

January 8, 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 this letter on behalf of my farm operation, as a residential consumer of energy in Ontario and as a non-consuming member of Ag Energy Co-operative Ltd. I would appreciate changes to the Act that provide specific provisions for Energy Co-operatives, but most importantly for the sole proven Ontario energy co-operative, Ag Energy Co-operative Ltd. Energy Co-operatives that behave ethically in their day to day operations should have a waiver/exclusion for small Member consumers. Ontario consumers should have a right to join an energy co-op of their choice and choose a cost effective alternative to their utility. I had such a choice prior to the introduction of the ECPA, however, the Co-operative found that the administrative burden of the process and also of the reporting, was a huge cost to serve on a model that sought to provide affordable solutions in my service area.

The *Energy Consumer Protection Act* (ECPA) is a piece of legislation that protects small users from bad or unfair practices. We have all read about or heard about many examples of this in the media. At the same time, the OEB needs to consider that consumer-owned energy co-operatives are a completely different business model that supports its members and provide alternatives wherever they are desired. It is a matter of choice for the consumer-member to have alternatives, never a forced decision.

Ag Energy Co-operative Ltd. is a consumer-member owned, member-controlled co-operative. Its essence is to provide natural gas and electricity to its membership, small and large, based upon the individual needs but also on the power of the collective. Ag Energy provides its members with information and education about energy market trends and forecasts. It also provides independent resources to enable a member to make informed energy purchasing decisions. It is a choice that a member makes to procure their natural gas or electricity from the Co-op. The Co-op will also advise if it does not make sense to procure at a certain time, given the outlook and the opportunities available. For me specifically, I see Ag Energy as an important alternative to the ONLY other provider in my area and that is the local utility, NRG. A real live example is that a person with a \$250.00 natural gas bill in my area pays approximately 42% more with NRG than with Union Gas, which is just a few kilometers away. I had options for an alternative with Ag Energy before, however right now my sole source is NRG.

I belong to Ag Energy as they previously provided me with a cost effective alternative to my utility. I received transportation savings, obtained balancing considerations when needed, advice, education and also a reasonable cost of the commodity. In a year where there are profits, I benefit from a cheque that encompasses a patronage rebate (buying rebate) and/or dividends. In fact, for 2014, I received a cheque from Ag Energy even though I had zero procurement and that reflected the dividend paid on my shares in the organization. In a year when it is needed, the organization may keep the earnings and place them into Retained Earnings, which means that the value of my share of the organization grows, which is a win-win.

Ag Energy allows for choice, transparency, support, information and communication. I can exercise my opinion based on the ability to vote equally at member meetings or Annual General Meetings. I can use this power to choose the Board of Directors, 80% of which must come from the membership. This means that I have great control on the voice and face of the Co-op's governance, strategy and business.

Since 1988, Ag Energy Co-operative has delivered energy to its member-customers and has a well-established track record of successful operations. I have been a member for approximately 6 years, a few where I consumed my energy and reaped the rewards of membership, a few where I could not as the changes to serve a member of my size became cost prohibitive to the organization.

The OEB via the ECPA has an important mandate to ensure retail/small consumer protection from unfair business practices. The OEB should encourage greater choice and consumer control over energy prices and the marketing of energy products via well run energy co-operatives because, over the long term, such co-operatives will help provide consumers with the most suitable energy prices and direct accountability and transparency. It will also keep profits in Ontario and filter them back to the economy that provided them in the first place. It will also provide a reasonable choice in territories which have extreme limitations, such as my own.

As an energy consumer and Ontario business owner, I want to exercise my choice of where to procure my energy. Ag Energy provides trusted support and it uses the buying power of the Co-op to ensure that my needs are consolidated with my peers (large and small) – whether it is for transportation, for the commodity or to balance between members. Also, the education and constant communication the Co-op provides, I have greater transparency and understanding of my choices, which is greater than all the other alternatives available to me.

On Jan. 6, 2015 I had a meeting at the office of my local MPP, Jeff Yurek and Manager of the Aylmer Branch of NRG, Brian Lippold regarding NRG charging over 40% more for natural gas than Union Gas. I referred to this as price gouging. Brian Lippold was not happy with me to say the least for using this term. I gave him three examples of how the Federal Government has worked at stopping price gouging in the past five months. It appears to me that the Ontario Energy Board has to be the one to set better rules to assure that people like us who have no choice who they buy natural gas from are treated the same as our next door neighbours who buy gas from Union Gas. Brian Lippold of NRG did say before our meeting ended that NRG could become a partner with Union Gas in the future as it is now being looked at. Please push this to happen.

Any help you could provide to ensure that Ag Energy can support its members and future members with additional options, especially where there are great limitations, would be greatly appreciated. A waiver for small consuming members of the Co-op would be ideal.

Thank you for the opportunity to review my unique perspective.

Sincerely,

Jim Crane



Cc: jeff.yurek@pc.ola.org
mark.wales@ofa.on.ca