

RE:

From: "Whittington, Matt (ENERGY)" <"o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=whittington, matt (energy)cce">
To: "Esdaile, Trevor (ENERGY)" <trevor.esdaile@ontario.ca>
Date: Tue, 20 Sep 2016 17:21:37 -0400

This is great

From: Esdaile, Trevor (ENERGY)
Sent: September-20-16 4:38 PM
To: Whittington, Matt (ENERGY)
Subject:

Proposed response

Hey Gary,
As a follow up to the call with your members earlier this week, the following outlines the electricity price mitigation initiatives announced in the speech from the throne as well as a list of conservation programs that would be of use to your members.

The Ministry of Energy is proposing to implement the following electricity price mitigation initiatives. The approach identified below would provide relief across all electricity consumer classes:

- 1) **Provide an 8% rebate** equal to the provincial portion of HST to consumers eligible for the Regulated Price Plan* (i.e., residential, small business and farms) and **update the Rural or Remote Rate Protection (RRRP) program**, to provide relief to rural customers; and
- 2) **Expand ICI eligibility** by lowering the threshold to 1 MW, to provide support to Class B electricity consumers (i.e., commercial, institutional and small industrial) and redirect cap and trade proceeds to commercial and industrial electricity consumers to provide a modest reduction in rates.

8% Rebate to Regulated Price Plan Eligible Consumers

- Legislation/regulation will be introduced to provide a rebate of 8% to consumers eligible for the Regulated Price Plan. The below table indicates which consumers would or would not receive the benefit. This would be equivalent to the provincial portion of the HST.

• Eligible for the 8% rebate (< 50 kW or $< 250,000$ kWh/year)	• Not eligible for the 8% rebate (> 50 kW or $> 250,000$ kWh/year)
• Residential Regulated Price Plan consumers • Residential retail consumers • Multi-unit residential buildings and	• Class A consumers • Manufacturer • Large grocery store • Mines

- other facilities used as residential rental units - Long-term care homes and school residences - Regulated Price Plan eligible farms - Small businesses - Coffee / snack retailer - Convenience store - Apparel store - Hair salon - Small insurance office	- Auto assembly plants Class B consumers (except farms that have opted out of the Regulated Price Plan) - Commercial offices (low rise) - Hotel - General warehousing
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- Those ineligible to receive the 8% rebate will benefit from one or more of the other initiatives under this proposal (e.g., ICI expansion, proceeds recycling, etc).

Rural or Remote Rate Protection (RRRP) Update

- ENERGY is proposing to amend O.Reg 442/01 to provide an additional \$110 million in rate protection to eligible rural or remote electricity consumers, and consider options to periodically adjust the amount of rate protection available to these consumers going forward.
- RRRP is a rate-based funded program that helps offset the higher costs to distribute electricity to Ontario residents who live in rural or remote locations all across the Province.
- Today, RRRP is a \$175-million program. The majority of the program funding is provided to Hydro One's lowest-density customers – classified as R2 customers. There are approximately 329,000 R2 customers.
- RRRP funding supporting R2 customers has been capped at the current level since 2004. As a result, the impact of its assistance has diluted over time as electricity costs have risen.
- An additional \$110 million in program funding would see an increased benefit for eligible rural customers, including the 8% rebate. This would help bring R2 bills in line with Hydro One R1 (medium density) bills.

Expanding the Industrial Conservation Initiative

- Businesses newly eligible to participate in the Industrial Conservation Initiative (ICI) could see saving of up to one third of their total costs.
- The ICI allows larger electricity consumers to save on their electricity costs by reducing their demand during peak hours. Reducing consumption during peak hours benefits the companies' bills, while also benefiting the electricity system at large by reducing demand on the system during peak times.
- Our expansion of the ICI will lower the threshold for participation in the program, expanding access to the program to over a thousand new businesses across the province, while also increasing the benefit to the system at large.
- It will be up to individual businesses to decide whether and how to participate in the program. Participating businesses could see savings on their electricity bills of up to one third of their total costs.

In addition to the rate mitigation programs that were announced during last week's Speech from the Throne, the following SaveONEnergy programs are ones that I believe would be of use to your members. In order to discuss

these they should contact their local distribution company.

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: Gary Sands [<mailto:GSands@cfig.ca>]

Sent: September-20-16 9:04 AM

To: Esdaile, Trevor (ENERGY)

Cc: Andrew Teliszewsky

Subject:

I spoke to your Minister last night and expressed my appreciation for how well you handled the call yesterday with some of my agitated Ontario members. Can you tell me when we can get something in writing that can be disseminated to the small business community about the changes announced last week, and in particular, the new thresholds that can help a lot more grocery stores. Thanks.

Sent from my BlackBerry 10 smartphone on the Rogers network.

