

Ministerial Directives

On January 27, 2022, Minister Todd Smith, Minister of Energy, Province of Ontario issued a Minister's Directive – Order in Council 137/2022 related to satisfying the future requirements of Ontario's energy grid. This directive included the execution of the IESO's Resource Adequacy Framework. This framework identified a Medium Term, an Expedited Long Term and a Long Term Request for Proposal from industry to satisfy the expected capacity needs for Ontario. The Medium Term RFP has since closed and did not affect Lakeshore specifically.

Further, on October 6, 2022, Minister Smith issued a Minister's Directive – Order in Council 1348/2022 related to the IESO Expedited Long-Term Request for Proposals (Expedited Process) and Long-Term Request for Proposals (Long-Term Process). In this directive, the Minister identified a procurement of 4,000 Megawatts (MW) of power to be secured between the Expedited Process and Long-Term Process with no more than 1,500 MW of natural-gas fired electricity to be procured. The remainder of the procurement may include renewable energy, energy storage, hybrid renewable energy with storage, and bio-fuels.

In the associated news release, on October 6th, the Province of Ontario stated:

“Ontario has been operating with an electricity surplus for over a decade, and supply will continue to meet demand until at least 2025 without new build electricity resources. The IESO's Annual Planning Outlook, released in 2021, forecasts a need for new electricity resources, beginning in 2025 and 2026, and that the need will continue to grow thereafter.

To ensure reliability and keep costs down for people and businesses, Ontario is proceeding with its plan, first detailed last year, to procure new electricity generation and storage through a competitive process. These procurements will acquire the 4,000 MW of capacity necessary, including at least 1,500 MW of stand-alone energy storage resources, up to 1,500 MW of natural gas generation, with the remainder coming from other resources.

Ontario is acting on the expert advice of the province's Independent Electricity System Operator whose Resource Eligibility Interim Report says: “Without a limited amount of new natural gas in the near term the IESO would be reliant on emergency actions such as conservation appeals and rotating blackouts to stabilize the grid.”