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June 1, 2021

Christine E. Long
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON
M4P 1E4

Dear Ms. Long,

RE: Energy Probe Research Foundation – Intervenor Annual Information Submission
Pursuant to Rule 22.03 (b) of OEB Rules of Practice and Procedure

ENERGY PROBE RESEARCH FOUNDATION

Energy Probe Research Foundation (Energy Probe) is a non-profit environmental and consumer organization which promotes economic efficiency in the use of resources. It has long been one of Canada's leading environmental and public policy research institutes, cited as one of the most effective organizations of its kind by The Canadian Encyclopedia.

Energy Probe has been recognized as the world's first free-market environmental organization and it remains Canada's only free-market environmental organization.

It has four main goals:

- 1) to provide the public, media, business, and government with information on resource-related issues,
- 2) to promote sustainable resource use,
- 3) to encourage individual responsibility and accountability; and
- 4) to help Canada contribute to global justice and prosperity.

Energy Probe first took form in 1970 as the Energy Team of Pollution Probe. In 1980, Energy Probe separated from Pollution Probe and became incorporated as the Energy Probe Research Foundation.

To inform public opinion, Energy Probe has been a founder of numerous organizations: locally, Ecology House and Lake Ontario Water Keeper; nationally, Friends of the Earth Canada; and Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

internationally, the World Rainforest Movement and the International Rivers Network. Energy Probe has several distinct divisions including Probe International, Environment Probe, Consumer Policy Institute, and the Urban Renaissance Institute.

Energy Probe argues for the break-up of unnatural monopolies, created by political or regulatory decree. Where natural monopolies exist, Energy Probe advocates for regulation that is mandated to protect the interests of consumers.

Energy Probe works to protect all utility ratepayers by ensuring the integrity of regulatory systems and the strict enforcement of laws. To eliminate biases and conflicts of interest, and to ensure that public- and private-sector interests are treated equally, it advocates independent regulators, who are subject to due process and judicial review, and regulatory processes that require full disclosure of information.

Membership and Support

The membership of Energy Probe consists of its Board of Directors, shown on our letterhead above, and its employees, plus former members of the Board of Directors and former employees for an additional five years. Current Board Members and employees reside in Ontario while former Board Members and employees are more widespread, although primarily in Canada. Several Board Members of Energy Probe instruct at the university level, including specialities in economics which cover the economics of electricity generation and distribution. Several board members appear in Canada's major media outlets on energy and energy-related matters, as contributors and as authorities in their field.

Energy Probe provides information on energy issues to the public through media appearances, through presentations to high school and university students, through contact with consumers with concerns over energy rates, through its speeches to community organizations concerned with wind projects or transmission lines, and through studies on the power sector by its board members and staff.

Energy Probe draws its support from citizens of all political parties, according to past polls, and they tend to be well educated, according to Alexa metrics. Its supporters' main interest lies in electricity and gas rates, followed by other economic concerns as well as environmental and safety concerns. Some 4,000 supporters subscribe to its newsletters and many more follow Energy Probe through its blogs and regular articles in the mainstream press. Through its studies, newsletters and media articles and website¹ Energy Probe reaches more Ontarians than any other environmental organization.

Energy Probe relies on individual donations to help protect the public interest. It does not receive any direct or indirect financial support from any energy utility or union.

Statement of Interest

Energy Probe is a non-profit environmental and consumer organization that promotes economic efficiency in the use of resources. It represents the interests its many individual residential

¹ <https://ep.probeinternational.org/about/>

customer supporters who have broad concerns with respect to the overall financial health and operational integrity of our utilities. Energy Probe is unique among intervenors in that it argues for equitable rates, not just lower rates, and that it represents the plurality of consumers who are opposed to excessive rates and charges related to climate change mitigation. As Canada's only free-market environmental organization, Energy Probe argues that to protect the environment, property rights must be protected.

Equitable Rates – Not Lower Rates

Unlike other intervenors, whose members expect them to argue for lower rates for their particular ratepayer class, Energy Probe's members expect it to argue for equitable rates that optimize results across all ratepayer classes, by eliminating cross subsidies among the various ratepayer classes. This approach – unique to Energy Probe among all intervenors before the Board – fulfills its mandates to promote individual responsibility and accountability (i.e., our members don't want to profit at the expense of others) as well as to inform all parties (the general public, business and government among them) in order to promote sustainable resource use.

No Excessive Climate Change Mitigation Costs

While climate change may not be on the OEB's formal agenda, it is implicit in numerous regulatory interventions, and informs Energy Probe's perspective. The issues of accommodation on the electricity grid of distributed energy resources including electric vehicles, storage batteries and wind, solar and geothermal generation, or phasing out of natural gas, are climate-change related and the costs of their accommodation are often presented as the costs of mitigation of climate change on a cost is no object basis.

Energy Probe represents the plurality of consumers who are opposed to excessive rates and charges to mitigate the effects of climate change. Ipsos Poll conducted for Global News² in September 2019 found out that 46% of Canadians do not want to spend any additional money in the form of taxes or higher costs of goods to mitigate the effects of climate change. Another 22% are willing to pay up to \$100 per year. Therefore, 68% of Canadians are not willing to pay more than \$100 per year to mitigate the effects of climate change. If Energy Probe's perspective - which represents a substantial plurality of the province - were excluded from OEB hearings, the OEB would be basing its decisions on incomplete information that excluded millions of Ontarians from the decision-making process.

Protection of Property Rights to Protect the Environment

Energy Probe is Canada's only free-market environmental organization. Energy Probe represents people who believe that protection of property rights is an essential element in the protection of the environment. *Property Rights in the Defence of Nature*, our book on the consequences of degrading property rights, is recognized as an influential on the subject.

² <https://globalnews.ca/news/5948758/canadians-climate-change-ipsos-poll/>

Energy Probe Represents a Policy Interest Relevant to the Mandate of the OEB

As for Energy Probe representing a policy interest or perspective relevant to the Board's mandate, it has often been the originator of major policies that became Board policy. For example, Energy Probe was initially alone in arguing, successfully, that natural gas deregulation should apply to residential customers. Energy Probe was alone for several years in recommending that the Board adopt incentive regulation and decoupling. It alone made repeated submissions that residential customers be offered the choice of fixed contracts rather than being subject to the fluctuations of the marketplace. Energy Probe promoted time of use pricing long before it was adopted and, of course, it was Energy Probe that argued that the power sector be subject to full regulation, rather than mere review. Although in several cases Energy Probe offered perspectives that the Board did not find persuasive, nevertheless, by challenging the prevailing consensus, Energy Probe believes that the Board's ultimate decisions were better informed and represented a better compromise among the competing perspectives. Apart from these major issues, Energy Probe also initiated discussions that led to numerous minor reforms. It is fair to say that Energy Probe initiated more significant regulatory policies in the Ontario gas and electricity sector than any other party.

Energy Probe Regulatory Representation

In fulfilling its role, Energy Probe intervenes on issues that it believes to be in the interests of its members, of residential ratepayers, and ultimately of all ratepayers. The following individuals, who have many years experience in the Canadian energy sector and utility regulation, none of whom are members of Energy Probe, act as Energy Probe's representatives and consultants in OEB regulatory proceedings:

Tom Ladanyi M.A.Sc., P.Eng., CPA, CMA, – Consultant and Case Manager
TL Energy Regulatory Consultants Inc.

Roger Higgin Ph.D., MBA, P.Eng., – Consultant and Case Manager
Sustainable Planning Associates Inc.

Larry Schwartz Ph.D., - Consultant
Consulting Economist

Yours truly,

Original signed by

Patricia Adams
President, Energy Probe Research Foundation

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