes, there are a couple of taxes. There's a transfer tax and a departure tax.

Mr. Peter Tabuns: And what's their function?

The Chair (Ms. Cheri DiNovo): I'm afraid that time is up, Mr. Tabuns.

We'll take a moment to take care of some housekeeping. We're moving on now from vote 2901 to address the fact that I believe we have consent to adjourn this committee until tomorrow at 3:45. We will not be meeting

this afternoon and we will ask the Clerk to cancel this p.m.'s meeting. Is that agreed?

Interjections.

The Chair (Ms. Cheri DiNovo): Okay. This committee stands adjourned until tomorrow at 3:45. Thank you.

The committee adjourned at 1014.

STANDING COMMITTEE ON ESTIMATES

Chair / Présidente

Ms. Cheri DiNovo (Parkdale–High Park ND)

Vice-Chair / Vice-Présidente

Miss Monique Taylor (Hamilton Mountain ND)

Mr. Bob Delaney (Mississauga–Streetsville L)

Mr. Joe Dickson (Ajax–Pickering L)

Ms. Cheri DiNovo (Parkdale–High Park ND)

Mr. Han Dong (Trinity–Spadina L)

Mr. Michael Harris (Kitchener–Conestoga PC)

Ms. Sophie Kiwala (Kingston and the Islands / Kingston et les Îles L)

Mr. Arthur Potts (Beaches–East York L)

Mr. Todd Smith (Prince Edward–Hastings PC)

Miss Monique Taylor (Hamilton Mountain ND)

Substitutions / Membres remplaçants

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Mr. Peter Tabuns (Toronto–Danforth ND)

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Clerk / Greffier

Mr. Eric Rennie

Staff / Personnel

Mr. Ray McLellan, research officer,
Research Services