RE: Housebook note on energy programs for businesses

From: "Anderson, Lucas (TBS)" <lucas.anderson@ontario.ca>
To: "Poopalapillai, Christine (TBS)" <christine.poopalapillai@ontario.ca>
Date: Thu, 02 Feb 2017 14:39:36 -0500

This is good. Thanks.

Lucas

From: Poopalapillai, Christine (TBS)
Sent: February-02-17 2:38 PM
To: Anderson, Lucas (TBS)
Subject: Fw: Housebook note on energy programs for businesses

Thoughts?

From: Campbell, David (ENERGY) <David.Campbell2@ontario.ca>
Sent: Thursday, February 2, 2017 2:34 PM
To: Poopalapillai, Christine (TBS)
Subject: RE: Housebook note on energy programs for businesses

Hi Christine,

Below is a pretty comprehensive list of our programs and messaging for business. The first is our topline response on prices generally; followed by messaging for large business and industry; followed by small business.

Hopefully this is helpful. Let me know if you need anything else!
David

TOPLINE RESPONSE:

- Last fall, the Premier provided a reset on an essential goal for this government - making everyday life more affordable for Ontarians.
- While Ontario's economy is doing well, not every family is seeing that impact on their personal budgets.
- Nowhere is that challenge more pressing than on the issue of hydro rates.
- Over the past decade, our electricity system has been transformed. That transformation was for the better, but the costs of this transition have presented a challenge for some Ontarians.
- As the Premier indicated, helping Ontarians with the cost of everyday living is a top priority for our government. In the past few months, our Ministry has refocused on that goal.
- That's why we've acted by expanding financial assistance programs, including an 8% rebate for families and small businesses across the board.
- And we have made it a top priority to reduce pressures on rates by suspending new

procurement, signing new trade deals with our neighbours, and more.

- In the coming months, our ministry will continue to focus on initiatives that save costs for consumers.

- Our government is focused on making everyday life better for Ontarians.

LARGE BUSINESS

Topline:

- Our government is working hard to ensure businesses have affordable access to our clean, reliable electricity system.

- That's why, as of this month, we have expanded access to the Industrial Conservation Incentive (ICI) program.

    - Businesses who participate in the program can reduce their bills by as much as one-third.

    - Over a thousand businesses will be newly eligible for the program under the expanded rules.

- Meanwhile, Ontario's industrial rates continue to compare favourably with other jurisdictions, despite what the PCs claim:

    - Industrial rates in Northern Ontario are **among the lowest in Canada and lower than 49 American states.**

    - Industrial rates in Southern Ontario are lower than in Michigan, Wisconsin, New Jersey, California and below the American average (see source below).

- And while other jurisdictions are still burning dirty coal for two-thirds of their power, we have achieved competitive rates while undertaking the largest climate change initiative in North America.

Pricing Comparison

2015 Industrial Electricity Prices (Canadian ¢/kWh)

	Jurisdiction	Cost		Jurisdiction	Cost		Jurisdiction	Cost		Jurisdiction	Cost
1	Manitoba	4.67	17	Arkansas	7.49	33	Newfoundland	8.65	49	Nova Scotia	10.02
2	Quebec	5.17	18	Tennessee	7.53	**34**	**U.S. Average**	**8.71**	50	North Dakota	10.75
3	Washington	5.64	19	Alabama	7.58	35	New York	8.72	51	Florida	10.79
4	Alberta	5.87	20	South Carolina	7.68	36	Indiana	8.74	52	Delaware	10.96
5	Ontario - North	6.35	21	Utah	7.70	37	Ohio	8.75	53	Maryland	11.86
6	Oklahoma	6.64	22	Oregon	7.72	38	Wyoming	8.87	54	Maine	12.64
7	Montana	6.68	23	West Virginia	7.80	39	Minnesota	8.89	55	Vermont	13.14
8	Kentucky	6.80	24	Saskatchewan	7.81	40	Prince Edward Island	8.90	56	California	13.85
9	British Columbia	7.04	25	Nevada	7.83	41	Colorado	9.05	57	New Jersey	14.44
10	Iowa	7.06	26	Arizona	8.00	42	Michigan	9.13	58	New Hampshire	17.17
11	Louisiana	7.06	27	Idaho	8.05	43	Virginia	9.23	59	Massachusetts	17.56
12	**Canadian Average**	**7.31**	28	North Carolina	8.09	44	South Dakota	9.31	60	Connecticut	17.58
13	Missouri	7.32	29	New Mexico	8.09	45	Kansas	9.54	61	Alaska	18.85
14	Georgia	7.35	30	Illinois	8.24	46	Nebraska	9.56	62	Rhode Island	19.97
15	Texas	7.37	31	Ontario - South	8.35	47	Pennsylvania	9.59	63	Hawaii	31.10
16	New Brunswick	7.48	32	Mississippi	8.41	48	Wisconsin	9.87			

Note: Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. Prices exclude taxes and participation in any applicable jurisdictional benefit programs.

The Ontario industrial price is based on the average all-in price for year-to-date May 2015, and includes the Hourly Ontario Energy Price, Class A Global Adjustment, delivery, wholesale market service charges and the Debt Retirement Charge. The 2 cent per kilowatt hour difference between northern Ontario and southern Ontario reflects the Northern Industrial Electricity Rate Program rebate.

All other Canadian prices (except Ontario) are from the Hydro Quebec Rate Comparison for rates effective April 1, 2015 for select local distribution companies servicing specific cities. Where Hydro Quebec reports prices for two cities in a province (e.g., Calgary and Edmonton), an average of the two is used; in provinces where only one city is reported (e.g., Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes. In the Hydro Quebec Rate Comparison, a large consumer reflects 5 MW with monthly consumption of 3,060 MWh.

American jurisdictions reflect year-to-date May 2015 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the industrial sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.30 CAD.

Other programs for industry:

Industrial Electricity Incentive (IEI)

- We have expanded the IEI program, so hundreds of newly eligible companies can qualify for electricity rates among the lowest in North America in exchange for bringing new investment into the province.
- The third stream of the IEI includes fifteen participants across Ontario, including:
  - Aurico Gold Inc.
  - FNX Mining Company Inc.
  - Roeland Plant Farm Inc.
  - Omya Canada Inc.
  - White River Forest Product Ltd.
  - Eacom Timber Corporation
  - St. Andrew Goldfields LTD.
- There are already concrete examples of companies taking advantage of the IEI (stream 2) program across Ontario.
  - In Pembroke, the MDF paperboard plant is reopening after being accepted in the IEI program – creating 140 new jobs for the area.
  - In Whitby, Atlantic Packaging is expanding their paper mill and creating 80 jobs with the help of IEI program.
  - Detour Gold says the program saved them $20 million last year while they expand what will be one of the largest gold mines in Canada.

Northern Industrial Electricity Rate Program (NIERP)

- Our 2015 budget committed to make the NIERP program an ongoing program beyond 2016. The NIERP reduces electricity prices for large Northern industrial consumers by 25%.

- Consumers who receive NIERP are also eligible for ICI & IEI.

Demand Response (DR)

- DR pays businesses and industry to shift consumption at times when the system is stressed. These payments can significantly offset energy costs for participants, as well as benefit the system since DR is less expensive than peaking generation.

Industrial Accelerator Program (IAP)

- The IAP is designed to assist eligible transmission-connected companies to fast track capital investment in major energy conservation projects. It provides financial incentives to encourage investment in innovative process changes and equipment retrofits to reduce electricity consumption and to help companies become more competitive.

SMALL BUSINESS

Topline:

- We have heard from Ontarians who are concerned with the costs of electricity. That's exactly why we've acted.

- As of January 1st, we have implemented a new rebate of 8% to consumers eligible for the Regulated Price Plan, which includes all businesses who use less than 50kW of electricity, and under 250,000kWh per year. This provides assistance directly on the bills of more than 5 million residences, farms, and small businesses across the province.

- When this legislation is passed, it will result in an immediate and permanent reduction in electricity bills.

- There are also a number of programs already in place to help small business with energy costs. These programs are listed below. We highly recommend reaching out to local utilities and to local natural gas providers, to discover which of these programs and more a business may be eligible for.

Audit Funding Incentive Program

- Covers up to 50% of the cost of an energy audit
- Entire facility audit as well as an individual building system audit (e.g., refrigeration system) are eligible
- https://www.saveonenergy.ca/Business/Program-Overviews/Audit-Funding.aspx

Small Business Lighting Program

- A free on-site lighting assessment of facility
- Up to $2,000 in incentives toward eligible energy-efficient lighting upgrades; and
- A turn-key lighting installation that eliminates the need to search for a qualified contractor, obtain quotes, submit incentive applications, project manage the retrofit and clean up
- https://www.saveonenergy.ca/Business/Program-Overviews/Small-Business-Lighting-and-AC.aspx

Business Refrigeration Incentive Program

- Local program only at this time
- Offered by PowerStream, PowerStream Collus, Horizon Utilities, Hydro One Brampton
- To be offered soon by Enersource, Toronto Hydro
- Free energy audit and benchmarking of facility
- Up to $2,500 in refrigeration upgrades
    - E.g., parts replacement, anti-sweat controls, insulating curtains, coil cleaning, electronically commutated motor (ECM)

Retrofit Program
- Provides incentives for as much as 50% of project costs for:
    - Updating old or inefficient equipment, including lighting, motors, HVAC, compressed air systems, variable frequency drives
    - Improvement of thermal performance of a building envelope
    - Implementation of new operating procedures and energy management system or building automation system
- https://www.saveonenergy.ca/Business/Program-Overviews/Retrofit-for-Commercial.aspx

Training and Support
- IESO offers incentives of up to 50% to help pay for training
- A good fit for CFIG members is the Dollars to $ense Energy Management Workshops offered by the Canadian Institute of Energy Training
    - Spot the Energy Savings Opportunities
    - Energy Management Planning
    - Energy Efficiency Financing
    - Energy Management Information Systems
    - Energy Monitoring
    - Recommissioning
- https://www.saveonenergy.ca/Business/Program-Overviews/TRAINING---SUPPORT.aspx
- http://cietcanada.com/dollars-to-sense/

From: Poopalapillai, Christine (TBS)
Sent: February-02-17 2:15 PM
To: Campbell, David (ENERGY)
Subject: RE: Housebook note on energy programs for businesses

Sorry, I forgot to provide context. Minister Sandals will be touring Friday and early next week and will be holding roundtables with local businesses and would like some material regarding energy programs.

Best,
Christine

From: Poopalapillai, Christine (TBS)
Sent: February-02-17 2:10 PM
To: Campbell, David (ENERGY)
Subject: Housebook note on energy programs for businesses
Importance: High

Hi David,

Can you please share your housebook note on energy programs for businesses (large and small) and a jurisdictional scan of rates from neighbouring/comparator states? Can I get the HBN asap and the rate info by EOD.

Thanks,
Christine