

FW: Business KMs

From: "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>
To: "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>
Cc: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Date: Wed, 08 Mar 2017 14:41:50 -0500

Hi David,

Can you do an edit of this? Some of the ICI language might be a little outdated. CC'ing Matt for a fact check.

Dear Caucus and staff,

Last week our Government announced **Ontario's Fair Hydro Plan** to assist individuals, families, farms and businesses of all sizes with their electricity bills. The plan introduced significant relief for all residential consumers and farms, measures to further help vulnerable electricity consumers, and initiatives to improve the electricity system.

Please find additional messaging below on **Seasonal / Cottages consumers, Businesses, Unit Sub-metering, and the MUSH Sector**.

Seasonal / Cottages:

- * Seasonal customers are not eligible for the Rural or Remote Rate Protection (RRRP), which provides relief for the high distribution charges faced by customers as a result of the high cost of delivering electricity to these areas.
- * All cottage owners are will benefit from the hydro bill cut of 25% for the average customer, all year round.
- * All seasonal customers will still receive the 8% HST rebate on their total electricity bill, including delivery charges.
- * The Ontario Energy Board (OEB) is changing how distribution rates (distribution service charge & distribution volume charge) will be billed for residential customers. Currently, distribution rates are a blend of fixed and variable rates. Over the next four to eight years (depending on service type) the rates will gradually change so all residential and seasonal customers will be billed an all-fixed monthly service charge.
- * The Ontario Energy Board (OEB) sets the delivery rates charged by electricity distributors in the province and has a mandate to protect the interests of consumers.

Business

- * Ontario's Fair Hydro Plan is about delivering relief to ratepayers struggling with the cost of electricity, while making the system more fair to everyone.
- * Nearly half a million small businesses (any business that is on Time Of Use rates) will receive the full benefit of the initiatives in the Fair Hydro Plan, reducing their bills by an average of 25%
- * For larger companies, we expanded the ICI program in January to capture over a thousand new businesses, and under the Fair Hydro Plan we have expanded it to even more medium-sized

manufacturing.

- * Participants in the ICI program who are able to shift their electricity consumption are able to save up to 1/3 on their electricity bill
- * Part of the plan also involves taking social programs currently funded by ratepayers and shifting them to provincial funding instead.
- * All ratepayers – including businesses ineligible for the other programs – will benefit from this move
- * A typical medium-sized business will see moderate savings of about \$3/MWh on their electricity rates
- * And meanwhile, our government continues to support a wide array of rebates and incentives through the saveONenergy program, helping businesses with upgrades and retrofits to save money

Small Manufacturing and Industrial

- * Last week's **Fair Hydro Plan** includes significant incentives for small manufacturing and industrial consumers.
- * As part of the plan, our Government is expanding the Industrial Conservation Initiative (ICI) program by reducing the threshold from 1MW to 500kW and targeting more small manufacturing and industrial consumers.

Expanding participation in the ICI program will:

- * Reduce cost pressures on the electricity system by empowering more consumers to lower their electricity demand during peak periods; and
- * Reduce electricity bills for new ICI participants who are able to reduce their electricity demand during peak demand periods.

ICI Impact Example

- * With more than a thousand new businesses soon eligible for ICI, cost impact across sectors and industries will vary. As an illustrative example of the impact, a plastics manufacturer with an average peak demand of 2 MW that participates in the ICI program could see its electricity price reduced from \$154 per MWh to as low as \$102 per MWh. This would result in energy cost savings of up to \$42,000 per month.

Sub-Metering

- * All customers who have a unit sub-meter installed in their condominium or apartment building will also receive the full benefit of the initiatives in the Fair Hydro Plan, reducing their bills by an average of 25%.
- * All common elements in condominiums such as elevators and hallway lights are also covered by the rate relief announced in our plan. Condominium boards will therefore also benefit from the initiatives in the Fair Hydro Plan, reducing their bills by an average of 25%.

MUSH Sector

- * The focus of the **Fair Hydro Plan** is to deliver relief for families, farms, and small businesses

across Ontario, while making the system more fair to everyone.

- * However, Municipalities, Universities, School Boards, and Hospitals will still see a modest reduction in their electricity bills from a decrease in their monthly regulatory charges since we intend to fund the costs of multiple electricity support programs through provincial revenues as opposed to the rate base.

Kevin Den Heijer | MPP Liaison

Office of the Hon. Glenn Thibeault

Minister of Energy

Hearst Block 4th Flr, 900 Bay St, Toronto, ON M7A 2E1

T: (416) 212-0156 C: (647) 618-6948

From: Campbell, David (ENERGY)

Sent: March-08-17 9:26 AM

To: Den Heijer, Kevin (ENERGY); Whittington, Matt (ENERGY); Nekolaichuk, Colin (ENERGY)

Subject: RE: Business KMs

I had sent some stuff over to Atel for review that is lower in this chain. The formatting has gotten a bit wonky though, so I've recopied the email below. Also, I have some top-level numbers about our government's commitment to the MUSH sector in the attached. But we'll need to build out a bit more how (if at all) our recent energy announcements will affect them, and what programs they are eligible for.

For your review, here are some KMs on electricity relief for business. These could be shared with caucus who want help with constituents (not as a caucus blast or anything, just as required). Since the conservation programs mentioned tend to vary by utility, we also thought we'd provide a guide on that topic that could be helpful for sharing.

Lastly, I also included some KMs from PO about the business climate in Ontario more generally. Since energy costs are of course just one input for business, I think it can be helpful when out on the road to keep things in context a bit by emphasizing what a great place Ontario is to do business.

Business in the OFHP:

- Ontario's Fair Hydro Plan is about delivering relief to ratepayers struggling with the cost of electricity, while making the system more fair to everyone.
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Ontario business climate:

- We've worked hard to make sure Ontario's business climate is competitive
- In fact many 3rd party studies have found that Ontario is an affordable place to live and do business
- In KPMG's 2016 business cost rankings 3 out of the top 5 cities to do business were in Ontario
- And in Mercer's 2016 Cost of Living survey Ontario cities beat out many of their American counterparts when it came to affordability
- Even the Leader of the Opposition has acknowledged that our corporate income tax rates are competitive
 - o In fact they're 13% lower than the average combined federal-state corporate income tax in the US
- In 2010 we eliminated capital taxes and have lead the country in foreign direct investment for several years
- Thanks to this competitive business climate were seeing jobs and economic growth right here in Ontario;
 - o Ontario has created 697,600 new jobs since the recession
 - o Our unemployment rate has dropped to 6.4% near its lowest level in 8 years
 - o And in the first three quarters of 2016 Ontario led all G7 nations when it came to economic growth
- Ontario's economy is growing; we just need to make sure that everyone has the opportunity to benefit from that growth

From: Den Heijer, Kevin (ENERGY)

Sent: March-08-17 9:14 AM

To: Campbell, David (ENERGY); Whittington, Matt (ENERGY); Nekolaichuk, Colin (ENERGY)

Subject: RE: Business KMs

Do we have any existing messaging for business so far, except for what's in the products?

Kevin Den Heijer | MPP Liaison

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Minister of Energy

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-----Original Message-----

From: Teliszewsky, Andrew (ENERGY)

Sent: March-08-17 4:35 AM

To: Campbell, David (ENERGY); Den Heijer, Kevin (ENERGY); Whittington, Matt (ENERGY);

Nekolaichuk, Colin (ENERGY)

Subject: Re: Business KMs

We should make a whole thing about MUSH sector and USMPs and this and make a new caucus blast.

Can you guys work on this today - I'd like to just read it before Kevin hits send, please?

Atel/

Andrew Teliszewsky

Chief of Staff | Office of Hon. Glenn Thibeault Ministry of Energy andrew.teliszewsky@ontario.ca

416-327-3550 (o)

416-436-6370 (m)

> On Mar 7, 2017, at 6:50 PM, Campbell, David (ENERGY) <David.Campbell2@ontario.ca> wrote:
>

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>
> David Campbell
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> Thibeault | Minister of Energy
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>
> <Helping-Small-Businesses-Save-Energy.pdf>