

1. What impact has the Industrial Conservation Initiative (ICI) had on your operations and business competitiveness?

-some participants have reduced their costs enormously, by transferring their share of global adjustment costs to non-participants.

2. How easy or difficult is it for you to lower consumption in potential peak hours in order to reduce Global Adjustment (GA) charges?

- **This will vary by sector, and scale. There are participants with no consumption during the hi-5 peak hours, suggesting those large enough to self-generate (likely with gas) are most successful at avoiding costs.**

3. What changes, if any, could be made to ICI to improve fairness, industrial competitiveness or reduce red tape?

- **Fairness to non-ICI consumers demands reducing access to ICI program to exclude sectors not exposed to industrial competitiveness. Like self-generation, red tape is likely a more onerous costs on smaller (but still trade-exposed) consumers.**

4. What are your thoughts on a rate mitigation program that is based on electricity intensity, trade exposure, or both?

Reducing red tape likely requires excluding grading participants on intensity (assuming this is productivity per Watt-hour), but limiting participation based on trade exposure is a must for fairness to non-ICI consumers and the taxpayers now sharing their costs.

5. Given the choice, would you prefer a more dynamic pricing structure which allows for lower rates in return for responding to price signals or a flat rate structure that potentially costs more, but is more stable and predictable?

-I believe some will say they'd like that choice, but I believe this to be a market renewal problem: should retailers be encouraged/allowed/required, or is a government entity guessing rate programs that would emerge in a market sufficient. I will note the IESO's market renewal program implies consumers

and suppliers would typically choose to operate in a day-ahead market (DAM) and not at real-time pricing: presumably very large consumers would prefer to lock-in supply and price even further ahead than that. I doubt mimicking offers a market would develop can serve end consumers as well.

6. Some jurisdictions have offered targeted electricity programs, that use a competitive evaluation process, to achieve economic development objectives. In some jurisdictions, evaluations are based on elements such as job commitments and investments. From your perspective would such a program be beneficial in Ontario?

- **Did Ontario not try this - and mostly fail - with the Industrial Electricity Incentive? Success probably depends on commitment period: suppliers may commit a couple of years out, but as it's unlikely to take on risks of new supply cost I doubt this is worth revisiting.**

7. Are there any other thoughts that you would like to provide with respect to industrial electricity price mitigation?

- **The government should be very mindful that the ICI is not a cost mitigation program, it is a cost shifting program. The only substantial reduction in costs being promised is from the market renewal program. Changes to the ICI have the capability of strengthening real-time, day ahead, and capacity markets currently being developed. With approximately 1100 megawatts of behind-the-fence capacity added in recent years, I expect mostly due to the ICI, there is a great opportunity to increase the number of participants in these markets, and particularly the capacity market, by restricting access to the ICI to trade-exposed industries**