

April 25, 2022

Ministry of Energy  
77 Grenville St, 7th floor  
Toronto, Ontario M7A 2C1

## **RE: Industrial Conservation Initiative Cryptocurrency Mining Exclusion**

To whom it may concern,

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 155 communities across Ontario. Our membership comprises energy stakeholders of various kinds – from generators and distributors to consumers of all sizes.

We appreciate the opportunity to comment on Proposal 22-ENDM007 – Industrial Conservation Initiative (ICI) Cryptocurrency Mining Exclusion. The ICI program allows large electricity consumers to manage their Global Adjustment costs by reducing demand during peak hours. This benefits all consumers, and the electricity system as a whole, by reducing the need for new generation capacity additions that would otherwise add costs to the rate base.

After reviewing the proposal, the OCC opposes the exclusion of cryptocurrency mining and recommends that the Ministry of Energy maintain its eligibility under Class A of the ICI program.

Currently, the Province of Ontario is facing major electricity supply gaps in the years ahead and policymakers will need to ensure the system can continue to adequately serve the needs of households and businesses across sectors. As cryptocurrency mining is an energy-intensive sector, the ICI program provides an important incentive for that industry to shift demand away from peak periods, thereby reducing pressure on the system.

We are also concerned with the precedent of discriminating against one sector, particularly given the emerging global interest in innovation around financial services. Ontario must protect its industrial competitiveness to attract investments from existing and emerging sectors. Governments around the world are adopting policies to attract cryptocurrency miners, generating jobs and revenue. As an example, Red Jar Digital Infrastructure has a new cryptocurrency mining operation in Thorold, Ontario, and it plans to scale the site, which will create additional jobs in the region. However, the cost of electricity makes this a challenge, as over 20MW of power is currently being consumed and another 130MW is planned to be up and running in 2022. With the reduced electricity costs provided through the ICI, the industry would be encouraged to continue growing in Ontario.

In summary, the OCC encourages the Ministry to maintain cryptocurrency mining's eligibility within the ICI program. We welcome the opportunity to discuss this issue further.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce