



March 22, 2016

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2700-2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli.

RE: Ontario Energy Board (OEB) File Number EB-2015-0363

Please accept this letter as notice that the Ontario Mining Association (OMA) wishes to participate in the consultation to develop a regulatory framework for natural gas cap and trade compliance.

The OMA is a not-for-profit trade association that works to support and improve the competitiveness of the mining sector in the province while representing companies engaged in environmentally responsible mineral production and processing. Our 80 members strive for a balance between serving local communities and the economic needs of the province by remaining competitive in global markets, and protecting the natural environment to ensure a sustainable future. The OMA has a long history of working in concert with the government to achieve these vital and often challenging goals.

Mining companies contribute to government climate goals in all aspects of their business by applying principles of mitigation, risk assessment, adaptation, technology and innovation and by meaningful participation in regulation development. Mines have been implementing reductions in fixed process and combustion Greenhouse Gas (GHG) emissions over the past 20 years. In addition, we have made major strides in reducing energy inputs which simultaneously improves sustainability and reduces GHGs.

Nonetheless, energy is mining's second highest component of operating cost after labour. As such, it represents a tremendous influence on mining development. High energy costs reduce mine life, decrease flexibility of new developments and may lead to value added processing locating elsewhere. Investment decisions and the size and value of the economically-extractable resource, can significantly change based on the cost of electricity and natural gas. Unfortunately, industrial electricity prices in Ontario remain fundamentally uncompetitive.

As such, the OMA has been engaged in the government's Cap and Trade consultations since they began including filing several written submissions. We chose to take an active role because: a small

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number of our members representing a large part of the Ontario mining sector will have direct compliance obligations (ie. as large final emitters) and; all of our members stand to be impacted by increased costs for electricity, natural gas, propane, diesel, gasoline and other items throughout their supply chain.

For this reason, we seek to be active participants in the upcoming OEB proceedings. We anticipate that the cost consequences of the Cap and Trade compliance plans and the mechanism for recovery of costs in rates will have a material impact on the operations of Ontario's mines.

The OMA plans to prepare written comments on the Staff Discussion Paper. We may retain professional expertise to assist in the preparation of comments and if so, would seek to receive cost award eligibility status and approval to recover these costs in accordance with the Board's Cost Award Guidelines. The OMA has been deemed eligible for cost awards in the past. We anticipate collaborating wherever possible with the Association of Major Power Consumers in Ontario. In the OMA's view, costs for coordinated or separate expert submissions should be provided for in this consultation.

Sincerely,



Cheryl Brownlee
Manager Stakeholder Relations

cc: Association of Major Power Consumers of Ontario

Please send all correspondence pertaining to this proceeding to:

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