

Ontario and Québec Working Together to Drive Economic Growth

Partnerships Will Help Consumers and Create Conditions for Businesses to Thrive

October 21, 2016 2:50 P.M.

Ontario Premier Kathleen Wynne and Québec Premier Philippe Couillard today held a joint meeting of cabinet ministers in Toronto. Focused on innovation and the economy, the meeting generated seven agreements between the two governments.

A Historic Electricity Trade Agreement

To help make electricity more affordable and reliable, while continuing to reduce greenhouse gas (GHG) emissions, Ontario and Québec have finalized an agreement for trading electricity, energy capacity and energy storage.

Ontario and Québec have concluded a historic agreement that will limit GHG emissions by making Quebec's renewable energy supply available to Ontario, through their operators Hydro-Québec and Ontario's Independent Electricity System Operator (IESO). Under the agreement, IESO will purchase a total of 14 terawatt hours (TWh) from Hydro-Québec over a seven-year period, from 2017 to 2023.

Ontario will reduce electricity system costs for consumers by about \$70 million from previous forecasts by importing up to 2 terawatt hours annually of clean hydro power from Québec at targeted times when natural gas would otherwise be used. This is enough electricity to power the city of Kitchener for a year and will reduce electricity sector GHG emissions by approximately 1 million tonnes per year. Ontario will also leverage Québec's energy storage capacities to make better use of its own clean energy resources. Ontario also will reserve 500 MW of capacity for Hydro-Québec to meet Québec's winter peak demand.

The agreement confirms the close cooperation that exists between Québec and Ontario with regard to energy and the fight against climate change. This agreement makes the best possible use of Ontario and Québec's existing electricity systems without additional costs to either province. Starting this December, and remaining in effect until 2023, the agreement is the culmination of a Memorandum of Understanding (MOU) signed at the 2015 joint cabinet meeting in Québec City.

Developing the 5G Network

While pursuing our efforts towards extending coverage and access to the internet for all citizens and to build the backbone of the next generation of digital infrastructure, Québec and Ontario are committed to driving innovation and enhancing partnerships among the provinces and business. The provinces signed a new MOU, which is also designed to help businesses and start-ups grow while attracting the highly skilled workforce to help the two provinces continue to thrive. Together, these activities will contribute to the creation of more high-quality jobs and economic growth in the two provinces.

Both provinces will help realize the vision of the 5G network by working with leading global information and communications technology (ICT) organizations. Creating an open innovation ecosystem, the approach would allow small and medium enterprises, government and academia access to pre-commercial and commercial technologies for the testing and validation of new technologies and products to help bridge the gap between research and commercialization. Moving towards the next-generation network will generate value for consumers and help the provinces' businesses stay at the cutting edge of technology.

Helping Consumers Transition to Electric Vehicles

To help ensure people and goods can continue to move confidently between the provinces, Ontario and Québec will cooperate on the creation of an electric vehicle (EV) charging corridor. More than 200 new high-speed charging stations will be installed by the end of March 2017, complementing Québec's network of 102 high-speed charging stations. EV charging stations will be conveniently located at locations immediately off the 401 corridor that connects the two provinces.

These moves will build on Québec's strong network of high-speed charging stations, improving EV drivers' confidence on long trips and giving more drivers the freedom to make the transition. Collaboration will also address issues such as signage and payment options between Ontario and Québec.

Infrastructure

The Premiers and cabinet ministers also discussed each province's commitment to investing in the infrastructure the more than 20 million people living in the provinces need. Both Ontario and Québec have made strong, long-term commitments to investing in the roads, transit, hospitals and schools to support people in Ontario and Québec now and into the future.

Ontario's \$160 billion commitment over 12 years starting in 2014-15 and Québec's \$89 billion commitment over 10 years starting in 2016 are now complemented by the federal commitment to \$60 billion in new funding for all of Canada. Both governments strongly believe that the federal investment will need to support provinces' existing plans and priorities to have the best impact on their citizens' lives and their respective economies. Ontario and Québec call on Ottawa to work with them to that end.

Forestry and Softwood Lumber Agreement

Ontario and Québec will also partner on a number of targeted actions that address shared interests and challenges related but not limited to the Softwood Lumber Agreement, cross-border movement of wood, industry benchmarking and forest sector innovation, and market development.

Continuing to build strong relationships among Ontario and Québec's governments, businesses and academic sectors strengthens the economic centre of Canada. Creating the right conditions for innovation will help Ontario and Québec accelerate economic growth and increase partnerships among all sectors to deliver real results for people across both provinces.

QUOTES

" Ontario and Québec share a commitment to growing our economies to positively affect the lives of the people who live in our provinces. We are increasing our engagement because we know we can achieve more by working together. Today, we achieved significant progress in fighting climate change, making electricity more affordable and reliable, and ensuring our two provinces are places where businesses thrive. We have also signed seven exciting new agreements and laid the groundwork for further partnerships. All of these actions help ensure our two provinces remain leaders, as Canada's largest, most dynamic and diversified economic region."

- Kathleen Wynne
Premier of Ontario

" In many cases, the numerous challenges faced by Québec and Ontario call for common approaches. In terms of innovation, forestry, economic development, climate change, and energy, both Québec and Ontario benefit from working together. We have been successfully doing so for a long time. As there have been positive impacts, since 2014 we have been striving to intensify our efforts, which have notably resulted in the conclusion of nearly 15 agreements. Therefore, there is cause to celebrate the progress made, building on past successes, and the benefits that we will continue to reap in the future from this productive relationship, in which our

respective economies and populations come out ahead. The work must continue to ensure that Québec and Ontario thrive and perform even better."

- Philippe Couillard

Premier of Québec

QUICK FACTS

- This was the sixth Québec-Ontario joint meeting of cabinet ministers and third annual since 2014. The Premiers have committed to meeting again in Québec in 2017.
- Together, Ontario and Québec form Canada's largest economic region, accounting for about 56 per cent of GDP and 53 per cent of interprovincial trade.
- Ontario and Québec signed seven agreements at the close of the cabinet meeting regarding innovation, electricity trade, environment, northern development, culture, regulatory cooperation and forestry.

Jennifer Beaudry Office of the Premier of Ontario
(416) 314-8975

Harold Fortin Office of the Premier of Québec
(418) 643-5321

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