

May 5, 2023

On April 19, 2023, the Ontario Energy Board (OEB) held a stakeholder session to discuss its response to the October 25, 2022, Letter of Direction from the Minister of Energy. The OEB identified three areas in which they have been asked to provide advice:

1. Opportunities to incorporate environmental and economic development considerations;
2. Approaches to integrating regulation of the electricity and natural gas systems;
3. Enhancements to how the OEB and Market Surveillance Panel (MSP) oversee the acquisition of energy resources, regulate the Independent Electricity System Operator (IESO) and review long term planning efforts.

The PWU supports the Government's Direction to the OEB as they reflect the PWU's previous recommendations to the Ministry for Energy, Northern Development, and Mines' (MENDM) 2021 consultation on the Long Term Energy Planning Framework¹. At the recent session, the OEB asked stakeholders to provide written feedback on five areas: Long Term Energy Planning, OEB Objectives, Lease-to-Construct approach, Electricity Distribution Activities, Indigenous Relationships, and, Innovation. This PWU submission focuses on the OEB objectives, long term planning and economic innovation within the electricity distribution activities. This submission draws on the PWU's recommendations made to the MENDM in 2021 and also to the OEB on the outcomes of the OEB's Framework for Energy Innovation (FEI) activities.²

Context

The PWU previously applauded the MENDM's prior 2021 call to reform Ontario's electricity sector as very timely due to several factors: the growing complexity of managing Ontario's energy system transition to a net-zero economy; the need to take immediate, affirmative action to address climate change; and the growing risk profile on multiple policy fronts for government should these challenges not be addressed.

These factors continue to present growing risks for Ontario's energy future: achieving real carbon emission reductions in the electricity sector and across the economy; ensuring Ontario's growing supply gap does not result in an energy shortage; the vital need to include other energy resources, such as natural gas, hydrogen and biomass, as part of the "energy" plan and to cost-effectively integrate rapidly-emerging technologies; and, manage the overall cost implications of the energy transition for ratepayers.

In the two years following the MENDM's consultation, the need to address these critical issues has become even more urgent. Addressing these complex issues during the transition of Ontario's energy

¹ OEB feedback to the MENDM on its Reforming the Long Term Energy Planning Framework Consultation April 21, 2021 (See Appendix 1 for attached copy)

² PWU feedback on the FEI/MS and subgroups reports – 08-2022-0128, August 28, 2022, PWU submission to the OEB, Considerations for developing a OEB RLA framework, Jan. 2023. Available at <https://www.owo.ca/beweb/consultations>