

Small Business Messaging

Q. What is your government doing to help businesses with the costs of electricity?

Ontario has a number of measures in place to mitigate industrial electricity prices and help businesses manage the cost of electricity, including the:

- Industrial Conservation Initiative (ICI);
- Northern Industrial Electricity Rate Program (NIERP);
- Industrial Accelerator Program (IAP);
- saveONenergy for Business conservation programs for commercial and industrial consumers; and
- Demand Response Auction.

In addition, the Budget Measures Act 2015 sets a fixed date for removing the Debt Retirement Charge (DRC) for commercial, industrial and other non-residential electricity users on April 1, 2018, nine months earlier than previously estimated.

Our government continues to work with the sector, including agencies and distributors, to find efficiencies and reduce costs to benefit ratepayers.

If asked for a breakdown of measures listed above:

- **ICI** lowers costs for eligible large electricity consumers that reduce consumption during peak periods. ICI consumers can reduce their electricity rates by up to one third.
 - To give more businesses the incentive to participate in the ICI, we have lowered the threshold from 3 megawatts (MW) to 1 MW and removed sector restrictions so that more consumers can benefit. Newly eligible consumers that opt-in to ICI will see the impact beginning in July 2017.
 - We are also proposing to expand ICI to include smaller manufacturers (i.e., NAICs codes commencing “31”, “32” and “33”) with average peak demand greater than 500 kW and less than 1 MW. As per the regulatory posting, the expansion to 500 kW is expected to be effective in July 2017 pending final approval.
- Participants in the **NIERP** receive a rebate of two cents per kilowatt hour. On average, electricity prices can be reduced by up to 20% through the program.
- **IAP** assists eligible industrial, commercial and institutional customers that are directly or indirectly connected to the IESO transmission grid fast-track capital investment in major energy-efficiency projects. Transmission-connected

customers with distribution-connected sites can also elect to have these administered through the IAP.

- The **saveONenergy for Business Conservation Programs** offers a variety of financial incentives to businesses to increase energy efficiency and manage their electricity bills. Incentives are available to a broad range of businesses, including institutional customers such as municipalities, for energy audits, retrofits, process and systems upgrades, and small business lighting.

Annual Demand Response Auctions are held by IESO for demand response capacity. Successful bidders (including large businesses and industry) receive payments to shift their consumption at times when the electricity system is stressed.

If pressed about what is being done to help small businesses manage their energy bills:

Electricity consumers eligible for the Regulated Price Plan (RPP) would be eligible for Global Adjustment (GA) refinancing. In order to be eligible for the RPP, annual consumption must be below 250,000 kWh per year or peak demand must be below 50 kW. This includes small businesses such as dry cleaners, convenience stores, small restaurants and retail stores.

The plan is promoting the use of energy managers, marketing business conservation programs, enhancing business conservation programs, working to make on-bill financing available to small businesses and providing long-term stable funding for small business conservation initiatives.