From: Hon. Bob Chiarelli [mailto:write2us@ontario.ca]
Sent: Friday, December 04, 2015 9:44 AM
To: Office of the Mayor
Subject: Letter from Hon. Bob Chiarelli

Ministry of Energy

Ministère de l'Énergie

Office of the Minister

Bureau du ministre

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December 4, 2015

His Worship Fred Eisenberger Mayor City of Hamilton <u>mayor@hamilton.ca</u>

Dear Mayor Eisenberger:

Our government recognizes that sound, prudent long-term energy planning is essential to a clean, reliable and affordable energy future. On October 28, 2015 our government introduced legislation, the Energy Statute Law Amendment Act, 2015 (Bill 135) that, if passed, would replace the current Integrated Power System Plan (IPSP) process with an enhanced Long-Term Energy Plan (LTEP) process that is transparent, efficient and responsive to changing policy and system needs. I am writing today to provide an outline of this proposed process.

Bill 135 would establish a long-term planning framework that builds on the robust process used to develop Ontario's 2013 LTEP, of which you were an integral part. This LTEP process is designed to balance the principles of cost-effectiveness, reliability, clean energy, community and Aboriginal engagement, as well as conservation and demand management.

The proposed LTEP process would start with the Independent Electricity System Operator (IESO) submitting to the Ministry a technical report setting out the current state of the electricity system, including the adequacy and reliability of the province's resources. This report would be made available to the public ahead of the LTEP consultation to provide stakeholders with a clear and comprehensive understanding of the province's supply and demand situation ahead of public consultations.

Following the IESO's technical report, the Ministry would conduct extensive consultations with the public, stakeholders and Aboriginal communities in a variety of forums and

mediums. This mandatory consultation stage would ensure that all interested members of the public, industry stakeholders, and Aboriginal communities are afforded the opportunity to provide input into the planning process.

The Ministry and its agencies would then be responsible for preparing the LTEP, based on the data provided by the IESO and feedback received through the consultations. The LTEP would include specific goals and objectives for Ontario's energy system and would require Cabinet approval before it is issued to the public.

Once the LTEP is finalized, the IESO and the OEB would develop their respective implementation plans, outlining frameworks on how best to implement the LTEP's goals and objectives – this could include proposed procurements, programs and policies, as appropriate.

In support of Open Government, Open Dialogue and Open Data, Bill 135 would require publication of the LTEP and other key information used in its development on a Government of Ontario website.

Finally, Bill 135 proposes a change to transmission planning and procurement. The legislation would empower the IESO to competitively procure transmission or competitively select transmitters.

The proposed planning process would provide an opportunity for stakeholders to play a critical role in the development of the LTEP through participation in the consultation and engagement process.

Enclosed for your reference, please find a briefing deck with additional detail on the proposed process.

Sincerely,

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Bob Chiarelli Minister

Enclosure

c: Serge Imbrogno, Deputy Minister, Ministry of Energy Matthew Whittington, Senior Policy Advisor, Minister of Energy's Office