



ONTARIO'S FAIR HYDRO PLAN: HOW WILL IT IMPACT YOUR BUSINESS?

HIGHLIGHTS

500,000 small businesses and farms will qualify for the 25% rate reduction to their energy bills

The Industrial Conservation Initiative Expansion (ICI) will be expanded to include diverse manufacturing and industrials sector

The Ontario Chamber of Commerce (OCC) has been your voice to government on behalf of the province's business community. The concerns of the Chamber Network over rising electricity rates have been heard and we will continue to work with the Government of Ontario to address rising input costs. As Ontario's business advocate, we need to make sure that business remains competitive.

The announcement of *Ontario's Fair Hydro Plan* left many employers uncertain about the implications for their business. Through correspondence with senior officials at the Ministry of Energy, the OCC has been diligently engaged to help better understand the impact of the announcement on behalf of our membership.

We understand that the cost of doing business in the province is rising, and we will continue to ensure that business priorities are heard by all levels of government. The OCC has designed this backgrounder to help you understand the implications of this announcement.

Who will be eligible for the 25% reduction announced in *Ontario's Fair Hydro Plan*?

All electricity consumers eligible for the Regulated Price Plan (RPP) would qualify.

RPP-eligibility is outlined in regulations and includes consumers who meet certain criteria, including:

1. Low-volume consumers;
2. A consumer who has a demand of 50 kilowatts (kW) or less;
3. A consumer who has an account with a distributor, if the account relates to a dwelling, condominium, property owned or leased by a co-operative;
4. A consumer who annually uses at least 150,000 but not more than 250,000 kilowatt hours (kWh) of electricity.
5. A consumer who has an account with a distributor if the consumer is a farming business.

The government also intends to extend eligibility to all consumers who received the 8% rebate as specified in the [Ontario Rebate for Electricity Act](#).

Together, there are nearly 5 million consumers eligible for the Regulated Price Plan, including up to 500,000 small businesses and farms.

What does the expansion of the Industrial Conservation Initiative (ICI) mean and who qualifies?

The Industrial Conservation Initiative (ICI) is a government program that provides an incentive for large electricity consumers to shift their electricity consumption to off-peak hours to reduce their bills by up to one-third. Lowering the threshold for participation in the ICI will ensure more companies are eligible to achieve cost savings of up to 34 percent, depending on their ability to reduce peak electricity consumption.

The expansion of the ICI would be available to electricity consumers with peak demands between 500 kilowatts (kW) and 1 megawatt (mW) that operate under the North American Industry Classification System (NAICS) codes 31, 32 and 33. The NAICS is used by government to classify business establishments according to type of economic activity (process of production). Manufacturers under NAICS codes 31-33 that would be eligible for the ICI expansion are:

- Food Manufacturing **(NAICS 311)**
- Beverage and Tobacco Product Manufacturing **(NAICS 312)**
- Textile Mills **(NAICS 313)**
- Textile Product Mills **(NAICS 314)**
- Apparel Manufacturing **(NAICS 315)**
- Leather and Allied Product Manufacturing **(NAICS 316)**
- Wood Product Manufacturing **(NAICS 321)**
- Paper Manufacturing **(NAICS 322)**
- Printing and Related Support Activities **(NAICS 323)**
- Petroleum and Coal Products Manufacturing **(NAICS 324)**
- Chemical Manufacturing **(NAICS 325)**
- Plastics and Rubber Products Manufacturing **(NAICS 326)**
- Nonmetallic Mineral Product Manufacturing **(NAICS 327)**
- Primary Metal Manufacturing **(NAICS 331)**
- Fabricated Metal Product Manufacturing **(NAICS 332)**
- Machinery Manufacturing **(NAICS 333)**
- Computer and Electronic Product Manufacturing **(NAICS 334)**
- Electrical Equipment, Appliance and Component Manufacturing **(NAICS 335)**
- Transportation Equipment Manufacturing **(NAICS 336)**
- Furniture and Related Product Manufacturing **(NAICS 337)**
- Miscellaneous Manufacturing **(NAICS 339)**

Next Steps

In the coming months, the OCC will embark on an informational campaign to help businesses navigate the regulatory framework of government energy programs and how to benefit from their cost saving opportunities. We will continue our advocacy through a response to the Long-Term Energy Plan to be released this summer.

For more information please visit:



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