

IESO Engagement

From: Peter Inman
Sent: January 30, 2017 5:05 PM
To: IESO Engagement; Peter Inman
Subject: Market Renewal Consumer Pricing Model

As part of Market Renewal, it is proposed that a new Consumer Pricing model be developed for commercial, institutional and industrial consumers.

The use of a real-time pricing model is ineffective for most consumers as they do not have the means to react to short term pricing signals. Furthermore, it is difficult to prepare a business case for conservation or efficiency projects where the pricing model is variable and uncertain.

It is proposed that a rate plan be developed for Commercial and Institutional consumers that provides fixed rates for energy based on peak, mid-peak and off peak energy consumption - similar to the plan in effect for residential consumers. By having fixed rates, adjusted quarterly, facility owners, energy managers and other professionals can develop the business case for conservation and efficiency measures that will reduce peak electricity usage and shift consumption to off peak periods to reduce costs and enable more efficient use of energy by these consumers. On a broader basis, these measures will reduce peak demands on the electricity system every day of the year, not just summer and winter peak days, to mitigate costs and make better use of electricity generation resources.

Manufacturing and Industrial consumers face direct and increased competition from within and outside the province, and the health of these sectors are essential for employment, economic development and prosperity of the province. The province has already lost significant manufacturing employment due to high electricity costs. This has been mitigated somewhat by the success of the IEI Programs. Electricity pricing needs to be stabilized and be competitive with competing sectors in the US and Canada. This approach should be designed to retain existing and attract new manufacturing and industrial employers, and stimulate manufacturing employment and prosperity in Ontario.

Respectfully submitted

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