IESO Fiction vs IESO Fact

October 18, 2022

Does Ontario need NEW Gas Plants?

IESO Fiction

According to a report released by Ontario's Independent Electricity System Operator (IESO) on Oct. 7, 2022, Ontario needs up to 1,500 megawatts (MW) of NEW gas-fired generation capacity to avoid the need for conservation appeals and rotating blackouts.[1] Despite its bold assertion, the IESO's 11-page report provides no facts or analysis to support its claim that Ontario must build new gas-fired generation capacity to keep the province's lights on.

IESO Fact

One week before its call for NEW gas-fired power plants, the IESO released its *Ontario's Distributed Energy Resources (DER) Potential Study*, which was prepared by Dunsky Energy + Climate Advisors (the Dunsky Report).[2]

According to the Dunsky Report, we can cost-effectively avoid the need for NEW gas plants by investing in:

a) load controls that shift electricity demand from peak to off-peak periods;

b) solar energy;

c) stationary batteries; and

d) bi-directional chargers that would allow our electric vehicles' batteries to provide power back to the grid during peak demand hours.[3]

Lower Costs The Dunsky Report states that by acquiring these distributed energy resources (DERs), we can reduce our electricity costs by up to $290 billion over the expected lives of these new technologies.[4] These huge cost savings are due to the fact that DERs have zero energy and carbon costs, whereas gas plants have high energy costs and rising carbon costs.

To achieve these huge economic benefits for Ontario's electricity consumers, the IESO must be willing to pay fair market value for DERs and reduce its red tape that prevents or discourages them from participating in IESO procurements.[5]

Rising Climate Pollution According to the IESO's 2021 *Annual Planning Outlook*, Ontario's gas plants will be responsible for 19% of our electricity generation in 2030 and 25% of our electricity generation in 2040.[6] As a result, our gas plants' greenhouse gas pollution will rise by 375% by 2030 and by more than 600% by 2040 relative to 2017.[7] If this occurs Ontario will lose almost half of the pollution reduction benefits that it achieved by phasing-out its dirty coal plants.[8]

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See page 2 for Endnotes >

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Endnotes

[1] IESO, Resource Eligibility Interim Report, (October 7, 2022), page 11.

[2] https://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/DER-Potential-Study.

[3] Dunsky Energy + Climate Advisors, *Ontario's Distributed Energy Resources (DER) Potential Study*, Volume 1: Results & Recommendations, Prepared for IESO, (September 28, 2022), pages ES-1 to ES-4.

[4] *Ontario's Distributed Energy Resources (DER) Potential Study*, page 54.

[5] *Ontario's Distributed Energy Resources (DER) Potential Study*, pages 75 to 78.

[6] https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook. See 2021 Data tables (Excel), Figure 24: Energy Production Outlook with Continued Availability of Existing Resources (TWh).

[7] https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook. See 2021 Data tables (Excel), Figure 42: Electricity Sector Greenhouse Gas Emissions, Historical and Forecast.

[8] https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook. See 2021 Data tables (Excel), Figure 42: Electricity Sector Greenhouse Gas Emissions, Historical and Forecast.

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