

February 2022

Getting Ontario to a  
**Zero-Carbon**

Electricity Grid by 2030  
and Lower Bills

Delegation to Halton Hills Town Council- by Jack Gibbons  
July 4, 2022



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Joe Oliver, Chair of the IESO

## According to the IESO report:

- ▶ It would be impossible to phase-out gas power by 2030; and
- ▶ Attempting to do so will lead to higher electricity rates and blackouts.

**These claims are false.**

# The IESO report:

- ▶ Provides a plan to achieve a 99.7% zero-carbon electricity grid by 2030.
- ▶ Falsely claims that it is not possible to meet remaining 3/10<sup>th</sup> of 1% of our electricity needs (500 GWh) from carbon-free sources by 2030.

# Fear- mongering: *Blackouts*

- ▶ **FACT:** In 2030 approximately 33% of our existing gas-fired capacity will still be under contract to the IESO.
- ▶ **FACT:** Some of our gas-fired capacity will remain under contract to the IESO until 2040.
- ▶ **FACT:** If there is a 500 GWh shortfall of carbon-free electricity, the IESO will dispatch gas plants rather than subject province to blackouts.

# Fear- mongering: *Higher electricity rates*

IESO report claims a gas power phase-out would lead to **60% rise** in **residential electricity rates** by 2030.

- ▶ **FACT:** IESO report forecasts a gas power phase-out would raise **electricity costs by 20%**
- ▶ **Fact:** A 2% annual increase in residential, commercial and industrial rates between 2021 and 2030 would be a fairer way to pay for a 20% rise in electricity costs by 2030, rather than making residential customers pay more than their fair share.

# Fear- mongering: *Higher electricity rates*

The IESO Report falsely claims a phase-out would raise costs by 20% by:

- ▶ Underestimating the carbon tax savings from a gas power phase-out;
- ▶ Ignoring our two lowest-cost storage options; and
- ▶ Including the costs of a \$3 billion new GTA nuclear reactor as part of its phase-out plan.

# Fear- mongering: *Higher electricity rates*

## Carbon Taxation

- ▶ **FACT:** IESO assumes gas plants will be subject to a carbon tax of only \$50 per tonne in 2030 despite the fact that the Government of Canada is planning to raise the carbon tax to \$170 per tonne in 2030.
- ▶ **FACT:** IESO assumes only 5% of gas plants' GHG pollution will be subject to carbon tax in 2030.
- ▶ **FACT:** That is, IESO's analysis assumes gas plants will be subject to a carbon tax of only \$30.5 million in 2030.
- ▶ **FACT:** Assuming that 100% of gas plants' pollution is subject to a \$170 per tonne carbon tax, the carbon tax savings from a gas plant phase-out in 2030 will be up to \$2 billion.

# Fear- mongering: *Higher electricity rates*

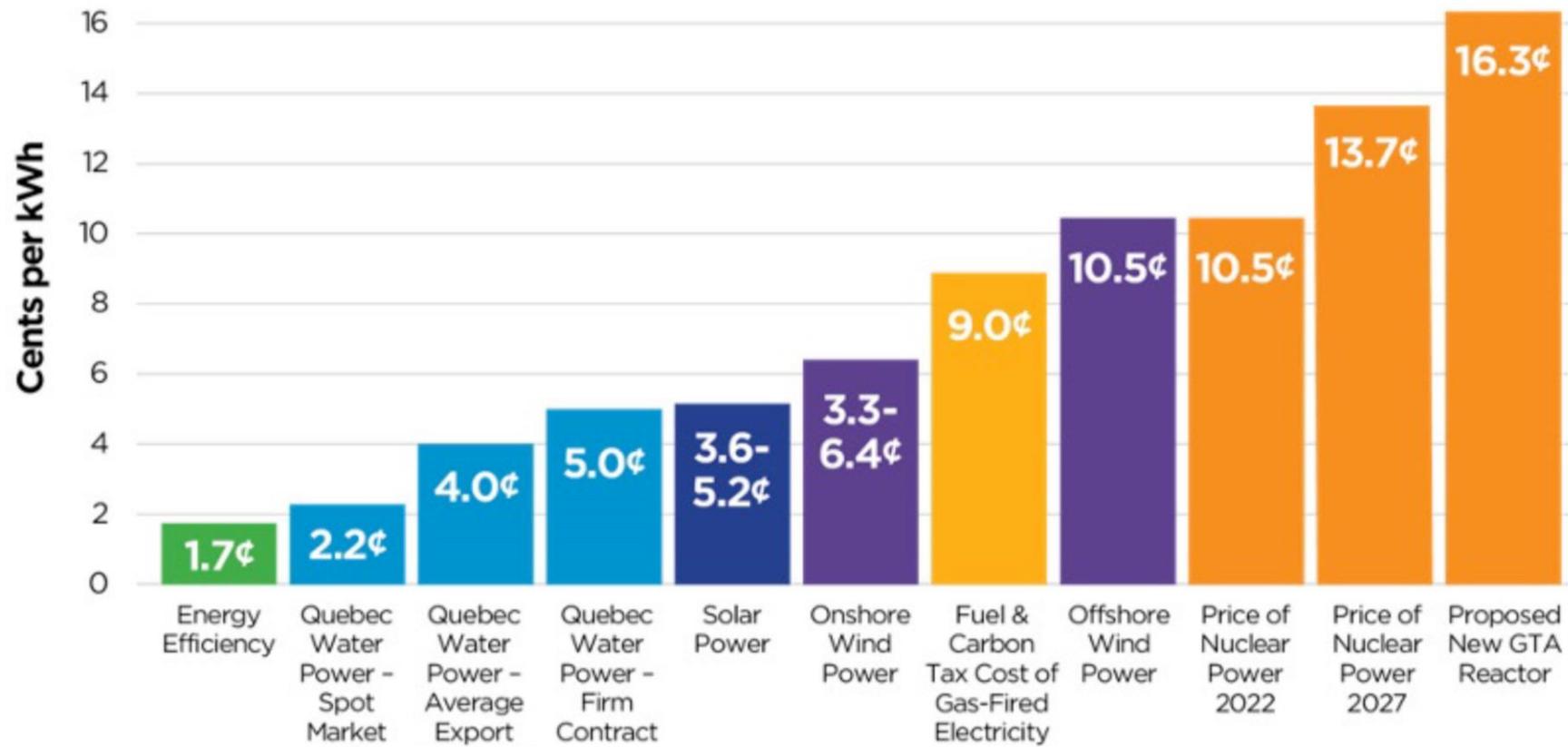
## Storage

- ▶ The IESO report failed to consider our lowest-cost storage options:
  - Hydro Quebec's reservoirs; and
  - Installing bi-directional chargers for our electric vehicles (EVs) so that their batteries can provide power to the grid during peak demand hours.
- ▶ **FACT:** According to [an MIT study](#), Hydro Quebec's reservoirs – which can act like a giant battery – are the lowest-cost storage options for wind and solar energy.
- ▶ **FACT:** In 2030, the capacity of our EVs' batteries will be [more than twice](#) the capacity of our gas plants.

# Fear- mongering: *Higher electricity rates*

## New GTA Reactor

- ▶ The IESO report includes a **\$3 billion** new GTA reactor as part of its phase-out strategy despite the fact that energy efficiency, wind and solar and Quebec water power can phase-out gas power at less than half the cost.



# Ontario's Electricity Options

# OCAA's Plan to Create a Zero-Carbon Electricity Grid by 2030

- ▶ Ban gas-fired electricity exports to U.S.
- ▶ Double our spot market purchases of Quebec waterpower using our existing transmission links with Quebec
- ▶ Purchase all energy efficiency savings and solar and wind power that can keep our lights on at less than today's price of nuclear electricity (10.5 cents per kWh)
- ▶ Expand our transmission links with Quebec
- ▶ Install Bi-Directional Electric Vehicle (EV) chargers



**Put OPG's gas plants on stand-by reserve between 2030 and 2040**

- ▶ To provide emergency back-up power to our electricity grid if we temporarily have insufficient carbon-free electricity resources to meet our need due to an extreme event



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