

RE: Gerdau

From: "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>
To: "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>, "Finlay, Charles (MEDG)" <charles.finlay@ontario.ca>
Cc: "Irving, Alex (MEDG)" <alex.irving@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Date: Wed, 11 Jan 2017 17:14:03 -0500

Hi Charles,

At a high level: Gerdau operates a Monday-Friday day shift only (similar to many smaller manufacturers), but because of its ability to power down on potential "High 5" days, it manages to almost completely avoid the Global Adjustment.

Thus, their concern was focused on the off-peak only volumetric recycling option (which would leave this company, specifically, worse off). As the recommended option is to now proceed with volumetric all-hours, the risk that Gerdau is anticipating is not expected to materialize.

I hope that answers your question – let me know if you'd like me to see what granular data our officials might be able to provide.

Regards,

Craig Ruttan

Policy Advisor (Energy Supply Policy)
Office of the Hon. Glenn Thibeault | Minister of Energy
900 Bay Street | Hearst Block | 4th Floor
T: 416-314-2641
M: 416-454-2557

From: Teliszewsky, Andrew (ENERGY)
Sent: January-11-17 5:09 PM
To: Finlay, Charles (MEDG); Ruttan, Craig (ENERGY)
Cc: Irving, Alex (MEDG); Whittington, Matt (ENERGY)
Subject: RE: Gerdau

Hi.

Adding Craig who is guru on this.

Atel/

From: Finlay, Charles (MEDG)
Sent: January-11-17 10:56 AM
To: Teliszewsky, Andrew (ENERGY)
Cc: Irving, Alex (MEDG)
Subject: Gerdau

Hello ATel,

Happy New Year—hope all is good with you.

Gerdau Steel is concerned about the impact of Cap & Trade on its cost structure and in particular its costs of energy. They are describing the impacts as potentially destructive of their business model. I understand

from the company that your ministry may have created an analysis of the potential impacts on Gerdau of C&T and/or rising electricity rates. Would you be able to share that with us?

Many thanks,

Charles Finlay

Chief of Staff

Office of the Hon. Brad Duguid

Minister of Economic Development and Growth

Tel: (416) 325-6998

Cell: (647) 283-5431