



News Release

Ontario's Low-Cost, Reliable Energy System Dependent on New Renewable Power

July 25, 2018 – TORONTO: The Renewable Energy Alliance (REAO) members comprise a significant portion of Ontario's workforce. We welcome initiatives that encourage private sector competition, and those that will make for a more reliable, affordable energy system in the future.

We understand that the Ontario government is committed to finding efficiencies and to lowering electricity bills, but we do not believe that the cancellation of Feed-in-Tariff (FIT) and Large Renewable Procurement (LRP) contracts will accomplish those objectives. We fear the current and future importance of renewable energy to the Ontario economy is being overlooked.

"Renewable energy makes *sense* for Ontario, providing reliable and affordable electricity to ratepayers," said Mike Gallagher, Business Manager, IUOE Local 793. "Combined with technological innovation, renewable energy can affordably address Ontario's power needs in the coming years."

The price of wind and solar technologies has declined significantly in recent years. Market experts agree that securing zero-cost fuel sources for when Ontario will need power will cost approximately 70 per cent less than the projected retail price to consumers. Many other markets are realizing these benefits now, as time and time again across North America, renewable energy has won competitive procurements for new energy resources. Harnessing and supporting advancements in renewable technologies is also a significant competitive advantage for Ontario, as dozens of companies across the province are actively working on innovation and processes that will create jobs and new export opportunities for Ontario-based companies to access markets around the world.

"Given that renewable energy will cost less than the projected retail price of power in Ontario, the provincial government and system planners at the Independent Electricity System Operator (IESO) have the opportunity to capitalize on the lowest cost option for new procurement," stated Brandy Giannetta, Ontario Regional Director, the Canadian Wind Energy Association (CanWEA). "Effectively lowering the cost for ratepayers, while harnessing Ontario-based employment, should be something everyone supports."

Renewable energy projects are a ready-made solution for the mining industry and the future Ring of Fire. In addition to financial incentives, these projects provide Indigenous communities with access to non-emitting generation, thereby reducing reliance on antiquated diesel systems.

"The LRP projects had significant long-term economic benefits for not only Curve Lake, but First Nations across Ontario. The cancellation of these projects was short-sighted and goes against the recommendations set out by the truth and reconciliation report with regards to economic opportunities. We consider this a step back, not a step forward on the path to reconciliation," said Chief Phyllis Williams of Curve Lake First Nation.

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The industry employs thousands of Ontarians, who work as project managers and engineers, technicians, tradespersons, service providers and advisors. If renewable energy is harnessed to meet power needs, rather than the province relying on expensive imports that benefit other jurisdictions, Ontario could maintain and create thousands of new jobs in communities right across the province.

“Renewable energy comprises a part of Ontario’s manufacturing industry – with facilities that manufacture hydro turbines, solar modules, racking components, and wind power components,” said Tom Rankin, CEO, Rankin Construction. “The development of these renewable assets has made Ontario a healthier place to live, has maximized grid efficiency and has produced a reliable source of energy.”

As a result of the Large Renewable Procurement and Feed-in-Tariff cancellations, thousands of Ontarians lost meaningful employment, and the integrity of capital investment was undermined. The cancellation of these projects is considered a lost opportunity for job creation, economic activity and local spending in Ontario.

“Ontario has benefited, both economically and environmentally, from the development of renewable energy projects,” said Kim Jarvi, Senior Economist, Registered Nurses’ Association of Ontario (RNAO). “Investing in renewables has improved air quality across the province. An independent assessment conducted by Toronto Public Health in 2014 suggests that improvements in Ontario’s air quality have translated into significant health benefits for Ontario residents, reducing air pollution-related premature deaths by 23 per cent and hospital admissions by 41 per cent in Toronto alone.”

REAO's members support and depend upon Ontario's private-sector competitiveness. Superseding the rights of contract holders erodes investor confidence in Ontario, and that will make the province less competitive. Power procurement is not about immediate short-term needs, but addressing future needs, with sufficient time to build the necessary infrastructure. Long-term contracts are a competitive procurement option and provide the stability that supports business confidence and Ontario's competitiveness.

The Renewable Energy Alliance of Ontario (REAO) is a broad coalition of employers, labour and industry groups dedicated to working with the Ontario government to ensure renewable energy continues to play a vital role in Ontario’s energy mix. At present membership includes the following organizations:

- *The International Union of Operating Engineers*
- *Registered Nurses’ Association of Ontario*
- *Laborers’ International Union of North America*
- *Canadian Solar Industries Association*
- *The Ontario Crane Rental Association*
- *The Canadian Wind Energy Association*
- *The Aboriginal Apprenticeship Board of Ontario*
- *Rankin Construction*
- *Pumpcrete*
- *Surespan Wind Energy*
- *David Suzuki Foundation*
- *Fengate Capital Management*
- *Ridge National*

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