



February 13, 2018

Stakeholder Engagement
Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
engagement@ieso.ca

To Whom It May Concern.

RE: Stakeholder feedback – Conservation Framework Mid-Term Review

Thank you for the opportunity to provide feedback at this juncture of the Independent Electricity System Operator (IESO) Conservation Framework Mid-Term Review. We also appreciate the presentations provided to the OMA Energy Committee by IESO since the review began. As you know, Ontario mining companies make up a significant cohort of the eligible companies and have greatly valued the opportunity to participate in the Industrial Accelerator Program (IAP).

Ontario mines have long prioritized building a culture of conservation and have made tremendous gains in efficiency. Equally, the sector supports the government and IESO's priorities around energy conservation and a green economy. The IESO Energy Manager program has been incredibly successful inside the mining sector and coupled with energy management plans development as part of the Northern Industrial Electricity Rate Program, have helped the sector contribute to Ontario's conservation goals.

In Ontario, industrial electricity costs are the highest among neighbouring jurisdictions and at a typical mine account for the second-highest operating cost behind labour. High power costs reduce mine life, decrease flexibility with regards to new investments, and make the addition of value-added processing more difficult. As such, removing costs from the system like streamlining conservation programs is key to the financial viability of our mines, our industry as a whole, as well as making Ontario more competitive.

As part of our Long-Term Energy Plan submission, the Ontario mining sector urged the government to **focus conservation and demand management programs on lowering GHG emissions, reducing peak demand and meeting economic policy priorities such as strong northern communities**. We would ask that any changes aimed at improving the IAP keep these priorities in mind. Some specific suggestions from our sector are briefly outlined below.

- Support reviewing the previous 5-year timeline for the IAP in order to accommodate longer-term mining projects. Lack of flexibility can prevent companies from investing in larger savings and longer-term projects due to strict target and rules. Savings from improved design in this way would ultimately be greater than having to retrofit.
- From a customer experience perspective, both simplifying the process for participation and considering changes to the measurement and verification term and requirements would have a significant impact on industry participation. In addition, lack of experienced auditors can hinder the program as considerable time and effort is spent explaining how systems work (ex. underground ventilation, milling) instead of reviewing energy conservation measures. Better coordination between IESO and the CEM certifying body CIET to coordinate training and regional forums.
- Allowing for greater integration between energy, natural gas, water, and carbon/climate goals would make the IAP more impactful and bring greater flexibility for industry.
- Program targets should take into consideration the size of the organization for example, larger companies often have greater access to funding.
- Consider expanding incentives to include renewable technology and if a program to improve grid connection (ex. power factor capacitors) for customers serviced through LDCs is implemented, give consideration for a similar program for transmission connected customers.

Again, we would like to thank the IESO for the opportunity to comment and look forward to being a partner in improving the Industrial Accelerator Program into the future.

Sincerely,

A handwritten signature in black ink that reads "Chris Hodgson". The signature is fluid and cursive, with a long, sweeping underline.

Chris Hodgson
President