



January 8, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

**Re: Consultation on the Effectiveness of Part II of the *Energy Consumer Protection Act*, 2010, Board File No.: EB-2014-0158**

Dear Ms. Walli:

In response to the OEB's consultation on the *Energy Consumer Protection Act* I would like to submit some comments on behalf of Integrated Grain Processors Co-operative (IGPC).

As you are aware, IGPC is one of Ontario's largest agricultural processing co-operatives, with over 750 farmer and community members. We purchase more than 16 million bushels of corn each year, much of it from local Ontario farmers, and produce over 170 million litres of ethanol annually. We also sell over 170,000 tonnes of DDGS annually to livestock farms across Southern Ontario.

Given our plant's intensive energy requirements, both for natural gas and electricity, we need to ensure we have an absolutely reliable and trustworthy energy marketer. After a detailed analysis of our options, we selected Ag Energy Co-operative to handle all of our energy needs. We have now been a member of Ag Energy Co-operative for over three years and have benefitted tremendously from the full range of services they provide. Needless to say, we have also reliably fulfilled all of our natural gas and electricity requirements through the Co-operative at prices and on terms which have made good financial sense for us.

But while we would demand that level of service from any marketer we selected, as a member of the Co-operative we have also enjoyed patronage rebates and dividends from Ag Energy. As you may know, in a consumer co-operative patronage essentially constitutes a rebate back to members of the portion of the purchase price for a commodity which is in excess of the price required for the co-operative to operate on a cost recovery basis. The profits -- or surplus, in the language of co-operatives -- are distributed back to members based on the volume of business they transact with the Co-operative.

IGPC is, of course, a large volume consumer and as such its dealings with Ag Energy are exempt from the purview of the ECPA. The ECPA has been a necessary corrective to some unscrupulous practices in the past by energy marketers and the regulatory framework established by that Act has undoubtedly

benefitted many small, residential consumers. We certainly support the OEB in its effort to ensure that those consumer protections are maintained and expanded where needed.

However, as a co-operative ourselves, and as a member and beneficiary of the services of Ag Energy, IGPC believes that the OEB should consider whether it really makes sense for the entire regulatory apparatus governing energy marketers selling to low volume consumers to apply, without modification, to co-operatives formed for the sole purpose of looking after the interests of its member-consumers. It is important to underscore here that one of the fundamental principles of co-operatives is to provide a service to its members, and not simply a return to outside investors.

The priority given to members in a co-operative is evidenced by the democratic principle of one member, one vote, whereby all members are treated equally, regardless of their level of investment.

Large and small users of a consumer co-operative have equal access to the services and benefits of the co-operative; although a large volume consumer would be eligible for a larger share of any patronage paid out, the share in profits of both small and large consumers is directly proportionate to the volume of business they have transacted with the co-op.

The ECPA is designed to protect and advance the interests of retail energy consumers; consumer co-operatives, whether operating in the energy, food, childcare, or any other sector, similarly exist to protect and advance the interests of their members. Provided the co-operatives operate within the confines of their governing legislation (the *Co-operative Corporations Act*), and adhere to the requirements of fair business practices and full disclosure to members, the regulatory burden placed on energy co-operatives should be lessened precisely because those co-operatives are designed to advance the interests of the very consumers which the ECPA seeks to protect.

We hope that the OEB will support recommendations to amend the Regulations under the ECPA so as to provide more scope for both existing and new energy co-operatives to offer competitive energy products to a larger number of Ontario consumers. Thank you for providing an opportunity to comment on this important piece of consumer protection legislation.

Respectfully,



Jim Grey, CEO,  
Integrated Grain Processors Co-operative Inc.