



Notes for Remarks:
Indigenous Community Energy Symposium
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Check Against Delivery

Thanks for that kind introduction. It's terrific to look out on such a full room. Clearly there's a great deal of interest in community energy planning on the part of Ontario's First Nations. I hope the Symposium satisfies your appetite for knowledge that will put your community on the path to a sustainable energy future.

I would like to begin by acknowledging that the land on which we gather is the traditional territory of the Wendat, the Haudenosaunee, the Anishnaabae and most recently, the territory of the Mississaugas of the New Credit First Nation.

We're grateful to all of you here today for joining us in an important dialogue about energy, including the young people I see around the room. Although the IESO is full of expert planners and operators, it's essential for us to also learn from the experts in your communities and engage the future experts, who are today's youth. It's important that we continue to consider the local perspective and work closely with communities and consumers like you to develop viable solutions to provincial, regional and local electricity challenges.

I hope you enjoyed the first day of the symposium, when we heard from some women at the forefront of community energy planning who shared their experience and expertise, explored the concept of energy resilience and what it means, and had an opportunity to learn more about and give feedback on the Aboriginal Community Energy Plan or ACEP program, among other things. Today promises to be just as informative.

I'm going to spend the next 15 minutes or so exploring a few topics, including the vast changes we have seen in Ontario's electricity sector, the growth in Indigenous participation in the sector, the changing role of the consumer, and the evolution of the IESO's relationship with consumers, communities and industry stakeholders.

Transformation of the sector and Indigenous participation

Ontario's energy landscape has been transformed in the last 10 years or so. More than six gigawatts of installed coal-fired capacity, which at one point made up one-quarter of our installed capacity, was retired and replaced with renewable generation, natural gas units and demand-side resources, which may include residential or business customers that reduce their consumption of electricity in response to prices or signals from the system operator.

Since 2006, Ontarians have also saved more than 68 billion kilowatt-hours through conservation and energy efficiency. This represents about the same amount of energy that Hydro One delivers to its entire service territory, which includes 1.3 million customers, over almost two years. Conservation and energy efficiency are making significant contributions to reducing peak demand and deferring or avoiding the need to build costly new generation, transmission or distribution infrastructure. It is the most cost-effective supply resource

available, at less than four cents per kilowatt-hour. It provides considerable value to the broader system while also helping consumers manage their own electricity costs.

Through the Conservation First Framework, the IESO is working closely with local distribution companies to foster a culture of conservation by enabling access to new and enhanced conservation programs that are designed to have an enduring impact on consumer behaviour. By working closely with their customers and delivering conservation programs under the Save on Energy banner, since 2015 Ontario's local distribution companies or LDCs have achieved 38% of the 2020 target of 7 TWh.

As you will have heard yesterday, energy conservation is a core component of a successful community energy plan. Later today you'll meet some of the local experts behind a program called Conservation on the Coast, which focuses on bringing energy conservation measures to the western James Bay coast. Working with the communities of Attawapiskat, Fort Albany and Kashechewan, this group is responsible for delivering the IESO's Save on Energy programs in a way that is tailored to local needs and circumstances. As a result, Conservation on the Coast has enabled customers to save energy and lower their energy bills.

In addition to the transition away from coal-fired generation and increased conservation measures, over the past 10 years we've also seen a significant increase in renewable resources. Today we have more than 4,200 megawatts of wind connected to the high-voltage transmission system that the IESO operates, or about 11 percent of total system capacity. To put that in context, those 4,200 MW are roughly equivalent to the average peak demand in Toronto in 2016. We have another 500 MW of biofuel plus almost 400 MW of transmission-connected solar. We've also seen an increase in hydroelectric resources. These numbers don't include renewable generation that's connected to local distribution systems, which I will address shortly. As a result of these investments in non-emitting resources, Ontario has a much cleaner power system today than ever before.

Among all of these other changes, we are also in the midst of a shift from a centralized model of operations to an increasingly decentralized one. Although our focus has traditionally been on large generators connected to the high-voltage transmission system, we're seeing more and more generation being developed and connected at the low-voltage, distribution level. There are a few reasons for this shift, but in general consumers are taking advantage of the opportunities coming from technology and policy changes that incentivize small, local solutions.

A lot of this renewable generation is the direct result of the FIT and microFIT programs, which were introduced in 2009. The IESO announced the results of the final FIT procurement just last month. More than 80 percent of the projects that were awarded FIT5 contracts had Indigenous, municipal or community participation. First Nation communities have been actively engaged in

the FIT program. The first four FIT procurements enjoyed significant Indigenous participation as well, with more than 1,100 MW of wind, solar and hydroelectric projects under development or in commercial operation. What's even more impressive is that close to half the First Nation communities in Ontario own or a partnered on a FIT project.

I had the pleasure of participating in one of the IESO's regional forums in Thunder Bay last week. One of the guest speakers was Norm Jaehrling, CEO of the Pic Moberg First Nation who is here today. Norm made a compelling presentation on the Gitchi Animki Hydroelectric Project on Pic Moberg's traditional territory on the White River. Pic Moberg owns 50 percent of the project, which was approved under the first round of FIT contracts. The project includes two generating stations with a total installed capacity of 18.9 MW. Regional Power Inc., a subsidiary of Manulife Financial, is the other partner. As Norm spoke about what this project means to his community and how this project helped the community in other business ventures, it really solidified to me how much our programs contribute to the resilience and sustainability of Ontario's Indigenous communities.

Energy Support Programs

The IESO's Energy Support Programs have also played a significant role in helping Indigenous communities develop renewable generation and build local capacity. The IESO is working with First Nation individuals and organizations to build community energy resilience by supporting communities in ways that enable them to participate in Ontario's green energy future. Since their inception in 2010, IESO programs for Indigenous communities have supported 510 projects, with a total investment of more than \$33 million.

It's gratifying to see that 97 First Nation communities have received funding to develop community energy plans through the Aboriginal Community Energy Plan (ACEP) program. This symposium has added to the momentum. In the last week alone, we received nine new ACEP applications submitted last week and two other communities indicated they will be updating their existing plans. As you will have heard yesterday, many of these communities are making great progress and setting an excellent example for other communities that are not as far along the energy planning continuum.

Despite the success of our energy conservation and support programs, we know they're not perfect. . That's one of the reasons we've brought you here today. We hope you will be candid about which aspects of the programs are most effective and which are...less so. Your input will enable us to find ways to better align funding programs with community needs, priorities and objectives.

Later today, the Ministry of Energy will release its latest Long-Term Energy Plan. It includes a significant focus on Indigenous communities, as will our own LTEP Implementation Plan. The

Implementation Plan will outline how the IESO plans to work with Indigenous communities, consumers and industry stakeholders to achieve the policy objectives laid out in the LTEP.

We want to be partners in your growth and development. We are available as a resource for guidance and support, both financial and technical. We are keen to look past the transaction and towards the transformation. Together with First Nation communities and organizations, we can co-create a bright future.

The customer's relationship with energy

In an age characterized by smart meters, Wi-Fi-enabled thermostats, on-site generation, residential energy storage systems, electric vehicles and other devices and technologies, consumers are engaging differently with energy today than they did five years ago. With the introduction of the Government of Ontario's Climate Change Action Plan, initiatives such as the Green Ontario Fund, and the suite of programs available through Save on Energy, customers in Ontario are taking a more active role in managing their energy consumption. They're demanding more choice...and more control.

And to a greater and greater extent, energy decisions are being made on a local and regional basis. Consumers and communities alike are seeking greater self-sufficiency and a larger role in these decisions – making the discussions that happen at this session so important.

Whether you install rooftop solar panels...participate in energy conservation through the IESO's Save on Energy programs...attend a local advisory committee meeting...join one of our many engagement sessions...contribute to a community energy plan...or engage in some other way...this is your opportunity to play a part in shaping Ontario's energy future.

I've spent a fair bit of time describing the supply and demand sides of the energy equation. I'd like to take a moment to focus on the wholesale electricity market that brings supply and demand together. Ontario's electricity market was designed in the late 1990s and opened in 2002, when the electricity landscape looked very different from today. As I've noted, the elimination of coal, the integration of distributed resources like wind and solar, and the increased role of the consumer have dramatically changed the dynamics of Ontario's electricity system. We have new resources, new technologies, new players, new business models and new operational requirements to consider.

The Market Renewal project is about rebuilding the foundations of Ontario's wholesale electricity markets to provide greater transparency, promote competition and deliver more efficient outcomes. The project has a broad reach, addressing the way we schedule energy, procure resources and meet operability needs in the province.

Perhaps more importantly, Market Renewal will also deliver significant financial results. When fully implemented, the project has the potential to provide net benefits to consumers and generators of approximately \$3.4 billion over a 10-year period.

Evolution of the IESO's engagement efforts

Given the breadth of its mandate, the IESO has touchpoints at every point in the electricity continuum. Our industry stakeholders are a varied lot. They include generators, transmitters, local distribution companies, large-scale industrial consumers, energy traders, aggregators that help enable demand-side participation in our markets, academic institutions and many others.

We also engage with communities, because a reliable supply of electricity is essential to supporting community growth – powering homes, schools, businesses, hospitals and transportation. Engaging with communities is an important part of maintaining a reliable electricity supply, now and in the future.

It is also important that we engage with each and every one of you here today.

This is our first Indigenous Community Energy Symposium and on behalf of everyone at the IESO and the Ministry of Energy who had a hand in bringing this event to fruition, we're delighted to see how much interest you have in community energy planning. I think this is a great opportunity for us to learn from each other and work collectively to ensure Indigenous needs and priorities are factored into our processes and decisions.

As the sector continues to evolve, the IESO's approach to engagement is also evolving. We're reaching out to new and different audiences as a way to ensure everyone's voice is heard, and everyone's opinion is considered.

The IESO has a broad range of engagement channels to ensure our initiatives are guided by engagement, and reflect our evolving mandate in the sector. Our objective is to provide individuals, communities and organizations with the information they require and an opportunity to provide input and feedback about proposed decisions that may affect them.

We welcome your suggestions on how and when to engage with Indigenous communities. For this relationship to work, it's important that we consider your preferences, and your priorities.

We are working with customers, communities, stakeholders and Indigenous peoples to collectively plan for the grid of tomorrow. We will continue to provide sound technical advice to policy makers. And we will continue to evolve our operations in ways that support the long-term reliability of the power system and efficiency of the wholesale markets.

But we can't do that in isolation. We will continue to seek ideas and input from those who are most affected by our decisions and our recommendations – people like you. This will be an ongoing dialogue, and I cannot overstate the importance of sharing your views – not just with us, but also with the Ministry, your LDC, elected officials and other groups.

I also encourage you to involve youth from your community in the dialogue. We made a strategic decision to include a youth component in this Symposium to ensure today's Indigenous youth know they have a place in Ontario's electricity sector. To ensure community-informed energy plans continue to deliver strong results, young people need to know they can make a difference.

Thank you for your time. I look forward to working with you to identify practical, cost-effective solutions that work for Ontario's First Nation communities.