

OGA CONFERENCE 2017

SPOTLIGHTING GEOTHERMAL ENERGY



Industry Advocacy Update

Martin Luymes



Industry Update

In a nutshell...

- Industry prospects are up...
- Industry sales are down
- The *Osborne Effect*

“the unintended consequences of a company announcing a future product, unaware of the risks involved or when the timing is misjudged, which ends up having a negative impact on the sales of the current product.”

...nevertheless



Advocacy Update

A Year of “Productive Conversations”

- Ontario Ministry of Environment and Climate Change
- Other stakeholders needing to support the CCAP
- Ontario Energy Board
- Ontario Ministry of Energy
- Independent Electricity System Operator (IESO)
- The Premier’s Office
- Natural Gas Utilities!



Advocacy Update

EB 2016-0004 -- Natural Gas Expansion Proceeding

- Focus of the hearing was on the terms under which gas utilities would be permitted to expand their infrastructure to small towns in Ontario
- Some opposition from ratepayer groups and environmental advocates
- Geothermal merely presented as a viable alternative!
- Key witnesses: Dave Hatherton and Dr. Stanley Reitsma



ONTARIO'S LOW CARBON FUTURE: GEOHERMAL HEAT PUMPS

Evidence for the Ontario Energy Board

in the Generic Proceeding

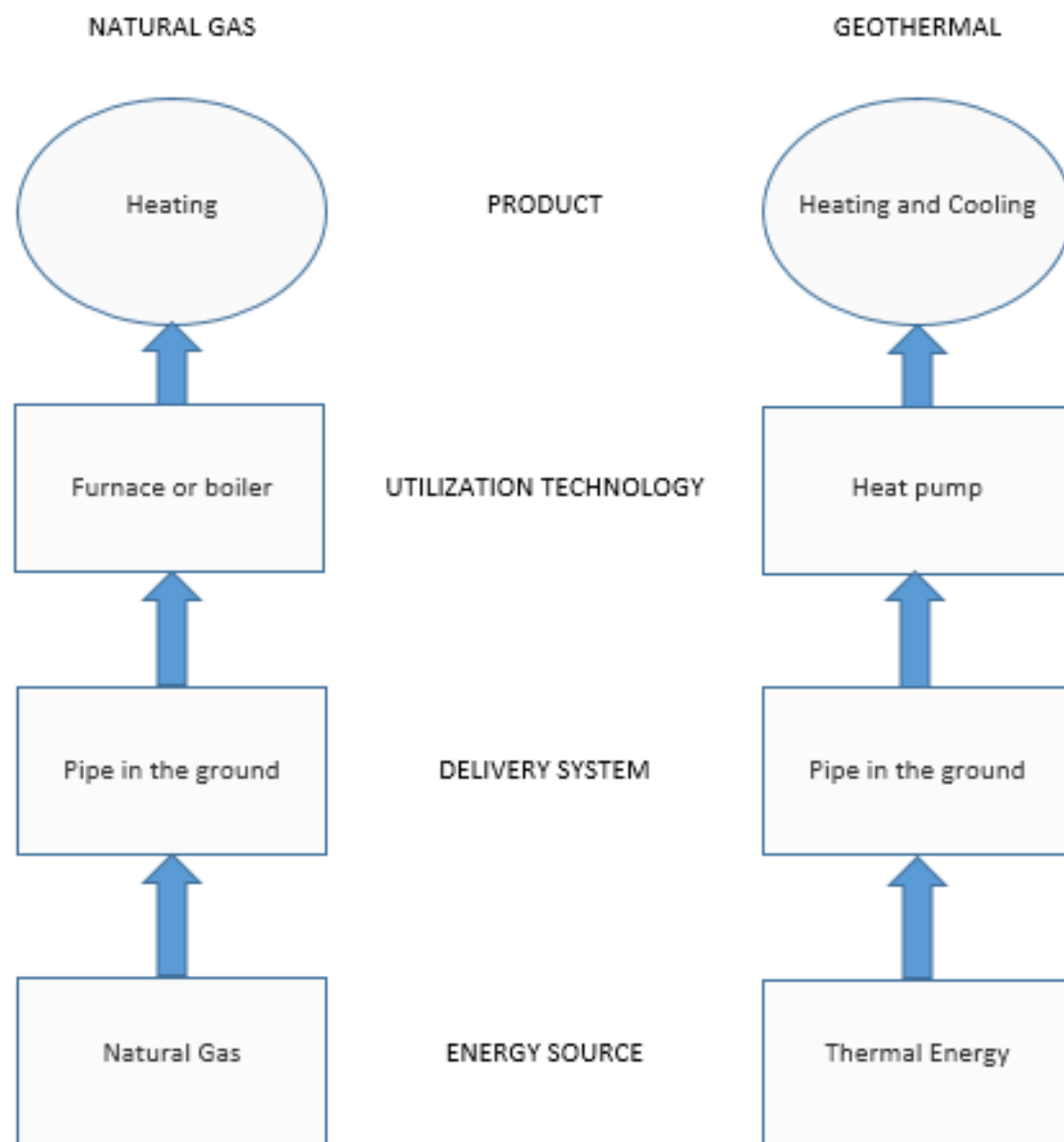
EB-2016-0004 Community Expansion of Natural Gas

from the

Ontario Geothermal Association

**Dr. Stanley Reitsma, P. Eng.
David Hatherton
Martin Luymes**

Simplified Schematic View of Geothermal vs. Natural Gas for Heating and Cooling Systems



Advocacy Update

EB 2016-0004 -- Natural Gas Expansion Proceeding

- Focus was on the terms under which gas utilities would be permitted to expand their infrastructure to small towns in Ontario
- Some opposition from ratepayer groups and environmental advocates
- Geothermal merely presented as a viable alternative!
- Key witnesses: Dave Hatherton and Dr. Stanley Reitsma
- Outcome: No subsidies; independent rate-setting
- ...but Ontario Government will subsidize instead



Advocacy Update

Ministry of Environment and Climate Change

- “Geofication Plan” (started January 2016)
- Key elements include: i) Geo Utility; ii) Discounted electricity rates reflecting grid-positive benefits; iii) targeted incentives



Talking about “Geofication”



Advocacy Update

Ministry of Environment and Climate Change

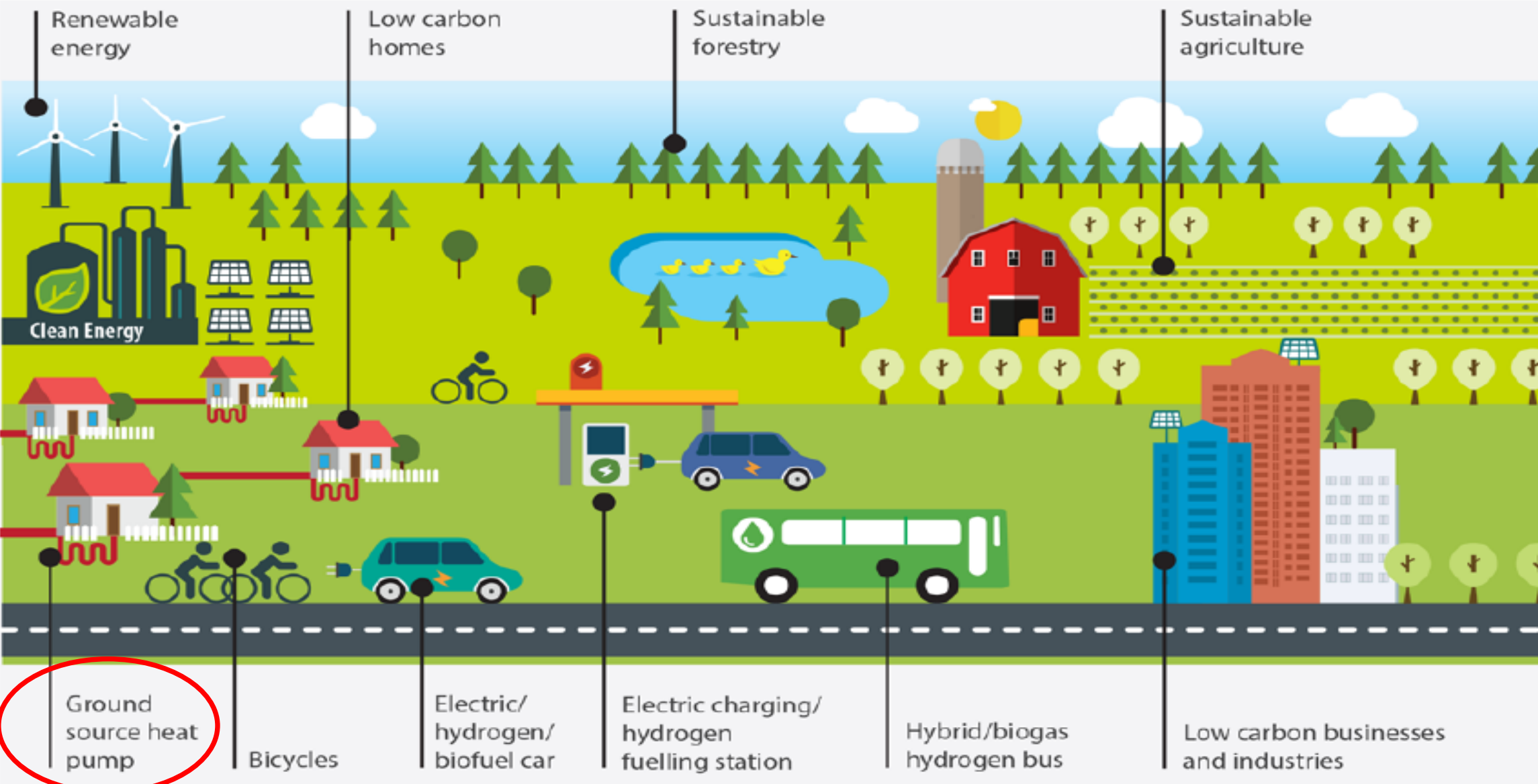
- “Geofication Plan” (started January 2016)
- Key elements include: i) Geo Utility; ii) Discounted electricity rates reflecting grid-positive benefits; iii) targeted incentives
- Conversations with Minister Murray and the MOECC, and then...



This guy talking about “Geofication”



What Ontario Will Look Like in 2050



Advocacy Update

Ministry of Environment and Climate Change

- “Geofication Plan” (started January 2016)
- Key elements include: i) Geo Utility; ii) Discounted electricity rates reflecting grid-positive benefits; iii) targeted incentives
- Conversations with Minister Murray and the MOECC
- After a month of concerted effort, plan submitted in March...
- Followed by many meetings with other stakeholders, then -- months of silence
- BUT -- Cap and Trade system was introduced in the Spring
- Climate Change Action Plan introduced in June (& political reaction)
- “Green Bank” consultations in Fall
- New Corporation established in January... stay tuned.



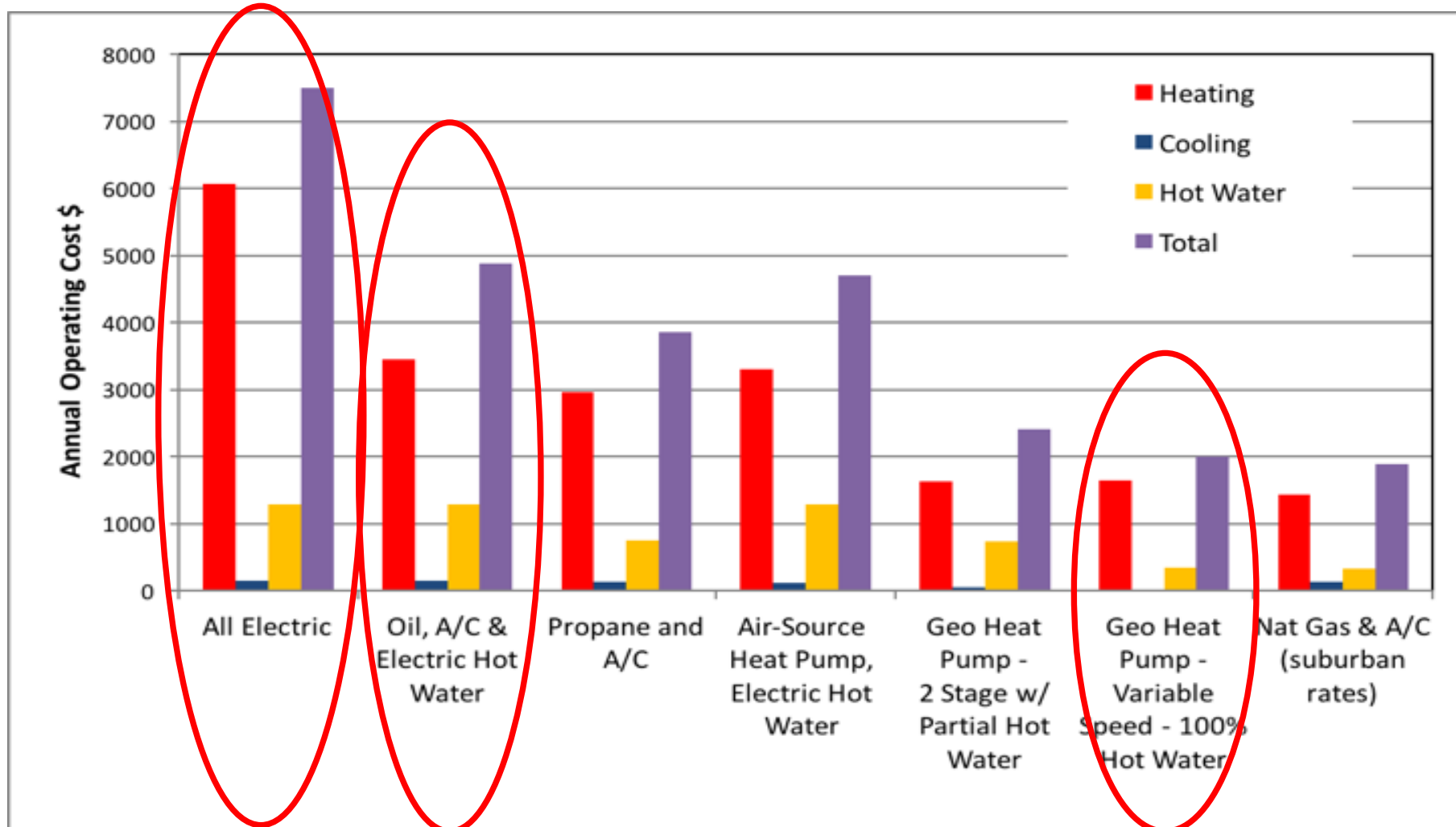
Advocacy Update

Ministry of Energy and the Premier's Office

- Long Term Energy Plan (LTEP) Update
- Discussions on “Energy Poverty”



Addressing Energy Poverty in Northern Ontario



Advocacy Update

Ministry of Energy and the Premier's Office

- Long Term Energy Plan (LTEP) Update
- Discussions on “Energy Poverty”
- Starting to gain some traction...
- Why?



Focus of Discussion has shifted...

Hydro rates will power debate in legislature

Conservatives, NDP remain critical of Premier Wynne's handling of electricity bills

**ROBERT BENZIE
AND KRISTIN RUSHOWY**
QUEEN'S PARK BUREAU

Hydro, hydro, hydro.

As MPPs return to the Legislature today, Ontario's electricity rates are top of mind for all three major party

said in an email on Friday.

"For 13 years, this government has created an affordability crisis in our province. They've driven up hydro rates, slashed health care services and made Ontario an uncompetitive place to do business," he said.

Repeating his party's mantra — and a possible campaign slogan for an election that is 67 weeks away — Brown stressed "life's harder and more unaffordable under the Wynne

Toronto Star, February 21, 2017

Advocacy Update

Ministry of Energy and the Premier's Office

- Long Term Energy Plan (LTEP) Update
- Discussions on “Energy Poverty”
- Starting to gain some traction...
- Why?
- Looming election changes the dynamics and raises new concerns...
- But this new angle may generate quicker/greater attention



Advocacy Update

Partnership with Utilities

- OEB hearing denied NG expansion at ratepayers expense, but...
- Led to some productive discussions with Enbridge Gas Distribution
- Exploration of utility investment in loops as “rate-based” infrastructure – as a way of addressing the barriers to widespread uptake from consumers
- Partnership between OGA and Enbridge reflected in new agreement
- The importance of getting it right...
- Regulatory approvals will take time ...pilots will help



Training and Certification Update



Developing a Quality Assurance Plan... More Conversations...

- with IGSHPA
- with the Canadian Geo-exchange Coalition (CGC)
- with the Ontario College of Trades, under a new mandate
- with the Ministry of Advanced Education and Skills Development (MAESD)
- with the Ministry of Environment and Climate Change



Organizational Update

- HRAI-OGA relationship is proving to be productive
- Much has been done but there is more to do
- Addition of new OGA board members – to be introduced and approved at AGM today
- HRAI working with Geothermal Exchange Organization (GEO), IGSHPA, CGC -- with a goal of creating a unified national voice for the geothermal sector and preparing the HVACR industry for a new regulatory and policy climate
- *Kendy Sandy*



Organizational Update



Thank you!

