May 12, 2023

Ministry of Energy
Energy Supply Policy Division
7th floor, 77 Grenville Street
Toronto, Ontario
M7A 2C1
Canada

RE: York Region Response – ERO 019-6647 – IESO Pathways to Decarbonization Study

York Region staff appreciate the opportunity to provide comments on the findings of the Independent Electricity System Operator (IESO) released study "Pathways to Decarbonization" (P2D).

General Observations

York Region staff find the IESO demand forecasts have a steep slope and yet actual demand does not share the same profile. IESO demand forecasts are based on maximum energy demand predictions and IESO plans, and investments are based on these assumptions. York Region staff recommend that there should be flexibility in the IESO infrastructure plans so that investment is justified by conservative demand estimates.

The following are responses to the specific questions provided by the Minister in the ERO:

What are your thoughts on the appropriate regulatory requirements to achieve accelerated infrastructure buildout? Do you have specific ideas on how to streamline these processes?

York Region staff recommend an approach that incentivizes municipalities to volunteer as "hosts" for required infrastructure. The 'host' approach will enable a right size and fit which can be supported by Council and residents and the community.

What are your expectations for early engagement and public or Indigenous consultations regarding the planning and siting of new generation and storage facilities?

A clear consultation process, identifying key stakeholders, indigenous communities, and timing would be beneficial so concerns can be dealt with early on during engagement with the public and Indigenous communities.

Do you believe additional investment in clean energy resources should be made in the short term to reduce the energy production of natural gas plants, even if this will increase costs to the electricity system and ratepayers?

Yes. However, many studies show investments in conservation and clean energy are at or near the same cost as investments in energy generation from natural gas plants. Clean energy infrastructure now costs the same amount (or close to) to build as fossil fuel infrastructure for the same amount of energy generation.

What are your expectations for the total cost of energy to customers (i.e., electricity and other fuels) as a result of electrification and fuel switching?

York Region staff believe that electrification can be achieved without causing the cost of electricity to become unaffordable to customers. The mandate of the Ontario Energy Board (OEB), IESO and Ministry of Energy (MOE) is to deliver affordable and reliable electricity to Ontario consumers. Given advances in technology, conservation opportunities and prudent investment, we believe that the OEB, IESO and MOE can achieve their mandate as a result of electrification and fuel switching.

Are you concerned with potential cost impacts associated with the investments needed? Do you have any specific ideas on how to reduce costs of new clean electricity infrastructure?

York Region staff believe that clean electricity, barring the alternative zero emission fuels, is the primary option for mitigating climate change in every sector of our economy (i.e., transportation, buildings, commercial, industrial, residential, etc.). York Region staff concern is that the P2D and this survey are positioning “clean electricity” to take responsibility for future price increases.

Do you have any comments or concerns regarding the development and adoption of hydrogen or other low-carbon fuels for use in electricity generation? What are your thoughts on balancing the need for investments in these emerging technologies and potential cost increases for electricity consumers?

York Region staff recommend that the development of alternative zero-emission fuels should be the responsibility of the private sector and not the mandate of the IESO or Ontario Power Generation (OPG). The private sector is better positioned to invest and advance these technologies. The IESO and OPG should be responsible for integrating the technologies into the system once proven.

While the capital costs for hydroelectric generation may be higher than nuclear, wind, solar, and natural gas, do you support investing in large scale hydroelectric assets that may operate for over a hundred years?

Yes. The Province should consider investing in large scale hydroelectric generation in Quebec. The greater interties with Quebec should be included on the “no regret” list of options. Studies have been conducted that show the challenges that are currently in place can be overcome for the same amount of capital that is being proposed in the IESO study.

What steps should be taken to ensure that transmission corridors can be preserved and lines can be built as quickly and cost effectively as possible?

York Region staff believe that the Province should take a leadership role in the long-term planning, identification and protection of transmission corridors ensuring system reinforcement and reliability, especially in rapidly urbanizing areas with limited land supply and constrained municipal rights-of-way. In this leadership role, the Province should look to partner with other Ministries to identify and protect multi-purpose corridors (i.e. transportation and electricity corridors).

York Region staff appreciate the opportunity to provide these comments that will be considered in your proposal. If you have questions regarding this response or would like to discuss these comments further, please contact Teresa Cline, Manager, Policy and Environment at teresa.cline@york.ca.

Sincerely,

Teresa Cline
Manager, Policy and Environment