

Ministry of Energy

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MC-2017-886

Mr. Gary Sands
Senior Vice-President
Canadian Federation of Independent Grocers
401–105 Gordon Baker Road
Toronto ON M2H 3P8

Dear Mr. Sands:

Thank you for your letter of May 2, 2017 regarding small business grocers in Ontario. I am pleased to respond.

Ontario's Fair Hydro Plan proposes new measures to lower electricity bills by 25 per cent on average for residential customers. This includes a number of initiatives, such as the existing 8 per cent rebate, the refinancing of a portion of Global Adjustment (GA), and the funding of the Ontario Electricity Support Program (OESP) and Rural or Remote Rate Protection (RRRP) through provincial revenues.

The government intends to align eligibility for GA refinancing with the 8 per cent rebate. Up to 500,000 small businesses and farms are expected to benefit, including:

- Electricity consumers with demand less than 50 kW;
- Electricity consumers with annual consumption less than 250,000 kWh;
- Farms and farming businesses; and
- Condominiums, multi-unit residential complexes, long-term care homes and housing cooperatives.

To be clear, all small businesses consuming less than 250,000 kWh per year or have peak demand less than 50 kW would be eligible for GA refinancing and the existing 8 per cent rebate. Any member of Canadian Federation of Independent Grocers (CFIG) that meets this threshold would benefit from these measures.

Consumers of all sizes would benefit from shifting the cost recovery for support programs to provincial revenues. We are proposing to shift the cost of the OESP and RRRP from being paid through electricity bills to being paid for through provincial revenues. This action would provide a benefit of approximately \$3/MWh for all consumers, including independent grocers.

Ontario also has a suite of conservation and energy efficiency programs in place that help homes and businesses (including commercial consumers) manage rising electricity prices through energy management services and financial incentives for the installation of electricity savings measures. Save on Energy electricity conservation programs are available through local distribution companies (e.g., Toronto Hydro, Hydro One, etc.), while Ontario's two largest natural gas utilities, Enbridge Gas Distribution and Union Gas, deliver natural gas conservation programs.

For business customers, programs include the Save on Energy Retrofit Program, which provides various incentives for as much as 50 per cent of project costs such as updating old or inefficient equipment. Enbridge and Union provide financial incentives for a list of natural gas reducing measures (e.g., boilers, water heaters, ovens, etc.), and for custom natural gas reduction projects. The RunSmart and RunItRight programs help to enhance and optimize existing building systems and operations to fine energy efficiencies.

Information on Save on Energy programs can be found at: <https://saveonenergy.ca/Business.aspx>. Information on the natural gas conservation programs can be found at: <https://www.uniongas.com/business/save-money-and-energy> and <https://www.enbridgegas.com/businesses/energy-management/commercial/index.aspx>

Thank you again for writing and please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister