

October 19th, 2018

Environmental Defence Comments on the Repeal of the Green Energy Act

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The following submission provides Environmental Defence's response to the draft Repeal of the Green Energy Act released by the Ministry of Energy.

Since 1984, Environmental Defence has been working to protect Canadians' environment and human health. We challenge and inspire change in government, business and people to ensure a greener, healthier and more prosperous life for all.

We know our government is looking for a new path forward to cut electricity costs and create power and jobs right here at home. In repealing the *Green Energy Act, 2009*, Ontario should make sure to distinguish between perceptions of the Act itself and clean, renewable energy more generally, so as not to lose out on the massive opportunities for low cost power that clean energy can provide.

Renewables are now the cheapest form of new electricity generation in Canada, as they are in many parts of the world. Alberta recently signed contracts for wind power at 3.7 cents per kilowatt hour. In comparison, the average cost in 2016 of natural gas-fired electricity generation in Ontario was above 12 cents per kilowatt hour, and Ontario Power Generation projects that nuclear power rates need to rise to over 16 cents per kilowatt hour to cover nuclear generating station refurbishments.

Ontario will soon need to find new sources of power to meet customers' needs. Recent [IESO forecasts](#) have revised Ontario's electricity outlook in light of the recent cancellation of renewable energy projects, which will impact future supply. The IESO projects a capacity shortfall during peak-demand months starting in 2023, upon closure of Ontario Power Generation's Pickering Nuclear Generating Station[i]. Demand will be even higher if new conservation programs are not implemented, meaning capacity will need to increase further. One way or another, Ontario will need new, low-cost generation in the not too distant future.

Our government needs to show initiative now and begin planning out how to meet the needs of Ontarians in the future if the government aims to avoid a shortfall. All forms of new generation take time to procure and construct. Renewable technologies, however, are simple to manufacture and relatively quick to deploy - they boast the fastest lead times of the available options. As a result, renewables should be the preferred choice for new generation in Ontario, along with purchasing low cost, abundant hydro power from Quebec exported for as little as 4 cents per kWh.

By expanding low-cost clean energy sources, Ontario also has an opportunity to cut air pollution and improve the health of its residents. Since banning coal-fired electricity and shifting towards

cleaner sources of electricity, improvements in Ontario's air quality have translated into significant health benefits for Ontario residents, reducing air pollution-related premature deaths by 23 per cent and hospital admissions by 41 per cent in Toronto alone^[ii]. Although natural gas is a cleaner energy source than coal or oil overall, burning natural gas still contributes harmful emissions to Ontario's air pollution. Emissions related to natural gas combustion in Toronto are related to about 28% of premature deaths and 20% of hospitalizations arising from air pollution emitted with Toronto's borders.^[iii]

Expanding clean energy also has huge potential for Ontario to help cut carbon emissions and meet its climate goals. The Saskatchewan government has put SaskPower's plan to reduce emissions by 40 per cent of 2005 levels and a power generation capacity of up to 50 per cent at the centre of their climate change strategy – Ontario could do the same.

Clean energy can bring in billions in clean tech dollars, and good jobs to help rural and Indigenous communities thrive. With local energy generation comes local jobs - as engineers, technicians, project managers, tradespersons, and more. It's estimated that the Green Energy Act created 91,000 direct and indirect solar sector jobs and 89,000 direct and indirect wind sector jobs^[iv]. Rather than relying on imports that benefit other jurisdictions, Ontario could maintain and create thousands of new jobs in communities across the province by investing in locally-produced renewable energy instead.

We urge Ontario's government to consider that renewable energy prices have dropped substantially since the Green Energy Act was first implemented. The province can't miss out on what has become the surest way to lower electricity costs for Ontarians. And given the many co-benefits – for our health, climate, economy, and strength of our communities – renewables should lead the way in new energy procurement in Ontario.

Changing the *Planning Act* to restore municipal authority over siting renewable energy projects

It makes sense to allow municipalities to have planning authority regarding the siting of renewable energy generation facilities. We do, however, have concerns about removing the ability to appeal municipal refusals of, and failures to make decisions on, applications to amend official plans and zoning by-laws to allow a renewable energy undertaking. Singling out renewable energy projects and removing their ability to appeal, while leaving in place the ability for other forms of energy generation to appeal, creates an unfair and distorted market. Local communities should have a voice in all energy projects – including natural gas, nuclear, and other forms of energy generation.

Holding renewables to a different standard will decrease the number of new projects, and slow down the process for approving new sources of renewable energy. Considering Ontario's projected capacity shortfall in less than five years, we can't afford to unfairly slow down the approval process for the only energy source capable of quickly filling this gap without adding harmful air pollution or greenhouse gas emissions.

Transfer of certain conservation and energy efficiency initiatives to the Electricity Act

Conservation and energy efficiency initiatives are vital to lowering costs and cutting pollution in Ontario. We are pleased to see that several initiatives have been transferred to the Electricity Act, and will continue to operate. These initiatives include allowing for the use of designated energy conservation goods, energy efficiency standards for appliances and equipment, customer access to energy data, energy benchmarking and conservation requirements for publically-owned buildings, and new Energy and Water Reporting and Benchmarking requirements for private sector buildings, which is being phased in over 3 years, starting in 2018.

We are disappointed to see that a regulation making authority to mandate public agencies to consider energy conservation in procurement and capital investments has not been maintained. This is a strong opportunity to eliminate wasteful spending among public agencies, and ensure adoption of a long-term lens on cutting energy costs. Ontario has the opportunity to make stronger, longer-lasting capital investments that will save taxpayers money over time, and will also reduce carbon pollution. This regulation would make a strong statement that our government wants to spend smarter, not more.

In addition, we would also urge the government to maintain the un-proclaimed provision enabling mandatory home efficiency disclosure for homes at the time of sale. This would certainly improve transparency for home buyers, many of whom are facing massive costs. A rating system requiring sellers to disclose a home's energy efficiency would give home buyers the info they need to assess long-term costs, and would incentivize energy efficiency upgrades in Ontario.

Contact Information

Thank you for your consideration in reviewing our comments. Environmental Defence looks forward to continuing to work with the Province on this important issue.

If you have any questions or require any clarification on the contents of this submission, please contact:

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[i] IESO. 2018 Technical Planning Conference. Presentation. <http://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Technical-Planning-Conference>

[ii] Toronto Public Health. Path to Healthier Air: Toronto Air Pollution Burden of Illness Update. 2014. <https://www.toronto.ca/wp-content/uploads/2017/11/9190-tph-Air-Pollution-Burden-of-Illness-2014.pdf>

[iii] Toronto Public Health. Path to Healthier Air: Toronto Air Pollution Burden of Illness Update. 2016. <https://www.toronto.ca/wp-content/uploads/2017/11/9190-tph-Air-Pollution-Burden-of-Illness-2014.pdf>

[iv] Environmental Defence. Getting Fit: How Ontario Became A Green Energy Leader and Why It Needs to Stay the Course <https://environmentaldefence.ca/report/getting-fit/>