

April 23, 2021

Hon. Greg Rickford
Minister of Energy, Northern Development and Mines
10th Floor, 77 Grenville St.
Toronto, ON M7A 1B3

Dear Minister Rickford,

Energy Storage Canada is the national industry association representing the broad range of companies engaged in the energy storage business across Canada. Our membership represents all players along the energy storage value chain -- technology providers, project developers, investors and operators, electricity distribution companies and NGOs. We represent some of the largest energy companies in Canada as well as some of the smallest and most innovative clean-tech organizations.

Our members provide energy management services and products to a wide range of Ontario industry – from automotive suppliers, to cold storage operators, to manufacturing facilities big and small – helping lower costs, attract investment, and create employment opportunities across the province. Our members prosper when customers prosper.

We share your commitment to supporting customers' electricity affordability and ensuring that helping to support the provincial grid should not come at the expense of sacrificing productivity. Last year, our members experienced firsthand the unprecedented challenges imposed by the onset of COVID-19 as workers stayed home, factories closed, and supply-chains ground to a halt. Your Ministry took decisive action by introducing a suite of emergency measures including an amendment to O. Reg 429/04, suspending the 2020-2021 Base Period for all Class A customers enrolled in the Industrial Conservation Initiative (ICI) program, thereby allowing these to draw power through periods of peak system demand without incurring additional Global Adjustment (GA) costs.

With the hiatus expiring and the Base Period to establish a new Peak Demand Factor for the 2022-2023 Adjustment Period resuming on May 1st, there is a stronger appreciation for the vital role of the ICI program in satisfying system needs and maintaining the competitiveness of Ontario's energy-intensive and trade exposed industries. As our electricity market evolves from conditions of oversupply to a forecasted capacity shortfall starting next year, the ICI will become more valuable than ever. According to the Independent Electricity System Operator (IESO), the 1,000-1,400 MW of average demand reduction achieved by the ICI program during top five system peak days will be essential for ensuring reliability throughout this transition period.

ESC's members report that many existing and prospective Class A customers are eager to invest in energy storage and other behind-the-meter energy management solutions that would allow for greater responsiveness to market signals and grid conditions. We are committed to working with you

and the IESO to ensure that these opportunities can be realized. Looking to the near future, adding new commercial and industrial loads will be a cornerstone of our post-pandemic economic recovery. When industry leaders from across the country and around the world consider investing in Ontario, they are counting on the ICI program to help manage costs and reduce their exposure to price volatility. In order to compete with other North American jurisdictions, our province must deliver a regulatory framework that allows prospective businesses a fair and predictable opportunity to recoup their capital investments. We appreciated seeing this same commitment by your government in the November 2020 Budget.

The coming months will likely see Ontario's energy consumers experience extraordinary challenges as this pandemic evolves. The members of Energy Storage Canada remain committed to supporting the Government of Ontario in delivering targeted programs to provide short-term relief for the most vulnerable consumers, without restricting the ability of other consumers to operate at their full capacity. Above all, we strongly encourage predictability and transparency around existing energy sector programming.

Thank you for your time and attention to our correspondence.

Sincerely,

A handwritten signature in black ink that reads "Justin W Rangooni". The signature is written in a cursive, flowing style.

Justin W. Rangooni
Executive Director
Energy Storage Canada