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**RE: ERO 019-3007 - Review of Ontario's long-term energy planning framework
Comments from the City of Toronto**

Thank you for the opportunity to submit comments on the above referenced proposed reform of the Long-Term Energy Planning Framework in Ontario.

Toronto's long and robust history of environmental and health protection has made it a leading example of sustainability amongst municipalities. Toronto City Council has enacted many long-term strategies and plans that work together to achieve its vision of a clean, green, and sustainable city. In October 2019, Toronto City Council voted unanimously to [declare a climate emergency](#)¹ and to accelerate efforts to mitigate and adapt to climate change including the target to reach net-zero emissions by 2050, or sooner.

The City is developing a Net Zero Strategy and an Existing Buildings Emissions Strategy that will provide detailed recommendations and implementation plans for policy and actions. Early findings have highlighted that we cannot achieve zero GHG emissions in the building sector through retrofitting, as a result of the remaining emissions associated with Ontario's electricity. Similarly, the local Toronto Green Standard is also dependent on electrification and a low-carbon electricity grid to realize the emissions performance objectives for new buildings.

City Council passed a [resolution](#)² on March 10, 2021 to request the Government of Ontario to develop and implement a plan to phase-out all gas-fired electricity generation as soon as possible to ensure that Toronto has a clear path to achieve our climate action goals, taking into consideration the need to balance the cost to taxpayers, the need to have flexibility of supply and the need to have system reliability during the refurbishment of the Darlington and Bruce nuclear power stations.

¹ <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM10.3>

² <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.DM30.3>

For the City of Toronto to achieve the net zero target, the Province of Ontario needs to provide a clear commitment and a path forward on both the greening of our electrical grid and electrification across sectors, including buildings, vehicles, and industry. This action needs to occur within the same urgent 2030 timeframe as other decarbonization action. Without this commitment, plan and action, it is impossible for Toronto to achieve our 2030, or 2050, climate objectives. The Long Term Energy Plan is positioned to provide the critical guidance to help achieve these targets.

We recommend the following items be considered in a renewed planning framework:

- The LTEP has long been used by both Toronto and private companies to understand the direction of Ontario's electricity system. The continuation of this clear and transparent documentation of strategic direction is important.
- The consistency of long term planning is critical to the success of driving investment in large-scale zero carbon generation projects, deep retrofits of buildings, and the installation of electric vehicle infrastructure. Ontario needs clear long term direction as provided through the LTEP in the past to enable private investment.
- Planning processes or decisions should be structured to protect the long-term interests of Ontarians and provide stability to enable investment in emissions reduction.
- Assist municipalities to enact by-laws through Provincial regulations that advance LTEP targets, such as enabling local energy performance standards. For example, section 108.1 of the [City of Toronto Act](#)³ enables municipal by-laws for conservation aligned with Provincial regulations.
- As Ontario moves to decarbonize, support should be provided to encourage alternatives to the expansion of natural gas transmission and distribution networks as well as to encourage investment in electrification. LTEP reform should fully integrate electricity and natural gas resource planning processes.
- We encourage the Ministry of Energy, Northern Development and Mines to review any legislation that may be preventing the City from charging natural gas distributors for infrastructure encroachments under the City's right-of-way because the imposing of such charges on conventional natural gas distributors may help make greener energy alternatives more affordable to Ontario consumers.
- Areas where the LTEP currently provides direction are outside IESO and OEB core mandates. The OEB mandate does not currently contain any specific direction around lowering greenhouse gas emissions of the Ontario grid. Similarly, IESO's core mandate is focused on the promotion of an efficient and reliable electricity market and power grid, not reduction of emissions. Integrating

³ <https://www.ontario.ca/laws/statute/06c11#BK141>

greenhouse gas emissions reductions into these mandates and decision-making frameworks is critical to achieve our climate targets.

- The proposal posted for comment suggests extension of the OEB and IESO mandates may be possible; however, consideration must be given to the alignment between their existing mandates and required future direction, as described below.

Toronto recommends that a LTEP framework consider how to effectively support and enable the implementation of the below policies while aligning with existing OEB and IESO mandates:

- Enable data access, sharing and reporting through completion of implementation of Green Button standards; including consumer access and automated-sharing by utilities.
- Expand reach of [Energy and Water Reporting and Benchmarking regulation](#)⁴ and consider a building labelling system to disclose performance.
- Provide funding to encourage net zero new construction and deep retrofits, including specific funding to support electrification of fossil fuel heating systems.
- System planning needs to drive most current uses of natural gas to convert to electricity in order to achieve our climate targets. Renewable natural gas or green hydrogen may provide limited opportunity for net emissions reduction in some cases, however neither has the available potential to offset all of Ontario's gas demand. Green hydrogen is produced using electricity while a study for the OEB shows the total potential of renewable natural gas production⁵ is only a few percent of total system demand. These technologies are best suited for niche uses such as industrial high temperature processes or long haul transportation.
- Reliability and climate resiliency of the electricity system becomes even more critical as buildings electrify and disruptions in power supply increase the occupant vulnerability. While reliability is within the IESO mandate, further direction should be provided to include projected extreme weather and external infrastructure impacts caused by climate change to ensure the electrical grid can meet reliability requirements in these scenarios.
- Ensure policy supports simplified connection of distributed renewable generation, including streamlining the connection process and integrating with distribution system upgrade planning.
- Similarly, ensure distribution system planning accounts for connection of net zero buildings where peak exports are higher than peak demands.
- Support moving toward policies and technologies to enable limiting grid peak demand and allow non-wires alternatives such as local demand response.

⁴ <https://www.ontario.ca/laws/regulation/180506>

⁵ ICF. (2017). *Marginal Abatement Cost Curve for Assessment of Natural Gas Utilities' Cap and Trade Activities (EB-2016-0359)*. https://www.oeb.ca/sites/default/files/OEB_MACC_Report_20170720.pdf

- Rates for natural gas and electricity need to be in line with climate objectives to encourage consumers to choose the lowest emissions option.
- Policy and infrastructure to support electric vehicle adoption and mass transit electrification. This will require additional grid capacity and funding to support new charging infrastructure and to encourage vehicle adoption.
- For buildings, bring electrical connection costs in-line with supporting 100% EV-ready construction and retrofits. Planning for electrification requires larger capacity electrical service for new buildings and larger service upgrades during retrofits. Building owners are reluctant to fund upsized capacity when adding or upgrading services due to direct infrastructure cost to the owner when service is not fully utilized in a short timeframe. Mandate electric utilities to plan for future electrification of vehicles and buildings by sizing any electrical services installed today for the expected incremental demand. Extending amortization of these utility assets may allow recovery through existing rate mechanism.

If LTEP responsibilities are given to the IESO and OEB, it is critical their new mandates prioritize the above goals and enable net zero emissions by 2050 or sooner.

Should you have any questions or comments about this submission, please contact Devon Stopps, Senior Engineer, Environment and Energy Division, at Devon.Stopps@toronto.ca.

Sincerely,



Jim Baxter, P. Eng., MBA
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