

RE: TBS MO- HBN request- energy programs for businesses

From: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>
To: "Poopalapillai, Christine (TBS)" <christine.poopalapillai@ontario.ca>
Date: Wed, 31 May 2017 15:06:00 -0400

Hi Christine,

No problem at all! I have updated the below. Let me know if you have any questions, or need more detail.

As a general overview, there are about a half a million small businesses who will be receiving the full benefit of our Fair Hydro Plan (a 25% reduction, on average). Many larger businesses (especially manufacturing) may be newly eligible for the Industrial Conservation Initiative (ICI), through which many businesses can find significant savings by shifting their energy usage. Beyond that, there are many existing programs that provide incentives or rebates – businesses should be encouraged to contact their local utility in order to learn more.

Best,
David

From: Poopalapillai, Christine (TBS)
Sent: May-30-17 11:09 AM
To: Campbell, David (ENERGY)
Subject: TBS MO- HBN request- energy programs for businesses
Importance: High

Hi David,

Thank you for sharing your messaging/notes on energy programs for business with our office a few months ago. The Minister is going to be going on tour on Friday and we wanted to ask if you had any additional messaging on the OFHP that you could share with us in addition to the information below?

Could you please share the updated information with us by Thursday at noon? (sorry for the short notice!)

Thanks,
Christine

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:

- Our government has heard from Ontarians struggling with the high cost of electricity, and we have taken action.
- Our Fair Hydro Plan delivers 25% savings to all households in the province, along with half a million small businesses and farms.
- Over the past decade, we have rebuilt our electricity system and eliminated coal, investing more than \$50B into our system.
- But we asked on generation to pay for it all, and the costs caused bills to rise too quickly, and too much.
- Our plan spreads out these costs to provide relief now, while making the system more fair.
- Under our plan:
 - Bills will be lowered in the short term by 25%
 - They will be held low through the medium term by capping increases at inflation for four years
 - And we will take action through initiatives in our Long-Term Energy Plan to make sure prices stay affordable in the future.
- Our plan also delivers even more support for those in particular need of help, such as those in remote communities or on a low income.
- Taken together, this represents the largest rate relief program in a generation.

LARGE BUSINESS

Topline:

- Our government is working hard to ensure businesses have affordable access to our clean, reliable electricity system.
- That's why, in January, we expanded access to the Industrial Conservation Initiative (ICI), and in the Fair Hydro Plan, we have expanded access to ICI even further.
 - Businesses who participate in **this** program can reduce their bills by as much as one-third.
 - Over a thousand businesses **are** newly eligible for the program under the expanded rules.
- Meanwhile, Ontario's industrial rates continue to compare favourably with other jurisdictions. **As of 2015:**
 - Industrial rates in Northern Ontario **were** among the lowest in Canada and lower than 49 American states.
 - Industrial rates in Southern Ontario **were** 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
 - o 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:
 - o Updating old or inefficient equipment, including lighting, motors, HVAC, compressed air systems, variable frequency drives
 - o Improvement of thermal performance of a building envelope
 - o 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 CFG members is the Dollars to \$ense Energy Management Workshops offered by the Canadian Institute of Energy Training
 - o Spot the Energy Savings Opportunities
 - o Energy Management Planning
 - o Energy Efficiency Financing
 - o Energy Management Information Systems
 - o Energy Monitoring
 - o 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

