Clean Air Partnership

May 15th, 2023

RE: Clean Air Partnership Feedback to the Province of Ontario's Environmental Bill of Rights Registry No.: 019-6647

Clean Air Partnership is a charitable environmental organization that enables communities to improve air quality, advance active transportation, and take bold climate action. We convene networks, lead research and knowledge transfer, and catalyze transformative action. At Clean Air Partnership we work with municipalities and other organizations in fostering low carbon, resilient cities.

Clean Air Partnership is pleased to participate in these important collective efforts and bringing stakeholders together to collect their input is a critical role the province needs to play. It has been delayed for some time, but I am very glad that efforts along these lines are being advanced.

Clean Air Partnership serves as the facilitator for the Clean Air Council which is a network of 40 Ontario municipalities working collaboratively to advance their climate action ambition and implementation. Decarbonizing the electricity system in Ontario is a priority for municipalities. Efforts from the Ministry of Energy to advance electrification and decarbonization efforts are greatly appreciated. The IESO Pathways to Decarbonization Study (PDS) is an important first step in advancing this very important conversation, however, to inform policy, additional analysis and detail is necessary. For example, there are significant biases within the PDS that overemphasize a reliance on increasing supply, rather than reducing demand. Why is the scenario willing to pay so much more for increasing demand in comparison to how much it is willing to pay for reducing demand (based on the cost analysis that the 2019 Achievable Potential Study applies)? Why is there a gap on the renewables that were considered?

Below are recommendations regarding next steps for Ontario's energy decarbonization and overall improvements in energy planning that can achieve environmental (decarbonization), economic (local economic development and electricity cost management) and social policy (addressing energy poverty) goals.

1. **Additional Scenarios:** Scenarios are only valuable when they represent distinct visions of the future which can be weighed against each other. In consultation with municipalities, the PDS needs to develop and analyze additional scenarios that include:
    a. One or more reference or business as usual scenarios, which incorporate state of good repair;
    b. One or more scenarios with Increased deployment of wind, solar and storage and decreased deployment of nuclear and hydrogen;
    c. A scenario that aligns with the federal Clean Electric Regulations;
    d. A scenario that evaluates 24/7 Carbon-Free Electricity (CFE);[1]

[1] The 24/7 Carbon-Free Energy Compact, an UN Energy Compact is supported by a group of energy buyers, energy suppliers, governments, system operators, solutions providers, investors, and other organizations on a

    e. A scenario that evaluates flexibility, consumption and demand reduction actions, independent of the 2019 Achievable Potential Study; and
    f. A scenario that directly aligns with the community climate action pathways.
2. **An Integrated Energy System Analysis:** Because of the transformation of the energy system, decarbonization scenarios need to be evaluated in a detailed, integrated and bottom-up representation of demand and supply. In the decarbonization paradigm, the boundaries between demand and supply are dissipating and, in this respect, the 2019 Achievable Potential Study is an inadequate foundation.
3. **Review of the IESO Mandate:** The regulatory framework that governs Ontario's electricity commodity market is not aligned with the policy objective of avoiding dangerous climate change. There is a need for a review and modernization of the regulatory framework, including the role and mandate of the IESO.
4. **Regional Disaggregation**: The challenges, impacts and opportunities vary across different regions in Ontario; understanding these dynamics is critical to municipal energy planning. Each scenario needs to address the regional impacts on jobs and household energy expenditures.
5. **Climate Change Impacts:** The impacts of climate change projections are transforming every aspect of society; these impacts need to be incorporated into projections of electricity demand and supply.
6. **Transparency:** The modelling assumptions used by IESO must be transparent and accessible with an appropriate rationale. For example, what is the basis for the constraints on wind generation and associated transmission costs?
7. **Comprehensive Economic Analysis:** The economic impacts on health outcomes and the social cost of carbon need to be reflected in the economic analysis of scenarios.
8. **Risks**: The risk of stranded assets because of the forthcoming Clean Electricity Regulations and technology learning curves needs to be assessed for each scenario, including its impacts on electricity rates for each scenario.
9. **Accounting Scenarios**: GHG reporting needs to align with the international accounting standard for municipalities, the GHG Protocol for Cities, in order that municipalities can assess the impacts of the scenarios on their climate action plans.
10. **Distribution Transformations:** The implications of local climate action plans on distribution systems needs to be reflected in the scenarios.
11. **Localised Energy Planning:** This analysis highlights the imperative to develop integrated localised energy systems planning jointly between municipalities, utilities and the IESO, which includes:
    a. Developing a shared governance model for the planning process
    b. Identifying common objectives and recognizing the difference in perspectives and focus
    c. Ensuring a transparent, evidence-based approach
    d. Developing municipal expertise and capacity on energy systems

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mission to transform global electricity grids to "absolute zero" - or full decarbonization. Municipalities are increasingly adopting the 24/7 target. For example, see: C40 (2022). C40 and Google launch 24/7 Carbon-Free Energy for Cities programme. https://www.c40.org/news/c40-and-google-launch-24-7-carbon-free-energy/

e. Analyzing of peak demand and demand management strategies at the community scale for different scenarios
f. Developing programs, incentives and funding mechanisms that advance municipal objectives.

Thank you for considering this input and Clean Air Partnership is advancing a decarbonization discussion with the Clean Air Council municipal members and would be pleased to include the province in those discussions. Clean Air Partnership can facilitate those municipal and provincial discussions, please contact me at gkalapos@cleanairpartnership.org.

Sincerely,

Gabriella Kalapos
Executive Director
Clean Air Partnership