



IESO Pathways to Decarbonization Study

Submission to the Ministry of Energy on ERO 019-6647

May 12, 2023

Introduction

AMO is pleased to provide comments on the Independent Electricity System Operator (IESO)'s Pathway to Decarbonization Study. We thank the Ministry of Energy for the opportunity to request feedback on what is a very important topic for municipal governments, now more than ever.

AMO's comments reflect our support for IESO's no regret actions, highlight the important role that municipal governments and Indigenous communities have in the energy sector, and identifies what the Ministry of Energy can do to help strengthen that connection.

Leading the Way in Energy Transformation

Municipal governments are proactively looking for cleaner energy solutions given that many municipalities have identified climate change and greenhouse gas emissions reduction goals. Our residents are calling for tangible local action and as a result, municipalities across the province have been implementing local solutions by working with their energy partners, including local distribution companies (LDCs).

As the ERO states, "the Ministry of Energy is working strategically with its energy agencies and partners to ensure the building blocks are in place for an integrated energy plan that meets Ontario's energy needs and while maintaining reliability and our clean energy advantage, at the lowest cost to families and businesses."

We are encouraged to see the Ministry's work in this regard. Particularly in building a longer-term vision for an integrated energy system by requesting the IESO develop the Pathways to Decarbonization Study and in establishing the Ministry's own Electrification and Energy Transition Panel. AMO has and will continue to participate in this Panel.

IESO's No Regret Actions

AMO supports the recommendations from the IESO as they will help support an orderly energy transition. From the need to accelerate current efforts to acquire new non-emitting supply, to looking at innovation and investment in low carbon fuels, to establishing an open and transparent process, these recommendations are a helpful path forward.

In AMO's view, the most encouraging recommendation is to "galvanize collaboration amongst stakeholders, including Indigenous communities."

The Need for Collaboration and Early Engagement

The municipal role in the regional planning process in energy is not well-understood by all stakeholders. We need to be involved at the macro level in the planning and siting of new energy projects because municipalities have the best line of sight into the local economic development needs of their communities.

Energy planning cannot be done in a silo or done only at points-in-time. For the energy transformation to be successful, it will take all stakeholders (including the Ministry) to connect the dots between economic development potential, climate change action, and building a clean energy grid.

Going forward, the IESO's work will undoubtedly need to consider the province's goal to build 1.5 million homes by 2031. This will have a profound impact on the energy supply required to bring power to these homes, of which 1.229 million homes are targeted to the 29 largest, fast-growing municipalities which are predominantly found in the Greater Toronto and Hamilton Area.

With the need for power only increasing in Ontario, it will be critical that municipal governments and Indigenous communities are part of this conversation. AMO believes that the Ministry can help in this regard.

How the Ministry Can Help

AMO appreciates the Ministry's help in clarifying that municipal Council support is required in the IESO procurements. However, the Ministry should continue to push the IESO – rather than a proponent who has a vested interest in the outcome – to engage with municipal governments and Indigenous communities in the areas where new generation and storage facilities are being identified through the regional planning process.

AMO has been working hard with stakeholders in the regional energy planning process, but would benefit from the Ministry providing specific direction to the IESO to do more in this space. Otherwise, municipalities will not be prepared for the difficult conversations around planning and siting that are already starting, and will continue in the years to come.

Conclusion

AMO appreciates the opportunity to respond to this consultation and looks forward to collaborating on the Ministry's next steps.