

Deputy Minister's Remarks: Canadian Manufacturers and Exporters Roadshow

Event location: Mississauga Grand, 35 Brunel Rd, Mississauga, ON

Date: Wednesday, March 28, 12:30 p.m.

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- Good afternoon, everyone.
- I'm Serge Imbrogno, Deputy Minister at the Ontario Ministry of Energy.
- It's a pleasure to be given this opportunity to speak at today's event: the Canadian Manufacturers and Exporters (CME) roadshow.
- As Canada's largest trade and industry association, the CME has been a strong voice and advocate for Canada's manufacturing sector for many years.
- I understand the positive impact your organization has across Ontario, which is why I am pleased to announce the Ministry of Energy's recent partnership with the CME in the form of the Energy Management Assistance Program.
- The launch of this program will help CME member businesses learn about Ontario-led energy programs – programs that can help businesses better manage their energy use and provide tools to effectively reduce energy costs.
- One program that is specifically designed to help Ontario businesses is the Industrial Conservation Initiative – or the ICI program.
- This program helps large consumers save money by reducing their electricity consumption during peak hours.
- In fact, ICI participants currently save an average of 33 per cent on their electricity bills compared to non-ICI participants.
- Last year, the Ministry of Energy made two important changes to the ICI in order to spread the program's benefits to more businesses.
- First, the ministry lowered the participation threshold from three megawatts to one megawatt and removed sector-specific eligibility restrictions.
- As part of Ontario's Fair Hydro Plan, the ministry also expanded the ICI's entry requirements to include smaller manufacturers and greenhouses with an average peak demand greater than 500 kilowatts.

- As a result of all of these changes, approximately 1,100 electricity consumers are participating in the program.
- Additionally, under Ontario's Fair Hydro Plan, the cost of certain electricity support programs are now being funded by the Province rather than by ratepayers, saving all business in Ontario \$3 per megawatt hour.
- These improvements to the ICI have positively impacted Ontario's businesses.
- A strong example of this can be found in Cambridge-based company BWXT Canada – a company that is a leader in the design, manufacturing, commissioning and servicing of nuclear power generation equipment.
- BWXT Canada played a key role in defueling Darlington's Unit 2 ahead of schedule and will continue to manufacture the feeder tubes that deliver coolant to the reactor as part of the Darlington Nuclear Refurbishment program.ⁱ
- According to BWXT Canada's President, John MacQuarrie, ICI-related savings have reduced the company's operating costs and have made them more competitive.
- While the ICI is one program that is helping Ontario businesses, at the start of April – due to Ontario legislation coming into effect – the debt retirement charge will be effectively removed, saving all businesses \$7 per megawatt hour.
- This represents an estimated 6.5 per cent reduction in the electricity bill of a typical mid-sized business and about 12 per cent for a typical large industrial consumer when combined with the shifting of support program funding under Ontario's Fair Hydro Plan.
- In total, the removal of the debt retirement charge will save Ontario businesses about \$600 million annually – savings that can be reinvested to promote more energy efficient operations.ⁱⁱ
- These are the same energy efficiency initiatives the Independent Electricity System Operator provides through Save on Energy programs, and through programs delivered by natural gas distributors as well as the Green Ontario Fund.

- These programs feature lighting or equipment upgrades, energy audits, or simply tips on conserving energy, such as finding leaks in compressed air systems - for example, consider that a hole that is just one-thirtieth of an inch wastes enough electricity to power nine homes.ⁱⁱⁱ
- This will not only promote energy-efficient business practices but will collectively reduce Ontario's carbon footprint – an area the Government of Ontario has made important headway on.
- More specifically, as a result of the investments the Ministry of Energy has made in renewable energy, coupled with the elimination of coal – with next month marking the four year anniversary of this milestone – more than 95 per cent of the power generated in Ontario during 2017 was free of the emissions that cause climate change.^{iv}
- This brings us one important step closer in meeting Ontario's climate change objectives as outlined in the province's Climate Change Action Plan.
- Ontario's clean grid also helps with the inevitable transition toward a low carbon economy.
- As the province transitions to this low carbon economy, the Ministry of Energy will continue working with business partners and organizations like the CME, in order to promote the programs that are available to keep Ontario both competitive not only environmentally, but economically – allowing all businesses to continue operating efficiently on one of the cleanest grids in North America.
- With that, I'd like to thank you for inviting me to speak today.

ⁱ 2017 Long-Term Energy Plan, Page 48, https://files.ontario.ca/books/ltep2017_0.pdf

ⁱⁱ Approved DRC messaging provided by Ministry of Finance

ⁱⁱⁱ Toronto Hydro Energy-saving tips for industrial facilities

<http://www.torontohydro.com/sites/electricsystem/electricityconservation/savingtipsforbusinesses/Pages/default.aspx>

^{iv} Updated to reflect recent direction from DMO/IESO. IESO 2017 Year-End Data, <http://www.ieso.ca/corporate-ieso/media/year-end-data>