December 9, 2024

Submitted online to:

Policy Coordination and Outreach Branch

Ministry of Energy and Electrification

**Re:** [**ERO 019-9285**](https://ero.ontario.ca/notice/019-9285) **– Integrated Energy Resource Plan Consultation**

Hello,

On behalf of Canadian Manufacturers and Exporters (CME) and our members, I am writing to provide comments on the consultation about Ontario’s Integrated Energy Resource Plan.

On October 9, 2024, Ontario’s Advanced Manufacturing Council published its [final report](https://www.ontario.ca/page/2024-advanced-manufacturing-council-final-report). One of its recommendations included establishing a long-term manufacturing plan to grow Ontario’s manufacturing GDP by 20% by 2035. This comes during a period of considerable uncertainty surrounding trade policy under the incoming U.S. administration. It is therefore crucial to focus on enhancing Ontario's competitiveness, with particular emphasis on enabling businesses across all consumption levels to reduce their costs.

While the planning horizon for energy planning is long, short-term pressures, including from trade policy, can quickly unwind years of work to build Ontario as a stable jurisdiction to do business in. Therefore, we believe the key objective of an integrated energy plan will be to create certainty and stabilize Ontario’s economy, balancing long-term adequacy with shorter term measures to stabilize pricing.

Below are a few key recommendations to guide you as you design Ontario’s first integrated energy plan.

#1 – Making Sure the Grid Meets Demand

According to IESO, total electricity demand is expected to increase by at least 60 per cent over the next twenty-five years. In the near-term, the refurbishment of key nuclear assets creates a risk that new energy to meet industrial demand will not be there when needed. This could lead to foregone private sector investments or lost business for manufacturers already operating in the province.

Securing supply is a paramount priority. When establishing new forecasts in support of this task, Ontario should ensure that the manufacturing GDP growth targets developed for its manufacturing plan are factored into planning assumptions, making sure that available energy can meet demand from expanding businesses.

#2 – Set a Predictable Cost Curve for Ten Years

The Comprehensive Electricity Plan was an important tool to support manufacturing investment in the last five years. By stabilizing price, companies received a strong signal that Ontario was open for business, laying the groundwork for a new wave of private investment in energy intensive industries.

But this policy only answered the policy problem of the last fifteen years. With new ambitious grid development on the horizon, there will be new costs to pay for, and the province must confirm new mechanisms to avoid significantly impacting bills again, through skyrocketing Global Adjustment charges. **Such increases, or the perspective of increases, would be completely incompatible with the pursuit of a 20% increase of GDP for the trade exposed manufacturing sector, especially if combined with the impact of new tariffs on goods exported to the U.S.**

To address this, the new integrated energy plan should include an effective ceiling for GA increases in the 2025 to 2035 period, during which significant grid development needs to occur. Such a ceiling should be central pillar to an integrated energy resource plan, allowing the province to build while limiting rate growth and preserving competitiveness.

#3 – Distributed Energy Resources are Part of the Solution

Distributed energy resources (DERs) offer Ontario manufacturers significant potential to reduce both carbon emissions and operational costs. By integrating renewable energy sources like solar panels, wind turbines, and battery storage systems closer to their facilities, manufacturers can decrease reliance on the centralized grid, at a time where refurbishment of several assets will constrain supply. It also enables manufacturers to better control electricity costs and optimize energy usage.

In short, as Ontario strives to meet its clean energy targets, DER adoption provides a path for manufacturers to enhance sustainability while boosting competitiveness in an increasingly green economy.

Better using these essential resources was a core recommendation of [*Reliable, Affordable, Predictable, Clean*](https://cleanenergycanada.org/wp-content/uploads/2024/07/WhitePaper_OntarioEnergy_2024_V6.pdf), a report published by Clean Energy Canada with significant CME input. Building on this work, we recommend that “Ontario accelerate the planned buildout of non-emitting electricity resources, using processes that are technology agnostic (including nuclear, storage, renewables, etc.) evaluating their potential based on cost certainty, state of technology development and timelines to bring online. In order to maximize economic investment opportunities and manage costs, it will also be necessary to enable the build out of electricity resources in advance of demand.”

With increased utilization of DER will come new operational complexity that may challenge individual companies, especially SMEs. Ministry of Energy and IESO should be ready to fund public awareness efforts (including through trade associations like CME) to help companies better understand how government incentives combine with ongoing utility bill reductions to substantiate the Return on Investment.

Finally, as mentioned in CME’s [Manufacturing Workforce Report](https://cme-mec.ca/wp-content/uploads/2024/05/2024-CME-Ontario-Manufacturing-Workforce-Report.pdf), the design of relevant training programs like electrician and HVAC trades may need to change to account for the additional complexity of electrical panels of future industrial facilities. As we navigate this, CME’s Regional Industry Councils (bringing together manufacturers, local schools and workforce development stakeholders) remain ready to work with Skilled Trades Ontario and the Ministry of Labour, Immigration, Training and Skills Development.

Thank you for providing CME the opportunity to comment on this process. Should government officials or ministers wish to engage more directly with our members on the implementation of the plan, we remain available to schedule a discussion at our upcoming Ontario Energy Committee meeting.

Sincerely,



Vincent Caron

Vice President, Ontario Government Relations and Member Advocacy