

Renewable Energy Matters– Campaign Outline

PRIVILEGED AND CONFIDENTIAL

sussex

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Overview

- A number of renewable energy developers have come together to form a loose coalition of interests, to promote renewable energy policy in Ontario and support the agenda set as part of the *Green Energy and Economy Act* and the Feed-in-Tariff program.
- This coalition will be joined by other groups, such as Environmental Defence and the GEA Alliance, as well as labour, economic development, health and environmental stakeholders, to develop common messaging, communications tools (ie. paid and earned media) and targeted local campaigns in areas where opposition to renewable power exists.
- The goal of this effort will be two-fold:
 1. **Help support an expedited release of FIT contracts, including those associated with new Bruce-Milton transmission capacity; and**
 2. **Support the broader government plan for sustained contracting for wind and solar through the FIT Program, as part of the Supply Mix Directive and Long-Term Energy Plan.**
- As renewable energy is also anticipated to be a wedge issue in the election, with the PCs supporting a move away from renewables, this effort should consolidate industry and non-industry stakeholders in rallying support for a continued focus on green power as important economic, social, and energy policy in Ontario.
- **In this, it will be critical to “confuse” the issue in the political/public/media away from just price to include key value attributes such as jobs, clean air, farm income, etc. Renewables cannot be defined by price alone.**

Political and Policy Volatility

- **Volatility has arisen vis-a-vis the amount of new renewables that will come online; intermittency issues; how demand may change; the pace of new Tx development; growing health/noise concerns (opposition is diversifying); and the overarching support for renewable energy generation in the lead-up to the October 2011 provincial election.**
- **Prices for contracted power are skyrocketing – even though HOEP has decreased, Global Adjustment has risen exponentially.**
 - Consumers' perceptions that hydro costs are going up due to renewables
 - Lack of considerable economic investment (jobs) to yet come online (lots of announcements to-date but few have actually been realized yet)
 - Combined with move to TOU pricing, the political volatility of 2003 could repeat itself
- **Government likely trying to find a balance between:**
 1. Moving forward on the GEA agenda, linked to new jobs and coal-fired closure; and
 2. Succumbing to consumer concerns around costs
- **LTEP and Supply Mix Directive will be insightful on the direction government will take over the next 12 months, and positioning for the Opposition.**

Why Something Needs to be Done

- **Sussex believes that most likely outcome of the LTEP may be price digression and supply “ceilings” could (either through curtailment or by capping the total MWs of supply).**
- **There is also the risk of restrained movement on contracting FIT applications, both utility-scale and smaller CAE projects**
 - This could also be manifested in reduced support for Tx development
 - Reluctance to address loading issue on TS’s for CAE projects
 - TAT/DAT and ECT delays more than bottlenecking the program; causing significant confidence issues in long-term viability of contracting
 - Situation exacerbated by the lack of alignment between REA requirements and FIT contract milestones; “slowness” and barriers to regulatory approvals vis-à-vis MOE, MNR, MTCR, etc.
- **Perception that the pro-renewables sector (industry, ENGOs, etc.) have been too quiet and need to be mobilized.**
- ***This needs to be addressed immediately.***

What Happens Next

- **Long Term Energy Plan and Supply Mix Directive**
 - Supply Mix Directive and summary of LTEP could be released as early as October 20th – will commence 45 day posting on the EBR – although this could be pushed to November.
 - December 8th – notional date for LTEP Cabinet approval
 - Posting/release of the LTEP before the end of the year.
- **Assumed that TAT/DAT is currently or will soon be conducted**
 - Posting of pre-June 4th rankings and opportunity to change connection points
 - Unclear as to whether there will be any release of new contracts at this point
- **ECT to commence in late 2010/early 2011**
 - Bruce-Milton allocation assumed will be “placed” in the ECT; possible treatment through IPA process
- **Unclear on new Tx priorities**
 - Province may or may not move forward on an expedited basis.

GR and PR Campaign

- **There needs to be a foundational “base” on messaging and approach that supports the government on coal-fired replacement by outline the jobs/investment, farm income, environmental and human health benefits of renewables.**
- **Inventory potential economic/investment/jobs benefits. In other words, if we have 1000MW of new wind/solar contracts coming out, XX manufacturing facilities will be built,, employing XX direct and indirect jobs, with XX person years involved in the generation projects themselves.**
- **Aggregated numbers for farm income can also be useful and should be secured as part as base messaging.**
- **Government also has a strategic interest in where manufacturing We also need to identify where these facilities are going to go (ie. Huron-Bruce).**
- **There are opportunities to leverage GEA Alliance members, labour, etc. to pursue traditional and social media channels to promote renewables.**
 - **Need to lead with the economic and investment/jobs benefits associated with renewables.**
- **There needs to be a rainbow coalition of validators and messengers.**
 - **This should augment existing industry efforts, which are important and well-received.**

Strategic/Tactical/Logistical Considerations

1. **Core messaging** – Framing around jobs/investment, farm income, and environment/human health. Research needs to support this, and should be coordinated with MEI and OPA.
2. **Tactical** – coalition building/outreach and all of the social media, ad buy, earned media, etc you mentioned. Identify the best channels to have the greatest impact.
3. **Logistical** – this is all about timing. Staging and scoping to support a governmental agenda that addresses overarching objectives.

1. Core Messaging

- Existing polling shows that jobs and investment are much more important drivers than health/environment. Also, shifting attitudes in the link between price escalation and renewables.
- Need to find the “sweet spot” where cleaner energy, green jobs and human health converge. People think there is a link between jobs and green energy, and support levels for sustainability are high. It’s also encouraging that people associate investment, period, with higher costs instead of thinking green energy is more expensive than other types.

Prospective Messaging

- *Lead with a strong link between clean energy and jobs.*
 - *Use environmental and health benefits of clean energy as secondary messages.*
 - *Don’t be defensive. Stress positives we know people agree with.*
 - *Link investment with cost, allowing a broadening to include other kinds of energy, rather than allowing the cost to be linked to renewables.*
 - *Be wary of making price charts along the lines of the oil industry prominent (while helpful for government audiences, have to be very cautious of how information is communicated to the public).*
 - *People think prices are going up by a lot. Renewables may be a small slice, but people imagine the total pie to be big.*
- Further research is also required post spike in bill fury, including focus groups to colour, wording and emotion to craft effective, targeted messages.

2. Tactical

- In order to talk past the “noisy activists” and editorial positions, there needs to be a coordinated paid, earned and social media campaign. This should be both reactive and proactive.
- While this may have started out as an environmental communications frame; it no longer survive in that frame alone.
- Industry and the GEA Alliance are important messengers and motivators to their base and one should always start with its base, but it won't be enough. Industry and the Alliance must come together to grown the coalition, amongst not only developers and manufacturers, but also other third party validators:
 - *Unions*
 - *Economists*
 - *Health care professionals*
 - *Electricity system experts*
 - *Security experts (reliability, stability)*
 - *Farmers*
 - *First Nations*
 - *Industry groups (including indirect groups, such as Chambers of Commerce, retailers who benefit from farm renewables income, etc.)*
 - *and of course NGOs*
 - *Other institutions like the IEA, other jurisdictions, etc.*

4. Logistical

- **If the Supply Mix Directive and LTEP could be released imminently, so to must this effort.**
- **A calendar/work plan needs to be created to align industry needs/announcements with government milestones/announcements. Industry and validators (GEA Alliance) can design earned media events to magnify these announcements, and fill in gaps to ensure prolonged exposure of message.**
- **Week One**
 - Solicit and secure additional information from industry on jobs, investment, timelines, etc.
 - Secure campaign coordination and define roles and responsibilities
 - Organize key stakeholder contacts for regular communication and rapid response
 - Continue solicitation of new partners
 - Develop preliminary core messaging and identify opportunities for earned and paid media
 - Start conversation with media buyer and creative agency on production
- **Week Two**
 - Organize twice weekly calls with key stakeholders on issues needing management and canvass for upcoming opportunities
 - Finalize scripts and FAWs
 - Preliminary budget media buys
- **Week Three**
 - Continue to forge relationships with stakeholders, expanding the universe of messengers delivering key points
 - Produce ads
 - Work with partners on social media strategy
 - Focus on comms products and regularizing communication with stakeholders
 - Finalize social media strategy and agree on budget
 - Continue media monitoring and rapid response
 - Pursue earned media opportunities/speaker's bureau
 - Assemble calendar of upcoming announcement activities to amplify positive stories

Budget

- **Goal is to have \$300,000 in hand through contributions from developers and manufacturers to seed the campaign (will support efforts through to Q1 2011)**

- **Estimated costs:**

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| <i>Campaign co-ordination</i> | <i>\$12,000/mth</i> |
| <i>Research (six groups, three men, three women) @ \$7,500 each</i> | <i>\$45,000</i> |
| <i>Advertising design (print and on-line, contracted)</i> | <i>\$25,000</i> |
| <i>Advertising production and talent (radio)</i> | <i>\$10,000 Toronto</i> |
| <i>advertising in the immediate vicinity of Queen's Park, using bus stands, benches, subway stations etc.</i> | <i>\$50,000</i> |
| <i>November – January (and beyond) paid advertising in targeted communities</i> | <i>\$100,000</i> |
| <i>Website</i> | <i>\$20,000</i> |
| <i>On-line strategy development and delivery</i> | <i>\$7,000</i> |
| <i>On-line media monitoring (Facebook posts, Twitter, etc.)</i> | <i>\$1,200/mth</i> |
| <i>Other costs</i> | <i>TBD</i> |

- **Additional costs to continue efforts in early 2011 through to the October 6th election**
- **Each developer asked for a financial contribution of \$15,000-\$30,000 to support this effort.**
- **Sussex to serve as central coordinator for this effort, ensuring transparency and accountability of effort. Anonymous contributions to campaign possible.**

Next Steps

- **Week of October 18th – gain commitment from leading developers and manufacturers**
- **Obtain information (aggregated and not for attribution to any one commercial entity) on total jobs, investment activities planned (confirmed and aspirational, depending on contracts) over the next 12-24 months (with timelines), as well as farm income**
- **Broaden list of stakeholders participating in this program**
- **Finalize cost-impact information (see appendix slide)**
- **Coordinate efforts with CanWEA, CanSIA, and APPrO, as appropriate**
- **Arrange weekly calls to coalition members to brief on progress**
- **Arrange daily emails to update on program development, as appropriate**

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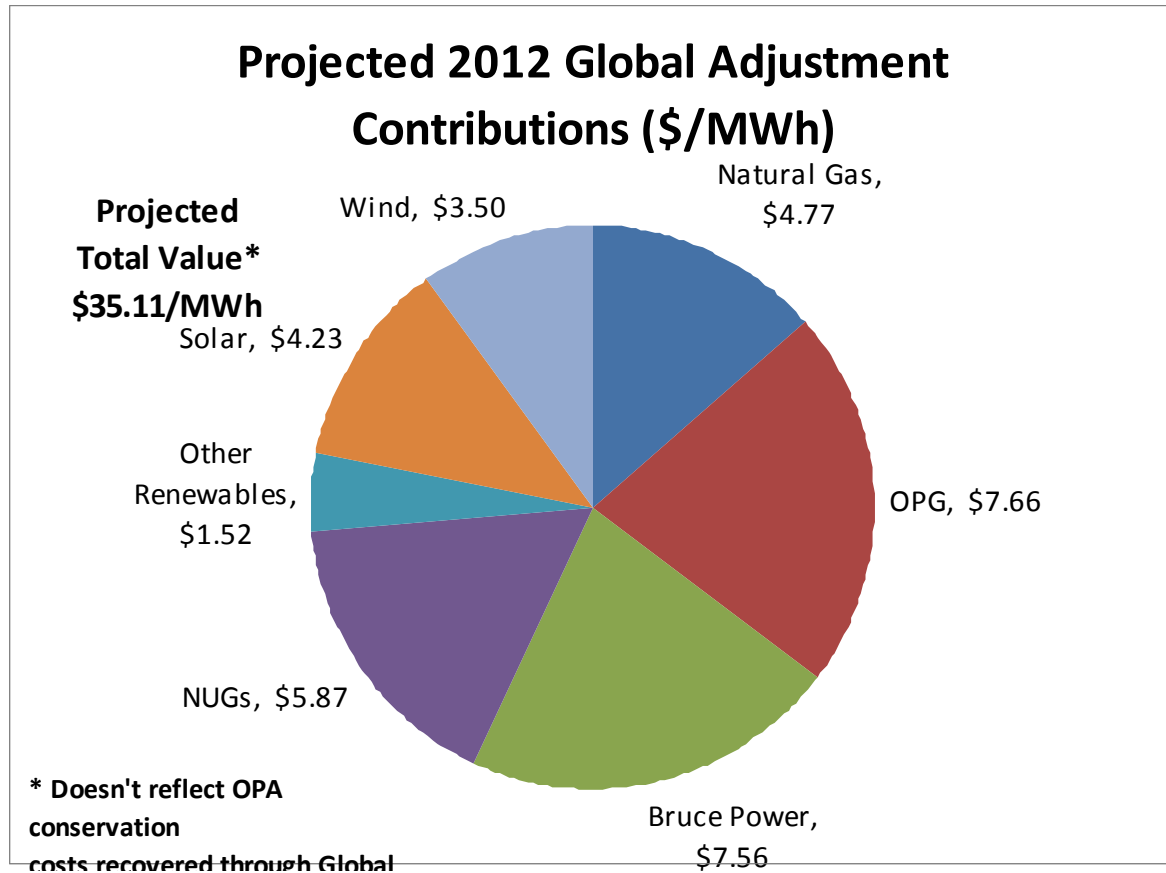
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Preliminary Renewables Price Impact Analysis



In 2012 the total projected RPP+GA price to residential ratepayers is anticipated to be approximately \$122/MWh, up from about \$90/MWh in 2009. For 2012, the total renewables share (not counting OPG hydro) is projected to be about 7% to 8% of the total bill (wind < 3% and solar PV about 3.5%), with an assumed increase of about 15% for T&D.