



Hon. Greg Rickford
Ministry of Energy, Northern Development and Mines
99 Wellesley St. W
Toronto, ON M7A 1W1

Re. Making Energy More Affordable Through Community Energy Planning

November 16, 2018

Dear Minister Rickford,

As you know, communities in Ontario are struggling with a complex combination of priorities - think affordability, poor air quality, gridlock, and shuttered storefronts - which are the unfortunate legacy of outdated planning, design, and building practices.

But I am writing to tell you about a solution - an opportunity that will yield stronger local economies; make energy costs more affordable for citizens and corporations; improve resilience and security; as well as provide cleaner air, land and water for Ontario communities.

I'm talking about Smart Energy Communities, a concept that describes the end state of our work at QUEST. A Smart Energy Community seamlessly integrates local, renewable, and conventional energy sources to efficiently, cleanly, and affordably meet its energy needs. It is a coveted, highly livable place to live, work, learn, and play.

QUEST has over 120 subscribers in the local government, association, non-profit, product & service supplier, building and development, and utility & energy service provider sectors which are featured in our [Smart Energy Communities Catalogue](#). Our subscribers participate in regional and national [working groups](#) focused on specific policy areas that are designed to share learnings and implement on the ground solutions.

QUEST and our subscribers recognize that energy is a significant cost for communities in Ontario. Each year millions of dollars are spent on energy - to heat and cool homes and businesses, and to get people where they need to go - much of which leaves the local economy. This cost plays a significant role in the financial well-being of Canadian communities, and to the businesses and households in these communities.

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Smart Energy Communities make better decisions around land use and urban form, buildings, transportation, waste, and distributed energy resources, which reduces energy costs and recirculates dollars back into the local economy. Furthermore, they future-proof against cost escalation and/or disruption in energy supply, making a community attractive to investors.

Take London, Ontario as an example. In 2014, London spent \$1.6 billion on energy (gasoline, natural gas, electricity, diesel, etc.), only 12% of which stayed in the local economy, and 59% stayed in the province. London calculated that for every 1% reduction in energy use they would keep \$14 million in the local economy, resulting in a compounded Energy Cost Avoidance of \$250 Million per year by 2018. These are not insignificant dollars.

QUEST champions Community Energy Planning as the process to become a Smart Energy Community. It is a data-driven process that defines community priorities around energy, forms partnerships, and identifies and integrates projects and policies in land-use planning, transportation, buildings, water, waste, and energy delivery systems.

In Ontario, the Province supports Community Energy Planning through the Municipal Energy Plan Program (MOE MEP), and the Independent Electricity System Operator (IESO)'s Aboriginal Community Energy Plan Program. These programs have helped or are currently helping over 150 municipalities and Indigenous communities across the province foster local partnerships and develop energy plans for their communities.

But more can be done to help Ontario's municipalities become Smart Energy Communities.

Access to local, up to date, energy use data is the foundation of cost-effective policy, program, and project design and implementation. At the moment, the process to exchange data between utilities and municipalities is arduous, costly and inconsistent. Time that could be used engaging the public and implementing programs and actions is instead spent collecting and making sense out of different datasets. The Ministry of Energy, Northern Development and Mines is well positioned to take a leadership role to work with utilities and produce a standardized energy data inventory.

A consistent and frequently-updated inventory would also help utilities, the IESO, and the Province identify trends, make smart conservation and efficiency targets, better structure their programs to see real results, and benchmark and report on progress.

To ensure the continued support for Ontario's communities we strongly recommend the following actions:

- 1. Encourage Community Energy Planning as a best practice to achieve community-wide energy-use reduction targets, and continue to support these efforts via the Municipal Energy Plan (MEP) Program.**
- 2. Establish a Ministry-led energy use (electricity and natural gas) inventory that can be accessed by local governments, utilities, and others. This will better inform energy use reduction targets and action planning, and also provide a framework to consistently measure and benchmark progress and trends over time. The inventory should be updated on an annual basis, and be classified by municipality, 6-digit postal code (the current best practice standard), and sector/user-type.**

QUEST looks forward to working with the province to support communities and save energy costs. We would welcome the opportunity to meet with you and to tell you more about QUEST's research and projects, as well as provide insight into what we are hearing from our subscribers and our network in Ontario.

We look forward to hearing from you soon.

Yours,



Tonja Leach
Executive Director, QUEST

Cc: Stephen Rhodes, Deputy Minister, Energy, Ministry of Energy, Northern Development and Mines

Nina Chiarelli, Acting Chief of Staff, Ministry of Energy, Northern Development & Mines

Aaron Silver, Director, Policy, Ministry of Energy, Northern Development & Mines

ABOUT QUEST

QUEST is a national non-government organization that works to accelerate the adoption of efficient and integrated community-scale energy systems in Canada by informing, inspiring, and connecting decision-makers. QUEST undertakes research, communicates best practices, convenes government, utility, private-sector and community leaders, and works directly with local authorities to implement on-the-ground solutions. QUEST recognizes communities that have embraced these principles by referring to them as Smart Energy Communities.