



Comments made to the Standing Committee on General Government on Bill 135, Energy Statute Law Amendment Act.

February 22, 2016

Hello my name is Don McCabe. I'm president of the Ontario Federation of Agriculture (OFA). Accompanying me is Ian Nokes. Ian works for the OFA as a Farm Policy Researcher.

We appreciate the opportunity to make an oral presentation on Bill 135. This Act is in relation to energy conservation and long-term energy planning – two subjects that are very important to Ontario farmers.

Agri-food is the number one industry in Ontario, generating \$34 billion in GDP and employing 740,000 people. Feeding families is the first priority for the 36,000 farmer members of the Ontario Federation of Agriculture. Every person in each of your constituencies is connected to the agri-food industry; because they eat. Ontario is home to the second largest food processing sector in North America.

The agri-food sector runs on competitively priced energy. So prudent investments and smart, efficient regulations are critically important and will enable our agri-food sector to contribute even more to the Ontario economy.

With respect to Bill 135, we ask the Committee to consider a motion to amend this Bill to:

1. Exempt Agricultural Buildings from the Large Building Reporting requirements; and

2. Ensure stakeholder input remains a key part of the Long-term Energy Plan consultation process.

Exempting Agricultural Buildings from the Large Building Reporting requirements:

There are a number of reasons why we make this request:

1. Exempting agricultural buildings does not deter from achieving the objectives under this reporting initiative. It is estimated that only 400 agriculture buildings meet the 50,000 sq ft threshold where reporting requirements would begin to apply and these large agricultural buildings are quite unique.
2. Benchmarking estimates derived from reported statistics would be more robust with these unique agricultural buildings excluded. These buildings are mostly greenhouses, where the atypical energy requirements would detract from the efforts to develop meaningful benchmarking estimates. Agricultural energy profiles are inherently different than warehouse, manufacturing or retail sectors, therefore including agricultural buildings would skew benchmarking results.
3. Public disclosure of proprietary business information poses a significant risk to agricultural exports. Energy is a significant contributor to food production costs. Releasing cost figures puts Canadian agricultural exporters at risk of US Antidumping investigations. Antidumping is pursued when the US producers believe exported products are sold below cost. The release of any cost data could prompt such a charge. The expense farmers would incur to defend themselves during such an investigation would be significant.
4. The collection of the energy reporting data that Bill 135 would enable may prove useful when measuring Ontario's performance towards our GHG emission reduction targets. However, it should be noted that agriculture is not a regulated sector under the Cap and Trade carbon pricing mechanism being designed for Ontario. Therefore, exempting

agricultural buildings from the large building reporting requirements will not impact Ontario's performance measurement.

5. We appreciate that mandatory reporting may lead to voluntary conservation and demand management efforts on the part of business owners who were previously unaware of their building's energy usage. Given energy is a significant contributor to greenhouse food production; we know farm building owners are aware of their energy costs. In fact, Best Management Practices have been developed and implemented related to energy conservation and demand management, and statistics show the agriculture sector, in general, has far exceeded the norm in terms of already adopting conservation measures. Climate impacts agriculture more than any other industry and climate change poses a real threat to food production and our food security. Our members are already focused on conservation and demand management.

The OFA position remains that exempting farm buildings from mandatory reporting is the best policy option.

Simply put: The costs of forcing 400 farm properties to report far outweigh the benefits.

Ensuring stakeholder input remains a key part of the Long-term Energy Plan consultation process

Bill 135 effectively removes stakeholder input from the LTEP consultation process, and transfers any remaining independent objectivity from the OEB and the IESO, to the Ministry of Energy. OFA remains concerned that focusing control within the Ministry marks a critical watershed for governance and raises concerns whether any public concerns with Bill 135 will be considered.

I would be pleased to address any questions of the Standing Committee at this time. Thank you.