

January 9, 2015

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:

I am writing in response to the consultation process initiated by the Ontario Energy Board in the course of its review of the *Energy Consumer Protection Act*. In my role at the University of Guelph, I often have occasion to reflect upon the basic requirements for a strong and innovative agricultural sector in Ontario. In my view, a strong co-operative system providing goods and services to agricultural producers and processors is an important contributor to the strength of Ontario agriculture.

I would specifically like to address the important role played by Ag Energy Co-operative, and other potential energy co-operatives which might be formed in the future, in supporting Ontario's agricultural and agri-food sector. As I am sure you are aware, Ag Energy is a co-operative providing a range of energy products and services to its members, most of whom are in the agricultural and agri-food/agri-processing sector. Because it is a co-operative, its focus is on providing a service to its members, in accordance with international co-operative principles. Although Ag Energy began by serving members in the greenhouse industry, it has grown considerably beyond that and is now open to membership from everyone in the agricultural and rural community.

Ag Energy offers important benefits to its consumer members which extend beyond the simple provision of natural gas and electricity contracts. It also provides a range of informational and educational services which enable its members to make informed choices about their energy purchasing decisions, taking into account their risk tolerance, sensitivity to price fluctuations, and need to maximise price stability over the long term. By enhancing its members' control over their energy costs, Ag Energy contributes in its own small but significant way to the long-term viability of Ontario's agricultural sector.

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In the course of its review of the ECPA, the OEB and the Government of Ontario should consider what measures it can take to bolster the success of Ag Energy, and any other energy marketers which may be formed on a co-operative basis, to facilitate the provision of energy products to agricultural and rural consumers which are delivered solely for the benefit of the member consumers and not principally for the benefit of the energy marketer. Any movement by the OEB towards increasing substantive consumer protection by enhancing consumer choice to purchase their energy needs through a member-owned co-operative would be most beneficial.

As it now stands, the regulatory costs of doing business with low-volume consumers under the ECPA is prohibitive for Ag Energy, and likely for any other small energy co-operative. It is for this reason that Ag Energy has stepped back from offering its services to low-volume member consumers. On account of the administrative complexity and cost regulatory compliance under the ECPA, consumers have effectively lost their ability to choose to purchase their energy requirements from a business which they themselves own and which distributes any profits from that business back to its consumer member owners. From my perspective, consumers should be able to choose to conduct business with a co-operative which they democratically own and which exists for the primary purpose of delivering affordable energy products to them over the long term without having their choice restricted by onerous regulations unduly hampering their co-operative's activities.

In closing, I would like to recommend to the OEB and the Government of Ontario that it amend the regulatory framework established under the ECPA so as to exempt energy co-operatives that are truly member-owned and member-controlled from the onerous administrative requirements of that legislation. In no way would I suggest that the OEB should otherwise lessen the protections available to consumers purchasing their energy through traditional marketers which are not owned and controlled by the consumers of that energy.

Thank you for taking the time to consider my perspective on the OEB's review of the ECPA.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Moccia", with a large, sweeping flourish at the end.

Richard D. Moccia
Associate Vice-President, Research (Strategic Partnerships)
Professor, Animal and Poultry Science