

September 8, 2023

Homaira Siddiqui
Ontario Ministry of Energy,
Conservation and Renewable Energy Division
77 Grenville Street
Toronto, ON
M7A 2C1

Sent via email to: homaira.siddiqui@ontario.ca

Dear Homaira Siddiqui,

Re: ERO 019-7401: Electricity Energy Efficiency Programming Post 2024

On behalf of the Ontario Federation of Agriculture (OFA), representing more than 38,000 farm family members across the province, we are pleased to provide comments on the Electricity Energy Efficiency Programming Post 2024 from an agricultural perspective.

OFA has four key recommendations that we would ask the Ministry to consider:

- *A focus on transparent, **measurable results** to demonstrate demand and cost reductions,*
- *Investment in **expansion of three-phase power** to more rural areas, enabling higher adoption of efficient equipment needed to grow and retain agriculture and agri-food businesses across the province,*
- *Prioritization of **decommissioned facility sites, and existing brownfield, commercial and industrial lands** for future electricity system infrastructure, and*
- *Consider the merits of **funding efficiency programing through the tax base** instead of the Global Adjustment.*

Lacking the market share to influence price, farmers are characterized as wholesale price takers for their production and must accept retail prices for their input purchases. This compels farmers to be innovative. Managing input costs is critical, including the cost and use of energy inputs. Monitoring machinery and equipment efficiency, installing high-efficiency heating, ventilation, and air conditioning (HVAC), lighting, variable speed fans, pumps and motors, conducting energy audits, operating behind-the-meter renewable energy and combined heat and power (CHP) systems, are some of the many steps our farm operations include in their daily routine. Save On Energy programming is very important to Ontario farm operations, as is the Agri-Food Energy Cost Savings Initiative to our agri-food processors.

OFA supports the *Powering Ontario's Growth* view that long-term energy plans need to include energy efficiency as a responsive, non-emitting resource. The government reinforced this view in September 2022 by increasing funding for energy-efficiency programs by \$342 million over the 2021-2024 Conservation and Demand Management (CDM) framework period.

While setting cost-effectiveness thresholds of traditional CDM programs hinders the ability of programs to support our most vulnerable people and communities, the IESO estimates \$2 savings per \$1 spent on Independent Electricity System Operator (IESO) energy efficiency CDM programs.¹ These initiatives that avoid or delay resource build-out otherwise needed to meet demand. 2021 Save On Energy programs cost \$80.4 million and reported 451 GWh of energy savings and peak demand savings of 76 megawatts (MW).²

Beyond supporting the most vulnerable energy consumers, the balance of CDM and Efficiency programs must yield demand and cost reductions. OFA recommends our expanding reliance CDM and Efficiency programs come with transparent measurable results.

The Global Adjustment (GA) funds Ontario CDM and Efficiency programs. Class A customers participate in programs to reduce their GA costs. This means that GA is not reflective of energy use or demand. OFA supports a CDM Framework that targets overall grid efficiency and demand flexibility, and that broad reaching and regional programming be funded through the tax base, which better reflects the ability to bear costs, than does cost recovery from ratepayers through the GA.

To expand program participation from rural farm and small business sectors, OFA recommends decision makers consider bringing three-phase power to more rural economic areas. This would enable more businesses to install a broad range of efficient variable speed motors, HVAC equipment, pumps, and behind-the-meter Distributed Energy Resource (DER)s, and to enable more consumers to participate in measurable, transparent energy efficiency programming. Also key to unlocking more rural energy efficiency is access to high-speed broadband, which will allow more residents and businesses to use smart applications to monitor and manage energy efficiently.

According to the IESO's Pathways to Decarbonization report, to meet 2050 demand will require 68,800 MW of new generation capacity, mostly decentralized renewable generation throughout rural regions, taking up 8,500 square km, or 2.1 million acres of mostly rural land.³

Ontario loses an average of 319 acres of farmland every day, according to data from the latest Census of Agriculture⁴. The OFA supports the expansion of energy efficiency programs as a clear path towards avoiding or delaying investments in electricity system infrastructure, thereby avoiding and delaying the consumption of rural agricultural lands.

¹ IESO 2021 Energy Efficiency Report, <https://ieso.ca/-/media/Files/SaveOnEnergy/2021-EE-Report.ashx>

² IESO 2019-20 Save on Energy Results <https://iesoenergyefficiencyreport.ca/2019-2020/index.html>

³ IESO, <https://www.ieso.ca/en/Learn/The-Evolving-Grid/Pathways-to-Decarbonization>

⁴ Statistics Canada. Table 32-10-0153-01 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210015301>

When Ontario does need pole and wire solutions, OFA recommends the Ministry and regulators prioritize the reuse of decommissioned facility sites, and existing brownfield, commercial and industrial lands to site electricity system infrastructure. OFA strongly supports the preservation of Prime Farmland classes 1, 2, 3 & 4 plus specialty crop lands across rural Ontario. These lands must not be used for the expanded development of zero emission generation or systems to enhance and manage supply and demand in order to ensure the success and viability of a long term food & farming sector.

Sincerely,

A handwritten signature in black ink that reads "Peggy Brekveld". The signature is written in a cursive style with a period at the end.

Peggy Brekveld
President

cc: OFA Board of Directors