POWERSHIFTS

9 October, 2018

The POWERSHIFTS project (www.power-shifts.com) is examining three key questions in jurisdictions across the OECD:

1. Is an increase in the amount of decentrally-owned renewable electricity generation impacting political decision making?
2. If there are impacts, what do these look like on the ground?
3. What will these changes mean for energy policy processes and decisions in the future?

POWERSHIFTS is examining these questions through several international case studies. We're also running an OECD-wide survey. We're not quite ready to release international findings (due out in Autumn 2019!). Looking ahead, there are some very significant implications for Ontario. However, we do have some early province-specific results :

Are policy processes shifting?

In Ontario, any shifts are still in very early stages. The province is engaged with all kinds of emerging actors but policy decisions continue to reflect a business as usual scenario.

What does change look like?

New actors are able to meet with decision-makers. The province is engaging in some small pilot projects on instruments like virtual net metering. Some distributors, including the Electricity Distributors Association, are actively anticipating a more decentralized system. Decentralized generators are moving forward using instruments like Power Purchase Agreements (PPAs) with municipalities and private entities because they have been unable to secure greater access to provincially controlled grids.

What will this mean moving forward?

Significant changes in policy making patterns are unlikely in Ontario as long as the current supply system is able to provide reliable and cost effective electricity under existing long term contracts. However, ongoing electrification of heat and transport, falling costs of renewable generation infrastructure, and growing public interest in decentralized generation, means that change is on the horizon. What this change will look like depends on a lot of different factors. **Stay tuned for our international findings for more insight on what market and policy trends you can expect!**

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The above preliminary insights are based on data from interviews with key actors and analysis of a wide range of policy, technical, promotional and media documents. Specifically, we uncovered 7 highlights regarding what the electricity policy space looks like in Ontario at the moment:

- Nuclear, gas and hydro are deeply and comfortably positioned as the main sources of electricity generation capacity;
- Interested new entrants are very frustrated by the fact that some existing utilities do not share technical information about the grid and its ability to accommodate distributed and/or intermittent generation;
- There are big differences in financial and lobbying capacity between emerging decentralized generators and well established traditional or renewable generators;
- Unions are visible, influential, and currently opposed to decentralization of supply;
- The provincial government is primarily focused on cost and security of supply – requirements largely met by the current system;
- There is a strong – and growing – appetite for decentralized generation amongst the public, some private actors, and municipalities;
- In the absence of support from the provincial level, those interested in decentralized generation are exploring options like Power Purchase Agreements (PPAs) with private interests or municipalities, or non-grid connected generation.

Full comparative results from the international cases and OECD-wide survey will be available in Autumn 2019. Updates are posted regularly on the project website, www.power-shifts.com, and on Twitter (@powershifts1). If you have question or comments, please don't hesitate to be in touch.

Sincerely,

Marie Claire Brisbois, on behalf of the POWERSHIFTS team.

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