

The Affordable Energy Act, 2024 (Bill 214)
Brief submitted by
Seniors for Climate Action Now! (SCAN!)

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Oral presentation:

Introduction

Thank you to the Chair and to members of the committee for this opportunity. My name is David Robertson, I am here on behalf of Seniors for Climate Action Now! (SCAN!) where I am the chair of the Ontario Project Working Group.

SCAN! is a young, fast-growing organization of seniors. We are calling on governments and industry to take decisive action to reduce GHG emissions and address the climate emergency. Most of our members are retired from the workforce and use their skills, experience and resources in an effort to protect our children and future generations from the consequences of severe weather and the risk of ecological collapse.

While SCAN! will address some specific issues we are equally concerned with the context and policy framework of Bill 214. Behind the various clauses is an urgent story of climate breakdown, missed climate emission targets and a far-reaching energy transition.

Here are three points as background.

First, we are in a period of climate breakdown. An act that purports to shape energy planning, needs to address the role of energy as either an accelerant of climate chaos or a way to limit the worst of it. Bill 214 is an accelerant.

Second, energy planning and climate targets are linked. The latest annual report on Canada's GHG emissions (2024 reporting on 2022) shows that Ontario is the province with the highest year over year increase in climate pollution. Bill 214 is silent on climate targets.

Third, there is a global energy transition underway. The International Energy Agency (IEA) notes:

- 'Renewable power generation capacity (is expected to) rise from 4 250 GW today to nearly 10 000 GW in 2030...short of the tripling target set at COP28 but more than enough, in aggregate, to cover the growth in global electricity demand.'

Bill 214 sets a direction at odds with these developments.

Bill 214 in context

On October 22, the government released its vision for "Ontario's Affordable Energy Future". It commits to the largest and most expensive expansion of nuclear power in Canada's history. It provides natural gas companies a long and profitable lifeline. It sets Ontario households up to be overcharged on energy bills and shortchanges them on renewable energy. And it continues to ignore the climate crisis.

On October 23, the government followed the vision paper with the misnamed, Affordable Energy Act. On October 24, Stephen Lecce, Minister of Energy and Electrification presented a speech at the Empire Club outlining Ontario's quest to become an energy superpower by spending untold billions to build nuclear reactors in a slim chance hope of exporting electricity and reactors.

Bill 214 is contradictory

Bill 214 is confusing, even contradictory. A few examples:

- ⇒ The Bill talks about the “cost-effective procurement of electricity resources;” (25.29 2 g) but also talks about “the prioritization of nuclear power generation to meet future increases in the demand for electricity” (25.29.2 e) Nuclear is the opposite of “cost-effective procurement”.
- ⇒ The Bill talks of “using electricity to reduce overall emissions in Ontario” but commits to fossil gas generation that will actually increase emissions and saddle the electricity grid with more dirty carbon.
- ⇒ The Bill is called the affordable energy act but when it comes to providing affordable energy the act doesn’t compel the Minister to act. The draft bill states that an integrated energy plan “**may** include goals and objectives relating” to “the affordability of energy for consumers...” (25.29 1 and 2 a). That ‘may’ should be a ‘shall’.
- ⇒ The Bill talks about public consultation in a similarly, ambiguous manner. Section 3 of the act is drafted under the heading “Consultation Required”. It states:
“The Minister shall, before issuing an integrated energy resource plan under subsection (1), consult with...”
But after identifying a wide range of possible groups to be consulted it restricts the consultation to those groups “that the Minister considers appropriate to” the

issues at hand. Consultation is required but only with those the Minister decides.

And while consultation is required, it won't happen very often.

Bill 214 will distort energy planning

By attempting to embody the government's vision, the Bill distorts what should be an evidence-based approach to energy planning. It distorts the process in two significant ways. First, by setting as a goal the fanciful aspiration of becoming an energy superpower. Second, by choosing the least cost-effective energy sources as the starting point.

A people and climate first plan

Our members in SCAN! have faced decades of unnecessarily high energy costs. We have paid too much in electricity rates and too much for the fossil fuels to heat and cool our homes. We have seen a large and increasing share of our tax contributions used to subsidize electricity rates that have escalated because of bad energy choices. We remember how Ontario families have been burdened with the legacy costs of past bad energy decisions. We have seen our incomes fuel exorbitant fossil company profits. And now after a summer of costly and damaging floods we see our insurance rates increase dramatically. What we are trying to do, and what Bill 214 should help to do, is safeguard future generations from decades of escalating energy costs and the risks and shocks of severe weather.

As it stands Bill 214 is a recipe for more climate pollution and higher energy costs. As it is drafted, Ontario will be eclipsed by other jurisdictions in the clean energy transition.

Ontario will forfeit the jobs, the investments and the innovations that are generated by \$2 trillion (USD) in annual, clean energy spending around the world.

It could be otherwise. There could be different starting points.

- Avoid overbuilding costly energy megaprojects.
- Focus more on conservation and efficiency.
- Give priority to renewable sources that are safe, clean and quick to get on line.
- Identify the most cost-effective options.
- Support communities and households with the up-front costs of energy switching
- Give those with most at stake—Indigenous Peoples, municipalities and citizen groups a real seat at the energy planning table.

The government has an energy vision. But there is a fine line between vision and hallucination. The world is in a clean energy transition. But Ontario is gambling on costly nuclear reactors and doubling down on climate wrecking fossil fuels.

Thank you

Full Brief

1. Introduction

Thank you to the Chair and to members of the committee for this opportunity. My name is David Robertson, I am here on behalf of Seniors for Climate Action Now! (SCAN!) where I am the chair of the Ontario Project Working Group.

SCAN! is a young, fast-growing organization of seniors. We are calling on governments and industry to take decisive action to reduce GHG emissions and address the climate emergency. Most of our members are retired from the workforce and use their skills, experience and resources in an effort to protect our children and future generations from the consequences of severe weather and the risk of ecological collapse.

Today's hearings on Bill 214 take place at the start of the final week of the COP 29 climate conference in Baku, Azerbaijan. Countries from around the world are meeting in the latest attempt to curb climate pollution and limit global heating, to foster a transition from fossil fuels, to finance the clean energy transition and to pay for the severe consequences of extreme weather.

There is a clear line between the questions and debates at COP 29 and the deliberations of this committee. How do you accelerate a clean energy transition? What does energy planning look like? How do you ensure energy security, reliability, affordability and resilience? How do you protect families and communities from the ravages of extreme weather? How do you support families and their communities in managing the up-front costs of the energy transition?

While SCAN! hopes to address a limited number of clauses and the proposed wording in a few sections of the draft legislation we are equally concerned with the context, as well as, the policy framework of Bill 214.

BILL 214 is an act that amends a number of other acts. It presents in the staid language of legislation. But behind the various clauses is a broader and more urgent story of climate breakdown, missed climate emission targets and a far-reaching energy transition.

Here are three points to serve as background.

First, we are in a period of climate breakdown. This year (2024) will be the hottest year on record. This year is on track to set another record for global GHG emissions. The world is now well past the point of holding temperatures to 1.5 degrees Celsius. Extreme weather leads to deadly fires, floods, storms, temperatures and droughts. And then it repeats, accelerates and repeats. An act that purports to shape energy planning,

needs to address the role of energy as either an accelerant of climate chaos or a way to limit and prevent the worst of it. Bill 214 is an accelerant.

Second, energy planning and climate targets are linked. In late April the federal government released the latest annual report on Canada's GHG emissions. The inventory always lags by a few years but it is the most detailed public accounting of emissions. The 2024 report provides data up to the end of 2022.

Ontario is the province with the highest year over year increase in climate pollution. Ontario's GHG emissions surged by 5.9 million tons between 2021 and 2022. It is the largest one-year increase in 14 years. It is equivalent to adding about 1.4 million cars to our roads. Ontario was responsible for about 60% of all the increase in Canada's GHG emissions. The emission reductions achieved by other regions in Canada were offset by the growth of emissions in Ontario. Bill 214 is silent on climate targets.

Third, there is a global energy transition underway. The International Energy Agency (IEA) in its recent World Energy Outlook 2024, reviews some of its dimensions, the momentum behind it, and the characteristics of clean energy technologies. It notes:

1. "Clean energy is entering the energy system at an unprecedented rate, including more than 560 gigawatts (GW) of new renewables capacity added in 2023.
2. Investment flows to clean energy projects are approaching USD 2 trillion each year, almost double the combined amount spent on new oil, gas and coal supply.
3. Renewable power generation capacity (is expected to) rise from 4 250 GW today to nearly 10 000 GW in 2030...short of the tripling target set at COP28 but more than enough, in aggregate, to cover the growth in global electricity demand."

Bill 214 sets a direction at odds with these developments.

1. Bill 214 in context

On October 22, the Ontario government released its vision for "Ontario's Affordable Energy Future". The government is committed to the largest and most expensive expansion of nuclear power in Canada's history. The policy vision also provides natural gas companies a long and profitable lifeline. It sets Ontario households up to be overcharged on energy bills and shortchanges them on renewable energy. And it continues to ignore the climate crisis.

On October 23, the government followed the vision paper with Bill 214, the Affordable Energy Act, another misnamed piece of legislation.

On October 24, Stephen Lecce, Minister of Energy and Electrification presented a keynote speech at the Empire Club outlining Ontario's quest to become an energy

superpower by spending billions and billions to build nuclear reactors in what has to be seen as a 'slim chance' hope of exporting electricity and reactors.

2. Bill 214 is contradictory

Bill 214 is a peculiar and troubling piece of legislation, both in terms of what it sets out to do and what it simply avoids doing. As legislation it is confusing, even contradictory. A few examples:

- ⇒ The Bill talks about the “cost-effective procurement of electricity resources;” (25.29 2 g) but also talks about “the prioritization of nuclear power generation to meet future increases in the demand for electricity” (25.29.2 e) Nuclear is a very expensive source of electricity. It is just the opposite of “cost-effective procurement”.
- ⇒ Bill 214 talks of “using electricity to reduce overall emissions in Ontario” but commits to fossil gas generation that will actually increase emissions and saddle the electricity grid with more dirty carbon. According to Ontario’s Independent Electricity System Operator (IESO), emissions from Ontario’s gas-fired power plants will increase dramatically. The Ontario Clean Air Alliance has reported those increases as 375% by 2030 and by more than 600% by 2040. The share of gas fired electricity is projected to account for a quarter of the province’s electricity generation by 2040. That share is roughly equivalent to what coal fired generation was at its peak.
- ⇒ The government calls Bill 214 the Affordable Energy Act but when it comes to providing affordable energy the act does not compel the Minister to act. Instead, it gives the minister the choice of acting on affordability or not. The draft bill states that an integrated energy plan “**may** include goals and objectives relating” to “the affordability of energy for consumers...” (25.29 1 and 2 a). That ‘may’ should be a ‘shall’.
- ⇒ The Bill talks about public consultation in a similarly, ambiguous manner. Section 3 of the act is drafted under the heading “Consultation Required”. It states: “The Minister shall, before issuing an integrated energy resource plan under subsection (1), consult with...”
But after identifying a wide range of possible groups to be consulted it restricts the consultation to those groups “that the Minister considers appropriate to” the issues at hand. Consultation is required but only with those the Minister decides. And while consultation is required, it is not very often. As the Bill states: “The Minister shall begin the consultations described in subsection (3) on the second integrated energy resource plan and any subsequent plan on or before the fifth anniversary of the date on which the previous plan was issued” (Section 4 Timing). That is a long time between consultations.

Bill 214 is a plan to have a plan. When there is a plan, it may or may not consider affordability but it does guarantee to increase the already high costs of energy to Ontario households by choosing in advance of the plan, the least, cost-effective energy sources.

3. Bill 214 politicizes energy policy

Bill 214 represents the next stage in the politicization of energy policy in Ontario. And it is the politicization of energy policy that leads to inaccurate demand forecasting, excessive energy costs, false starts, missed opportunities and bad energy choices.

Bill 214 extends the government's efforts in bill 165 to diminish and restrain the role and independence of regulatory tribunals such as is the case with the OEB.

Bill 214 is another step in shifting long term energy planning away from evidence-based deliberations to a political calculus made by cabinet.

Bill 214 restricts public access and limits the transparency of energy planning.

Bill 214, by way of the Minister's statements, politicizes energy choices by framing energy planning disagreements in ideological terms. It seems that disagreement with the government's vision is, in Minister Lecce's words, "ideological dogma that offers false choices..."

The government is politicizing the energy planning framework described in Bill 214 by restricting relevant information. A case in point. The government commissioned a Cost-Effective Energy Pathways Study but has not released the results. On its website the ESMIA (Energy Super Modellers and International Analysts) reports that "it has been mandated by the Ontario Ministry of Energy to conduct an independent Cost-Effective Energy Pathways Study that aims to identify least-cost pathways to decarbonizing the province's energy system by 2050." It goes on, "the core of the study is an assessment of various scenarios that reflect plausible, affordable, and reliable energy futures for Ontario to 2050." (It is my understanding that the study has not been released despite a FOI request by Environmental Defence) Maybe we should all get to see that report.

The government is politicizing the energy planning contemplated by Bill 214, by ignoring the expert advice that it has commissioned. The government's own Electrification and Energy Transition Panel told the government that "it is unlikely the natural gas system can be fully decarbonized and continue to deliver cost-effective building heat." In spite of this advice the government in Bill 214 and its vision statement, commits to the long-term continuance of fossil gas in the province.

The government is politicizing the discussion of long-term energy planning with its shift from 'technology agnostic' energy choices to politically determined technology commitments. Minister Lecce has made that shift clear in his stated support for fossil gas and nuclear reactors while downplaying the role of solar and wind, conservation

and energy storage. When it comes to energy sources the government claims an ‘all of the above approach’ but that is not what the energy vision statement nor Bill 214 actually does.

4. Bill 214 will distort energy planning

Bill 214 seeks to embody in legislation the vision the government has expressed “in Ontario’s Affordable Energy Future.” This immediately and significantly distorts what should be an evidence-based approach to developing an integrated long term energy plan. First, by setting as a goal the fanciful aspiration of becoming an energy superpower. Second, by choosing the least cost-effective energy sources as a starting point in the planning process.

The distortion starts with the exaggerated demand forecasts presented in the vision paper. As the demand forecasts keep getting higher, they also get less grounded. Admittedly there will be growth in the demand for electricity but in all likelihood, it will be considerably less than forecasted. When the government’s demand forecasting is premised on Ontario somehow transforming into an energy superpower and producing power excess to our needs in the hopes of exporting it, then the forecasts are suspect.

The distortion continues with the greenwashing of nuclear energy by parroting the talking points of the nuclear industry. In the vision statement, nuclear energy is described by words ‘clean’ ‘non emitting’ and ‘reliable’. Whether you are a proponent or critic of nuclear energy it is hard to describe nuclear energy as clean when there are over 3 million, extremely hazardous, spent fuel rods in temporary storage. It is hard to call it clean when the problems of uranium mining and its tailings are well documented. And nuclear reactors are hardly non emitting. The large body of research about the contaminants and carcinogens that get discharged to our water and air provides the proof. Reliable, perhaps, at least, until things go wrong.

Instead of being focused on household and community energy security and affordability the government wants to be an energy superpower. That distorts energy planning.

Instead of linking the energy transition to achieving climate emission targets the government wants to be an energy superpower. That distorts energy planning.

Instead of thinking about the energy disruptions that will be caused by severe weather and providing communities the resources and the energy system designs that can protect households, the government wants to be an energy superpower. That distorts energy planning.

5. A plan to put people and climate first

Our members in SCAN! have faced decades of unnecessarily high energy costs. We have paid too much in hydro rates and too much for the fossil fuels to heat and cool our

homes. We have seen a large and increasing share of our tax contributions used to subsidize electricity rates that have escalated because of bad energy choices. We remember how Ontario families have been burdened with the legacy costs of past bad energy decisions. We have seen our incomes fuel exorbitant fossil fuel company profits. And now after a summer of costly and damaging floods we are seeing our house insurance rates increase dramatically. What we are trying to do, and what Bill 214 should do, is safeguard future generations from decades of escalating energy costs and the risks and shocks of severe weather.

As it stands Bill 214 is a recipe for more climate pollution and higher electricity and home heating bills. As it stands, Ontario will be eclipsed by other jurisdictions in the clean energy transition. Ontario will forfeit the jobs, the investments and the innovations that are generated by it. A long-term energy plan that starts with a commitment to nuclear reactors and fossil gas guarantees high costs and missed opportunities.

It could be otherwise. A long-term energy plan could have different starting points.

- Avoid overbuilding costly energy megaprojects.
- Focus more on conservation and efficiency.
- Give priority to renewable sources that are safe and clean and quick to bring on line
- Identify the most cost-effective options.
- Build in needed flexibility,
- Support communities and households with the up-front costs of energy switching
- Encourage community based and distributed energy sources as opposed to expensive centralized sources and
- Give those with most at stake—Indigenous Peoples, municipalities and citizen groups a real seat at the energy planning table.

The government has an energy vision. But there is a fine line between vision and hallucination. The world is in a clean energy transition. But Ontario is gambling on costly nuclear reactors and doubling down on climate wrecking fossil fuels.