

The impact of cap and trade on business...

By: Sandra Dueck, Policy Analyst, Greater Peterborough Chamber of Commerce

This is Ontario's first week with the cap and trade program in effect. At the end of 2016, a coalition of Chambers asked the provincial government to defer the program for a year. Why? Several reasons including the cost of the program on top of electricity prices that continue to go up, the lack of a sector by sector analysis of the impact of the program, the uncertainty about the new administration in the United States, and the fact that the federal government has said all provinces must be on board with either cap and trade or a carbon tax by 2018.

The ask to the provincial government is not about sitting still and doing nothing about our environmental challenges; it's about understanding the true impact of a program on the Ontario economy. Gas prices went up on January 1st – the business with a fleet of vehicles to fill to keep goods moving to and from their destination just experienced an immediate increase. How are they to absorb this and are they confident that the increase will be returned to them in a meaningful way?

The Minister of Energy was quoted in a Toronto Star article as having said that the cap and trade program is simply the cost of doing business. It's a hard pill to swallow for many businesses after a series of legislated increases such as WSIB, increasing

electricity prices, College of Trades and various other compliance measures that have been chalked up to the "cost of doing business". At the Chamber level we have called this stacking of legislative costs the cumulative burden. In isolation from each other, each of these programs has merit, but when you start adding up the full impact of implementation of each of them over the past several years, it's no wonder business confidence is lagging.

"Amazon, after its announcement to set up a location in Montreal, cited the cost of hydro as one of the main factors in their decision to choose Quebec over other locations including Ontario," says Stuart Harrison, President & CEO, Peterborough Chamber of Commerce. "Leland Industries CEO Byron Nelson also attributes Ontario's uncompetitive electricity costs for their recently announced expansion to Illinois, adding that Leland will no longer invest in Ontario. That should be a red flag to our provincial government."

In Ontario, since 2004, electricity prices have increased by 383%, from a flat rate of 4.7 cents a kilowatt hour to 18 cents a kilowatt hour at peak times. The introduction of the cap and trade system will add further charges on natural gas, gasoline and diesel fuel that will be keenly felt by every individual and business in Ontario.

In the auditor general's report, electricity prices are projected to increase by 14% for businesses and 25% for households; after applying the \$1.32 billion in revenues planned to be spent by the Ministry of the Environment to mitigate electricity prices, businesses will still face a 13% increase and households 23%.

So why is the government rushing this program? There are programs in existence to help businesses improve lighting and the like. In fact, the Peterborough Chamber is hosting an information session about such



energy efficiency programs at our Lunchbox Learning event on Wednesday, January 18, 2017. There is no doubt these programs have been important cost savers for a number of local businesses.

The cap and trade program will also generate significant revenue – about \$8 billion between 2017 and 2020, according to the provincial auditor general. But will that money be pushed back into the economy to maintain and improve competitiveness for business? How will the portion paid in by business be returned to the business community?

As well, with the recent federal policy calling for the provinces to have plans in place by 2018, deferring the program for at least a year to better understand and communicate the exact impact would benefit all. Currently, Quebec and Ontario have cap and trade; Alberta and BC have a carbon tax. There is value in leaving the decision to each province, but that also poses challenges for businesses with multiple locations and conducting business in multiple jurisdictions.

The Chamber Network passed a resolution at the Ontario Chamber of Commerce AGM in May 2016. The first recommendation was that the program be deferred until 2018.

Ontario has already made great strides in reducing Greenhouse Gas Emissions (GHGs) with the elimination of coal. This is a success like no other. However, it is anticipated that the cap and trade system will result in only a small portion of the required greenhouse gas reductions needed to meet Ontario's 2020 target.

The message around cap and trade is simple. Our members tell us: "Business loves certainty" and without it, they are less likely to hire and invest in themselves. Certainty can be achieved through transparent government policies that provide businesses a strong foundation from which to operate and compete.

Find more on the Chamber's position and the Ontario Government's requirements around cap and trade on our website:

www.peterboroughchamber.ca

OCC: Submission made on Long-Term Energy Plan

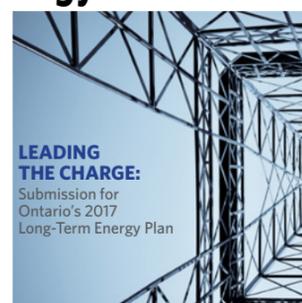
The Ontario Chamber of Commerce (OCC) has released a formal written submission to the Ministry of Energy regarding its 2017 Long-Term Energy Plan.

The submission emphasizes the significance of rising energy prices and highlights the need for Ontario to balance its Climate Change Action Plan (CCAP) goals, while still allowing businesses to remain competitive in the global economy.

The submission also presents ten policy recommendations to help the government achieve its key energy principles of affordability, transparency and flexibility in the 2017 LTEP.

The Peterborough Chamber of Commerce also submitted a letter to the province on the LTEP.

Read more on our website: peterboroughchamber.ca



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POWER HOUR
STRENGTHENING BUSINESS

Wednesday, January 25, 2017

Tickets: peterboroughchamber.ca

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Event Calendar

BREAKFAST CLUB *Special Location!*
TUESDAY
January 10th, 2017

Meet Your Business Citizen of the Year: Steve Kylie

The Quality Inn
1074 Lansdowne Street West
Coffee's on at 7:00am
Speakers from 7:30-8:30am
Speaker: Steve Kylie, Barrister, Solicitor, Notary Public
Cost: Free buffet breakfast sponsored by Quality Inn

PBX *Special Day!*
TUESDAY
January 10th, 2017

Discovery PBX
The Venue PTBO
286 George Street North
4:00pm – 6:00pm

Details: Come join us and celebrate the businesses that joined the Chamber in 2016.

Plus the launch of the BizMap Ptbo show sponsored by the Peterborough Chamber.

Cost: Free, courtesy of Shorelines Slots at Kawartha Downs

LUNCHBOX LEARNING
WEDNESDAY
January 18th 2017
(Chamber & WBN members only)

Energy Savings for Business

Chamber Boardroom
175 George Street North
12:00pm – 1:00pm

Speaker: Cathy Mitchell, PDI

Details: Learn about the energy savings programs your business could tap into.

Cost: Free (bring your own lunch)

Sponsor: Bell
Note: Pre-registration is required

POWER HOUR
WEDNESDAY
January 25th, 2017

An Evening with our Elected Officials

The Venue PTBO
286 George Street North
5:30pm-9:00pm

Details: Guests will hear from our MP, MPP, Warden, and Mayor as they reflect on their mandates so far, and look toward the next two years.

Tickets: \$65 Members/
\$75 Non-Members

Note: Pre-registration is required
Sponsor: Cogeco Connexion

Chambers of Commerce Group Insurance PlanSM

FOR FIRMS WITH 1-50 EMPLOYEES

Insurance for small business that's anything but small

contact: Brian Bulger at 741-1400

Member Milestones: Telling your business story

PTBO CHAMBER MEMBER
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Local business featured in national publication

The Mane Intent Inc. was recently featured in the Hospital News. Hospital News has been Canada's health care newspaper since 1987.

Congratulations to Jennifer and her Mane team.

Jennifer was also a panelist at the Chamber's Business Summit 2016,

speaking about how to tell your business story.

For more: themanaintent.ca



Chamber Member to launch new series on business

Sofie Andreou is behind BizMapPtbo, a new business television and vlog series that connects business owners

with the resources and support they need to launch and grow a business in the Greater Peterborough Area. The 12 episode series will make its debut on CogecoTV and at the Peterborough Chamber of Commerce's Discovery PBX at The Venue on Tuesday, January 10 at 5 p.m.

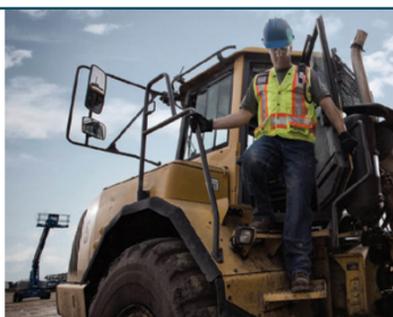
More: bizmapptbo.com



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