



# Quinte Manufacturers Association

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Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario M4P 1E4  
Via Email [registrar@oeb.ca](mailto:registrar@oeb.ca)

August 22, 2022

Dear Ms. Marconi:

**Re: EB-2022-0079 Non-RPP Class B Pilot Program**

The Quinte Manufacturers Association (“QMA” or Association) participated in the Ontario Energy Board’s virtual meeting on July 28, 2022, concerning the Non-RPP Class B Pilot Program (“Program”) and appreciates the opportunity to offer the following comments as a follow-up to the meeting. The comments are arranged according to the order of the “Q” and “A” callouts in Board Staffs’ presentation slide deck.

## Objectives

In general, the Association supports the proposed objectives of the Program. The QMA has not identified any additional objectives that should be part of the Program at this time, but believes it is important to note that the cost of electricity per unit of production in Ontario remains a significant concern for manufacturers in today’s economic climate. Managing electricity costs for Non-RPP Class B customers continues to be an ongoing challenge and being able to manage costs through different price structures may prove helpful for certain manufacturers who are able to shift electricity usage.

## Implementation Process

The QMA has no suggested modifications to the proposed delivery model for the Program. However, we are concerned that a major barrier to implementing the program successfully, on a broad basis, will be a low level of interest and uptake by smaller local distribution utilities (“LDC”) to participate in the call for pilot proposals. If this becomes the case, we believe the pilot program evaluation results may be constrained to reflect local conditions and customer experience. These results may not be readily “transferable” to similar Non-RPP Class B customer experience in other LDCs in Ontario.



## Pilot Design

The Association has no comment regarding the design of the Program pilots nor which price plan would offer the greatest benefit to our member customers currently.

The evaluation criteria developed for the pilot design should be based on proper comparators. In other words, the evaluation criteria should compare like-for-like distribution utilities across Ontario and their Non-RPP Class B customers (see our comments under “Implementation Process” above). We are concerned, for example, that the evaluation data output from a large urban distribution utility effecting Non-RPP Class B manufacturing customers may not be an appropriate comparator (based on a range of factors) to the evaluation output of a small urban/rural distribution utility and its manufacturing customers.

## Timeline

The QMA supports the proposal for 18 months of in-field testing. We believe the greatest risk to the proposed timelines would be delays in getting pilots started with smaller utilities constrained by limited resources available to plan, design, manage and undertake the necessary implementation and evaluation work.

## Roles & Responsibilities

The QMA has no comment on what other entities may have a role to play in the Program. The potential proponents are the LDCs. The Association has not identified any specific barriers for customer (QMA member) participation in the Program. However, manufacturing processes, procedures, policies and business interests may limit or prevent Non-RPP Class B customers from participating in a pricing pilot.

In the QMA’s view, the LDCs play a central role in the Program because the relationship between the manufacturer and the utility is already established and direct. By the nature and characteristics of its customer base, the LDC is in the best position to determine if the pilot Program would be able to demonstrate success for customers in its service territory.

## Funding

Prior to the start of any pilot project where costs are proposed to be recovered through customer rates, those costs must be disclosed to the customers who will be impacted well in advance of the start of a pilot. This is particularly important if the anticipated or planned uptake of the Program by customers in a LDC service territory is not realized, but costs have been incurred. This would appear to be a funding risk.



## Example Non-RPP Class B Price Designs

If a pricing pilot plan was to be undertaken with QMA members, for example, any one or all the pricing plans could be tested depending on the view and interest of members. This would be determined in consultation with the proponent LDC(s).

The QMA has no position concerning which of the pricing plans would have the greatest benefit to the provincial electricity system nor in respect to other price plans or pricing elements.

Respectfully,

Michael McLeod

for

Quinte Manufacturers Association

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