

Thursday, November 3, 2016

Honourable Glenn Thibeault, Minister of Energy

RE: Long Term Energy Plan 2017

Thank you for holding a public consultation on Long Term Energy Plan (LTEP) 2017 in Peterborough. The Peterborough Chamber of Commerce represents about 900 businesses and 25,000 employees of those businesses.

Electricity and the energy system are topics that are front and centre for many of our members. Our members feel that in order to proactively plan for the future, there must be a full understanding of the present situation. These members, many small and medium-sized businesses, are currently struggling to understand, respond and pay for increasing electricity prices. Electricity costs have increased by 375% since 2004. These constant increases, in many cases despite a concentrated effort in energy reduction or at least similar energy needs month over month, are increasingly difficult for businesses to absorb, and inhibits growth and competitiveness. One member reports a 12% price increase and an unpredictable Global Adjustment Rate that doesn't allow for energy budgeting. This particular member had identical meter readings in August and September of this year but the bills differed by \$500+HST. The member says this unpredictability has forced them into a hiring freeze.

We have presented you with this case study as an example of the need to realize that a strong economy and business community in all centres of the province relies on transparency on bills and line by line breakdowns of the Global Adjustment rate so that these businesses have the opportunity to make adjustments and see real results. This is also why any costs associated with the Cap and Trade program have a separate line on energy bills. Understanding the actions that contribute to an increase in the bill has the potential further stimulate conservation and energy efficiency.

In May 2016, the Ontario Chamber Network adopted a policy resolution presented by the Peterborough Chamber of Commerce asking the provincial government to:

1. Make public the full breakdown of the cost-drivers behind electricity distribution and generation and how investment decisions have impacted electricity cost.
2. Complete and make public a jurisdictional comparison, along with Class A, Class B and Time of Use Pricing for small businesses, that can be used to better understand how Ontario stacks up to its neighbours and competitors for business investment.

These recommendations were presented with the idea that fully understanding the impact of decisions around energy as it translates to the cost of energy and energy distribution etc. on bills can lead to a more

informed discussion on how to move forward and the type of policies that are needed to keep the system affordable.

We are appreciative of the recent program to eliminate the provincial portion of the HST on bills for time of use pricing clients and the expansion of the industrial conservation initiative, but our members have concerns that seeing rebates on a fluctuating bill still presents a significant uncertainty to the business.

The LTEP 2017 document also seeks input around the future expansion of natural gas. This issue is also very important to the Ontario Chamber Network as many of us represent businesses in rural areas. The Network would like to see expansion of natural gas services in rural Ontario offering the following recommendations:

1. Ensure the OEB expeditiously conducts generic hearings and subsequently issues a decision on the new regulatory framework related to community expansion so that utilities can begin investing in expanded rural access;
2. Finalize and implement the criteria and application process for both the Natural Gas Access Loan Program and Natural Gas Economic Development Grant and ensure funds are flowing by the end of the 2016 calendar year;
3. Continue to make a priority of expanding rural natural gas access to ensure Ontario rural communities remain competitive and viable in terms of energy costs.

The Ministry is also asking for feedback on Ontario's pipeline principles. The Peterborough Chamber has been an advocate for the Energy East project knowing it will be held to rigorous evaluation by the National Energy Board. It's a project that has significant economic impact for our community as GE Peterborough has been awarded the contract to build the motors to move the oil through the pipeline. This contract when activated is expected to translate into 250 well-paying jobs in Peterborough. The individual economic impact to communities must be taken into account when Ontario considers the best interest of the province.

This particular project could also be tied to innovation considerations. The discussion guide asks how public and private sectors should cooperate to encourage innovation in the energy sector. The answer is simple allow innovation to happen. Innovation on a project such as Energy East could benefit the economy in profound ways potentially pushing our community specifically, but Ontario as a whole to higher levels of natural resource movement and development and safer and more environmentally friendly pipelines.

In May of 2015, the Peterborough Chamber of Commerce presented a policy resolution with the following recommendations on Energy East:

1. Support the Energy East project before the National Energy Board provided there are guarantees that the project will not have any negative cost or supply impacts on natural gas customers particularly in the affected areas of the existing natural gas pipeline between North Bay and Ottawa.

This recommendation received the support of delegates and played a part in discussions that resulted in a solution to the natural gas concerns along the North Bay to Ottawa portion of the pipeline.

The Ontario Chamber of Commerce and by extension the Peterborough Chamber of Commerce advocates for a transparent energy system that offers a reliable and affordable supply of power to all customers at all times. Reducing electricity and energy costs for industry and small to medium-sized businesses is also a top priority. According to an OCC survey, one in twenty businesses in the province expects to close their doors in the next five years due to rising electricity prices. In addition, 38 percent will see their bottom line shrink, with the cost of electricity delaying or canceling investment in the years to come.

So when considering the questions in LTEP 2017, we ask that the Ministry look at it through the lens of the small to medium-sized business owner working to keep people employed and provide a service or a product to their customers.

We ask that the Ministry understand the need for transparency and economic analysis around potential policy changes such as opportunities for electricity trade agreements with nearby provinces and states. We ask that the Ministry understand that communities are facing tough questions around the distribution arms of their local utilities and making the best decision right now is paramount to meeting future needs.

Ultimately, any long term energy plan should be rooted in alleviating the challenges of today in preparation for a predictable, transparent and reliable system in the future.

Sincerely,



Stuart Harrison
President & CEO
Greater Peterborough
Chamber of Commerce

c. Honourable Jeff Leal, Minister of Food, Rural Affairs and Agriculture and MPP Peterborough