



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

Powered by Entrepreneurs™

Meeting the Energy & Conservation needs of Small Business

Presentation to Enercom (March 2010)

Check Against Delivery

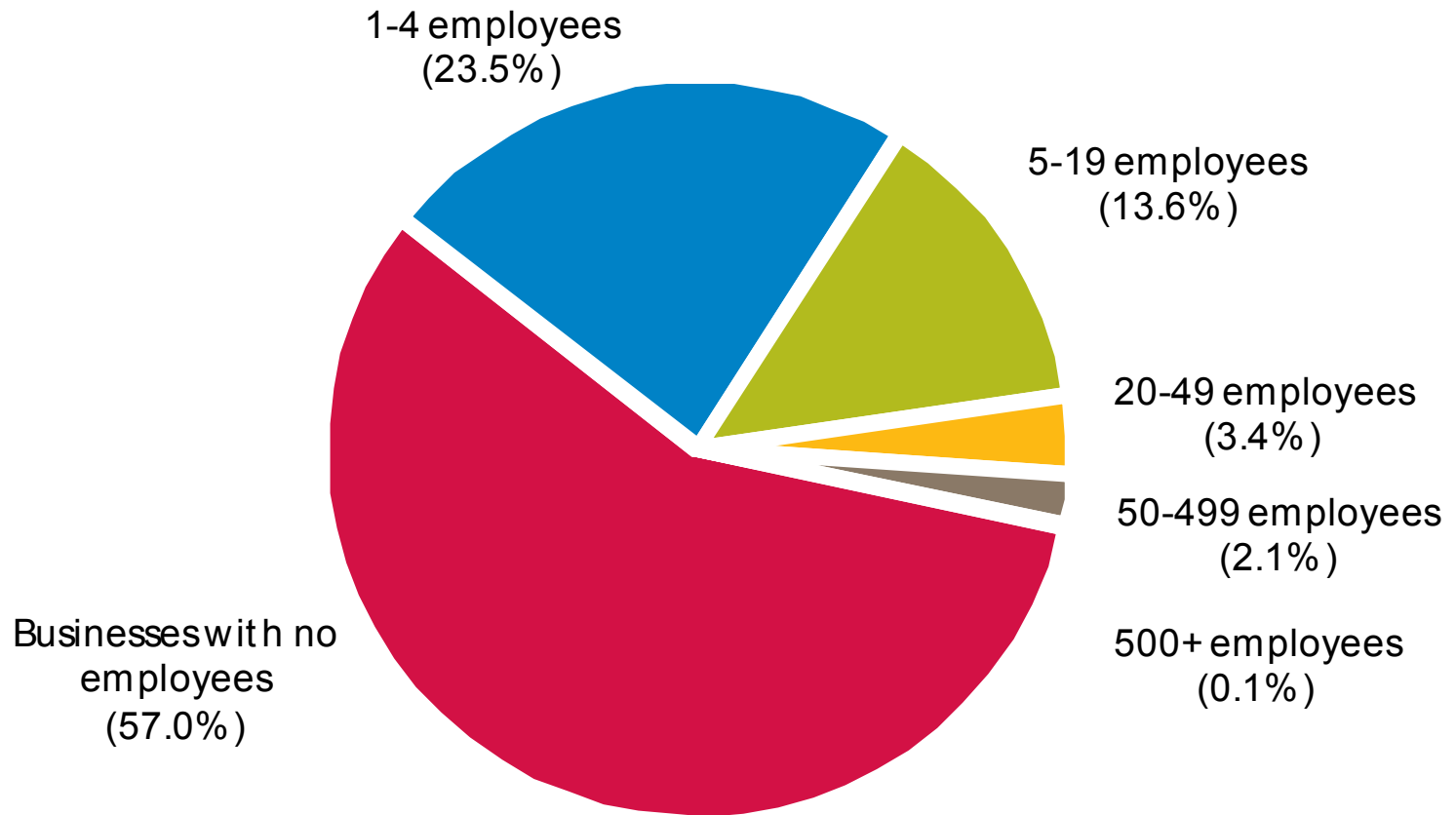
That eerie hissing you hear may well be the air beginning to seep out of the green energy bubble. The sound is similar to the pffffft and sshhhssssp noises we heard in the early days of the dot.com bubble collapse or the subprime mortgage meltdown. If you can't hear it, you are not alone.

Terence Corcoran, National Post, March 10, 2010

About CFIB

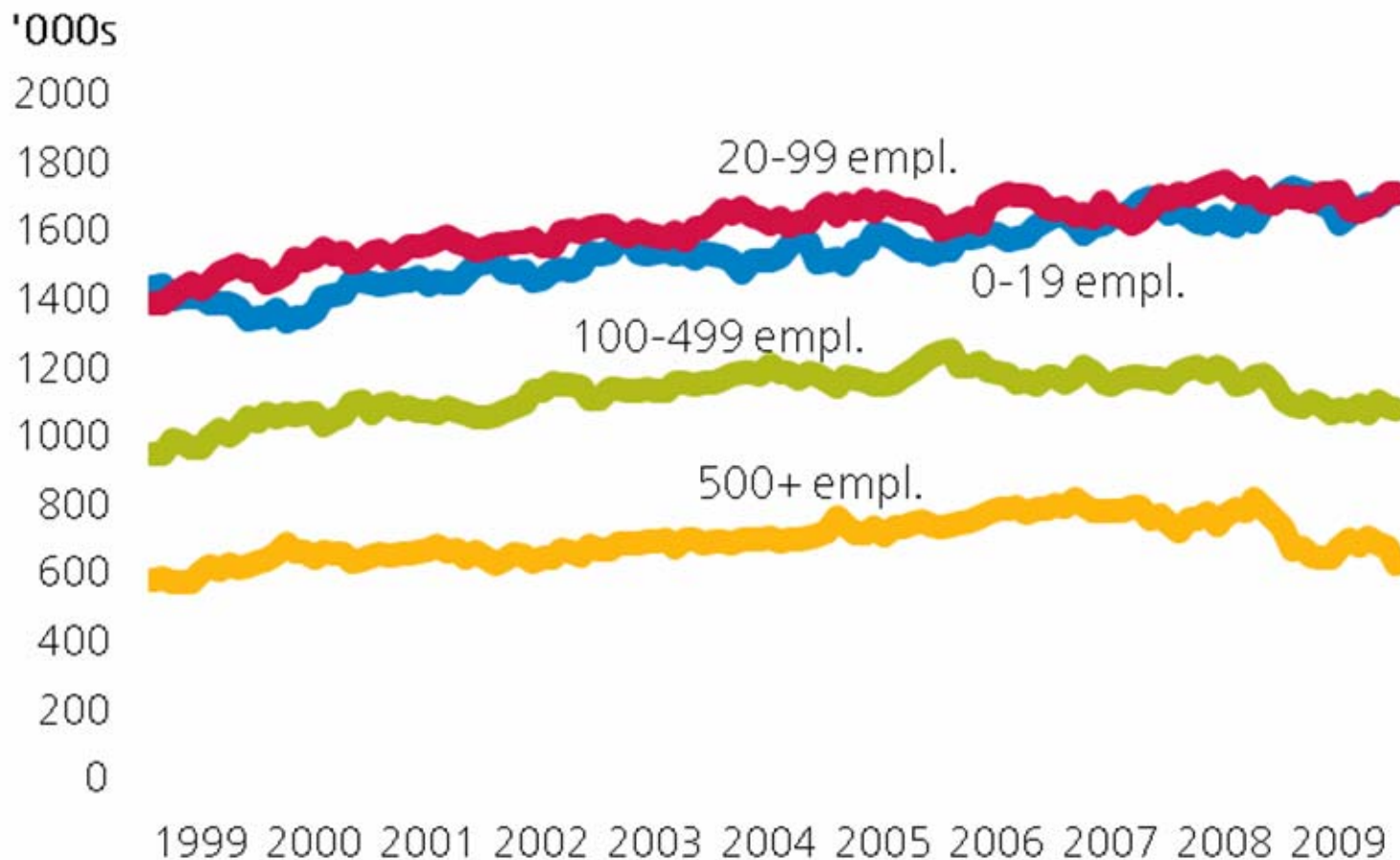
- ❑ Started as a tax protest 39 years ago
- ❑ BIG VOICE for Canadian- owned and privately held small and medium- sized businesses
- ❑ 105,000 business members; 42,000 in Ontario
- ❑ Meet with 2000 businesses a week in Ontario
- ❑ Advocate by democratic “*1 member = 1 vote*”

Most Ontario Businesses are Small...



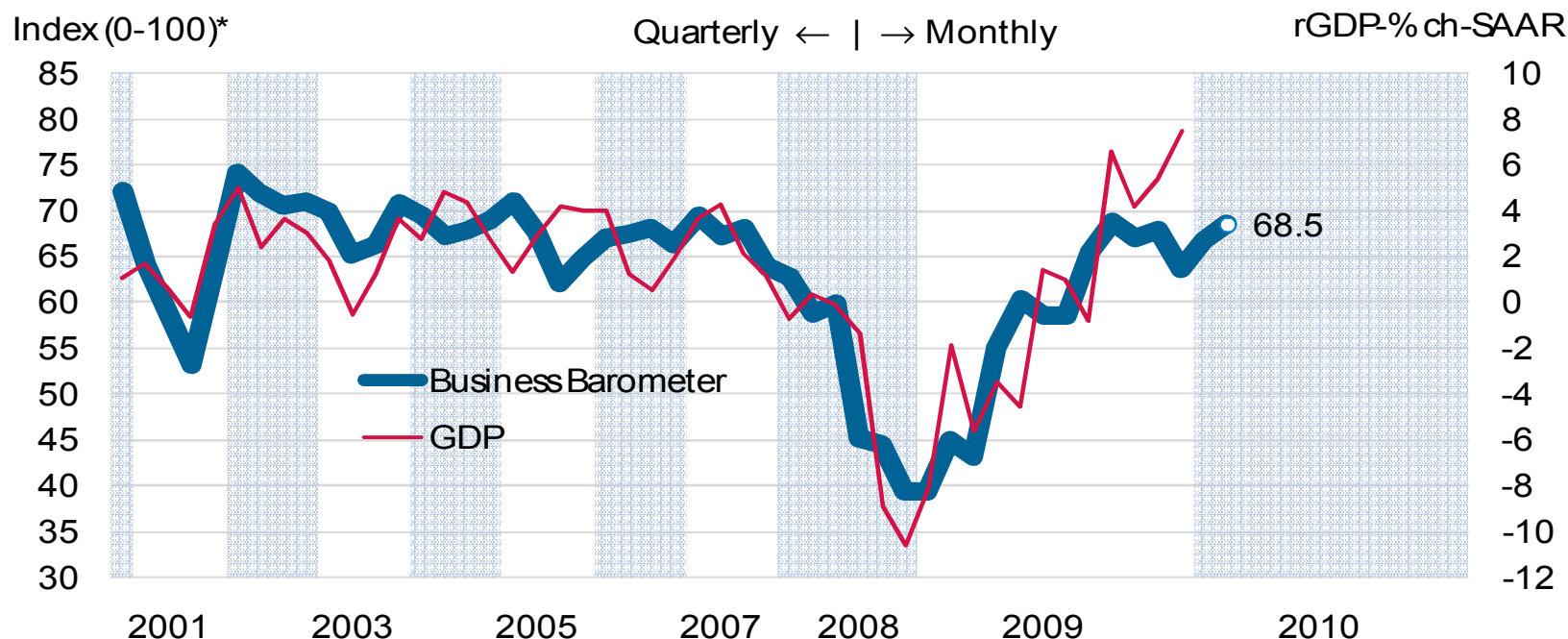
Number of Business Establishments 869,651

...and continue to create jobs!



CFIB Business Barometer

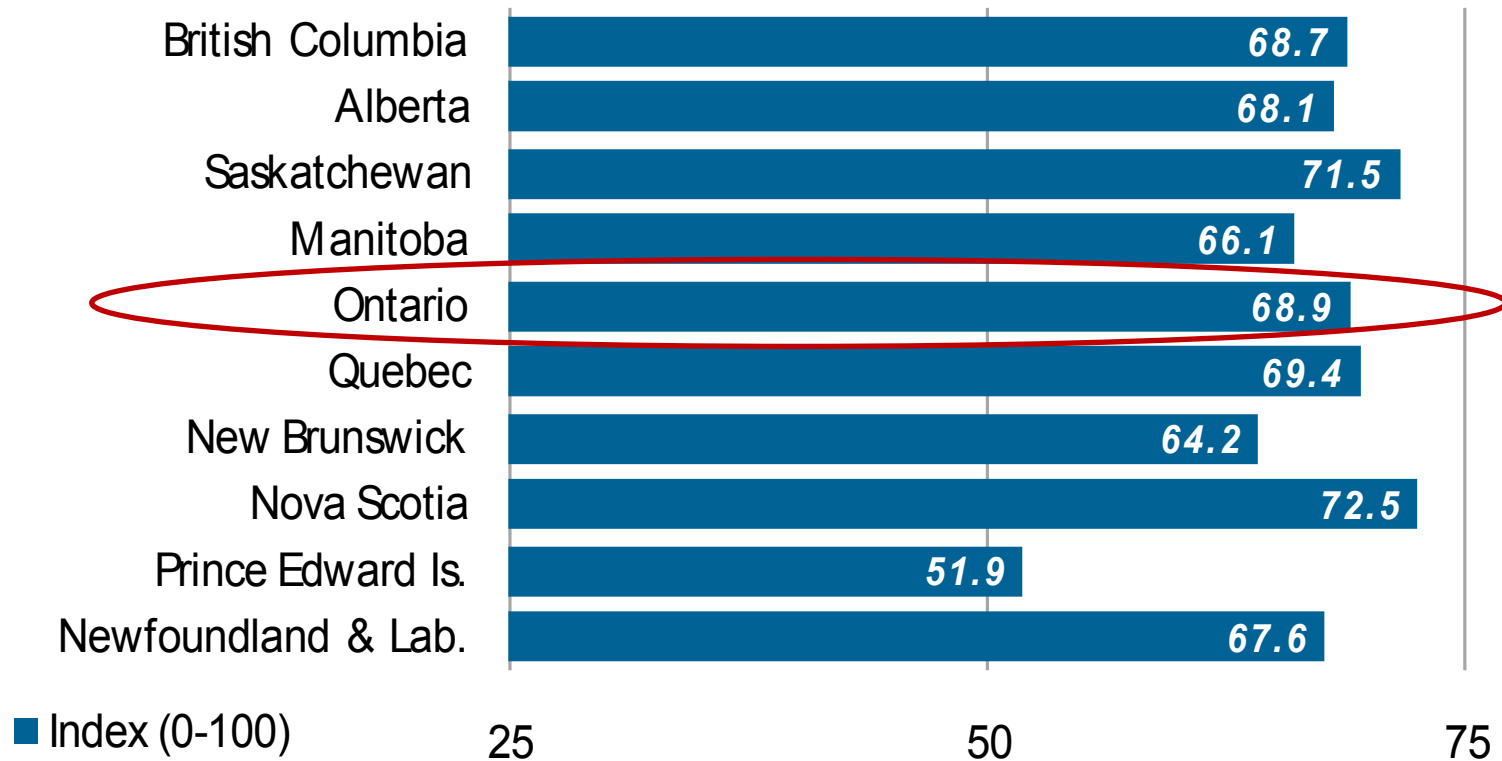
Business Barometer®: Index of Small Business Confidence, February 2010



* e.g. Index of 50 = equal balance of stronger and weaker business expectations
 Source: Canadian Federation of Independent Business

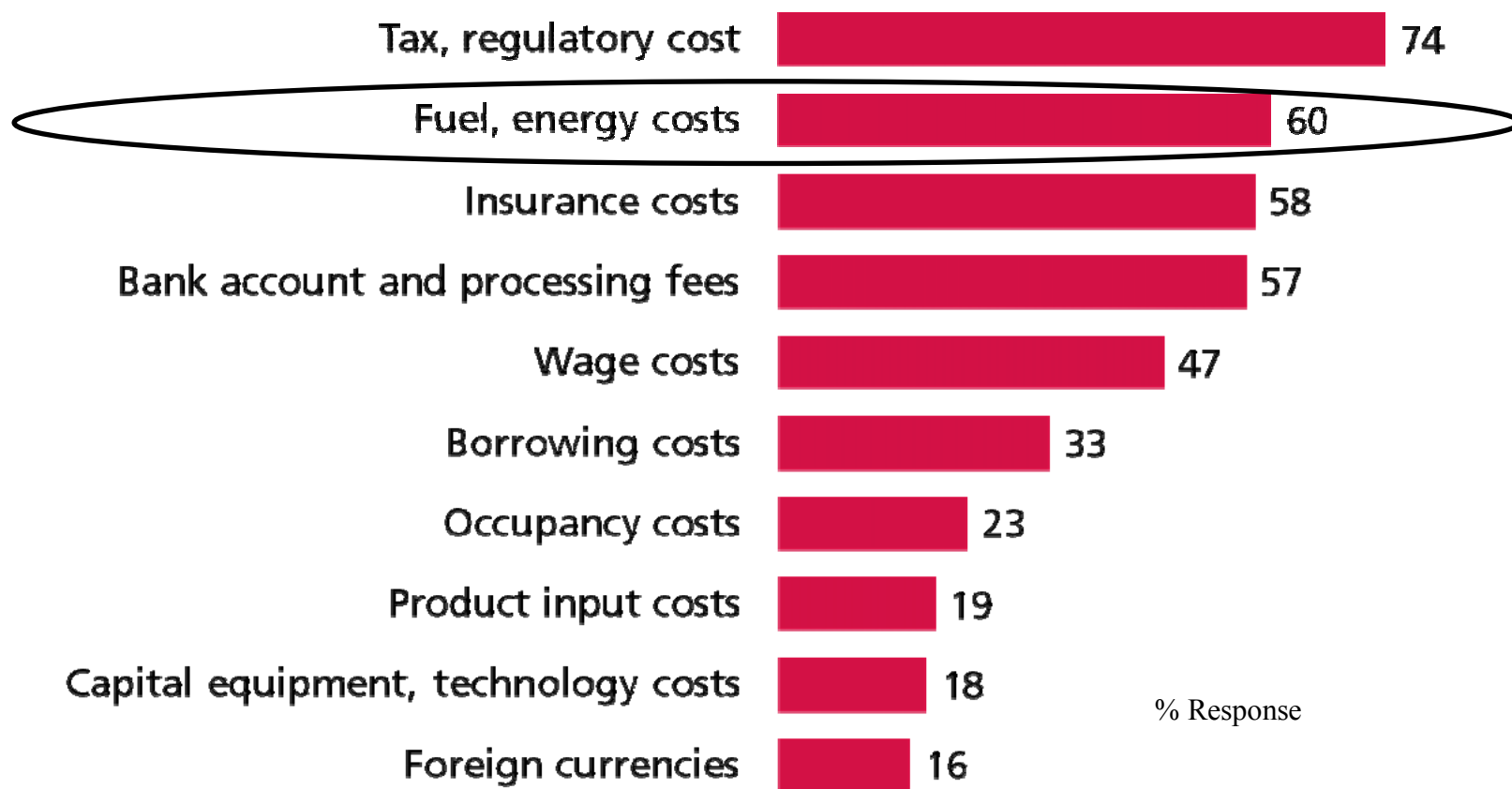
CFIB Business Barometer

By Province



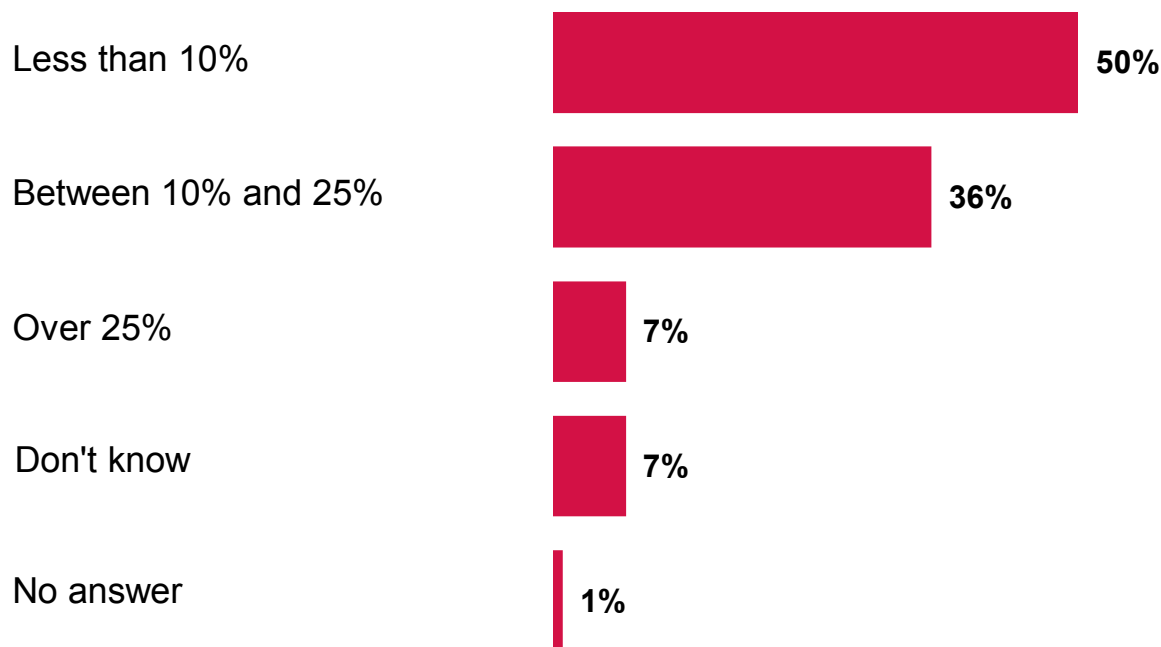
CFIB Business Barometer

Major Cost Concerns



Small Business Energy Costs

What share do energy costs represent in your firm's total input costs? (Select one)



Source: CFIB Provincial Survey, September 2008, Ontario Data

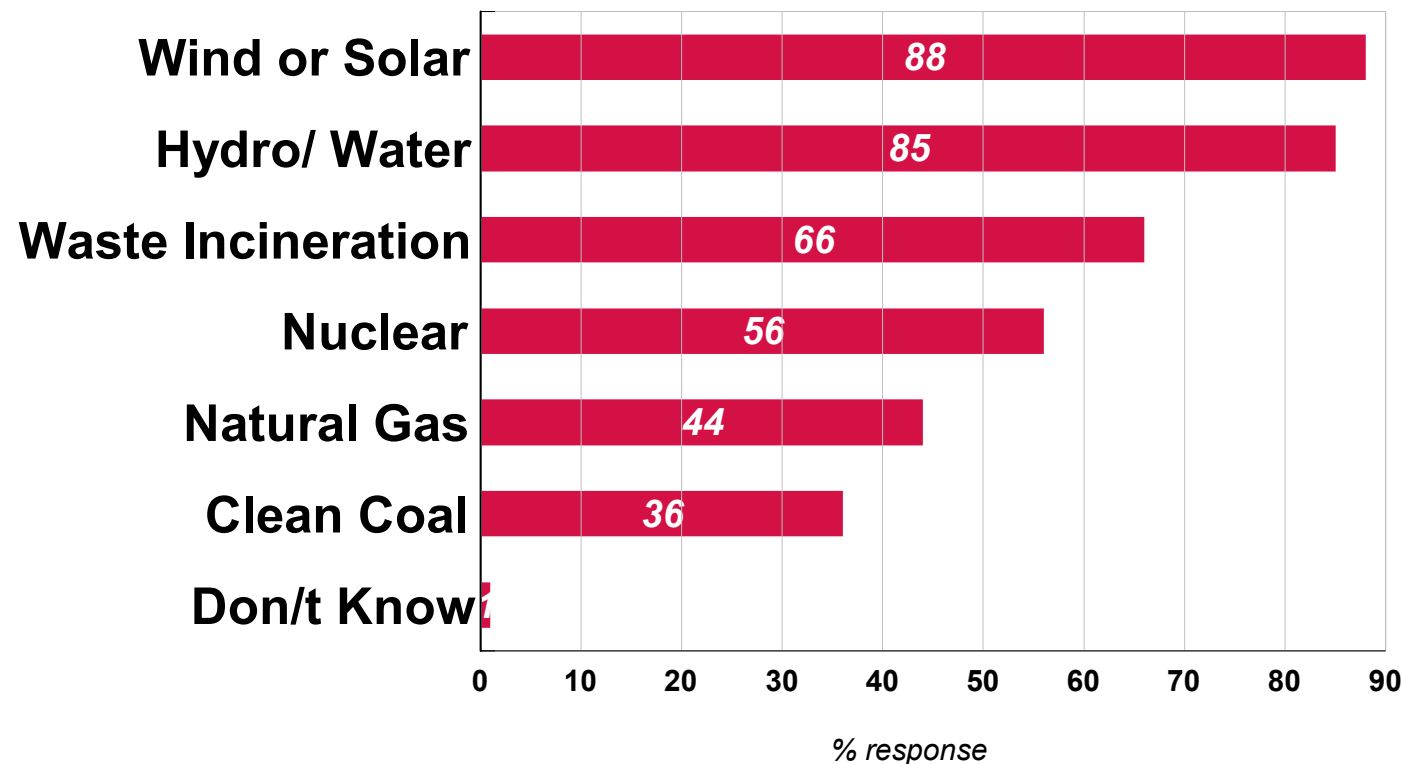
Bill 150 – A mixed bag

- 👍 Streamlining approval process for renewal energy projects;
- 👍 Creating a Culture of Conservation; (sounds positive)

-
- 👎 Power procurement by competition OUT; Green sources IN “as a right”
 - 👎 Legislation is vague on cost allocation; Schedule B, Section 1(a) permits shifting of costs among classes of consumers by Regulation.
 - 👎 Competitive pricing (i.e. affordability) no longer a criteria for provincial energy policy

Sources of Electricity...

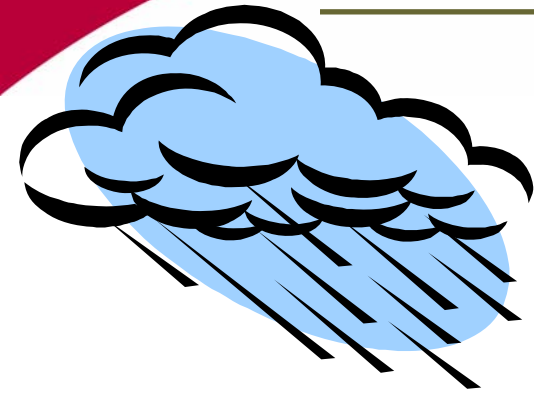
Which of the following sources of replacement/refurbished electricity generation do you consider acceptable?



CAUTION:
See next slide for information that was not provided to respondents when they were asked to answer this question.

- ❑ The question on the previous slide provided no guidance as to:
 - × *Cost per kWh of each source;*
 - × *on-line reliability of each source;*
 - × *practicality of each source;*
 - × *environmental impacts/costs;*
 - × *health/safety risks of each source; etc.*

- ❑ Would Bill 150 look the way it does today if the above noted information been provided to Ontarians?

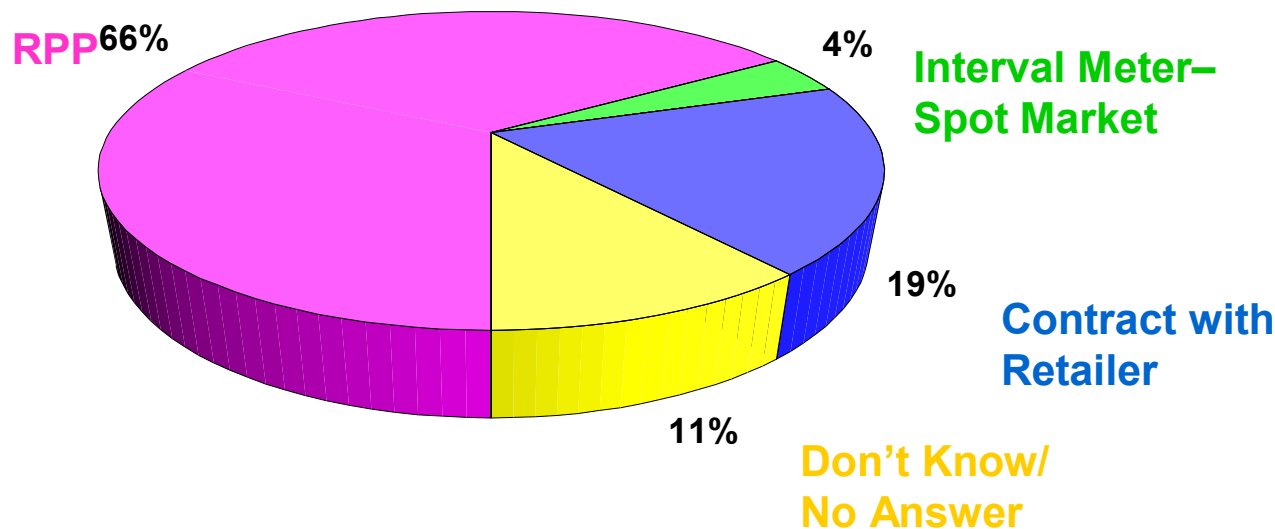


The Perfect Storm

- ❑ Cross- subsidy under the RPP; businesses subsidizing residents
- ❑ Smart(less) Meters; limited ability for small firms to shift load
- ❑ Green Energy Tax (aka Bill 150)
- ❑ HST = Higher Energy Costs

Small Business Electricity Purchasing

(Select one)



CFIB Focus on Ontario Survey, Oct.-Dec. 2006

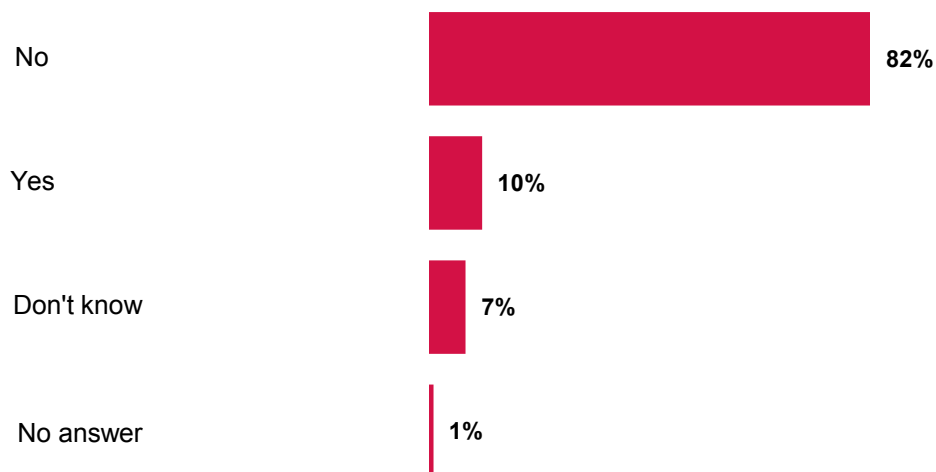
Cross-Subsidy within the RPP

	Resident	Business Owner
Cost per kWh – 1 st 1,000/750	5.8 cents	5.8 cents
Cost per kWh – Over threshold	6.7 cents	6.7 cents
Cost of 1 st 1,000 kWh	\$58.00	\$74.75
Cost of Next 17,000 kWh		\$1,139.00
Total Cost	\$58.00	\$1,213.75
Average Cost per kWh	5.8 cents	6.74 cents
Small Business Penalty		14%

Bill 150 is vague on cost allocation; Schedule B, Section 1(a) permits shifting of costs among classes of consumers by Regulation.

Small Business Ability to Shift Electricity Usage

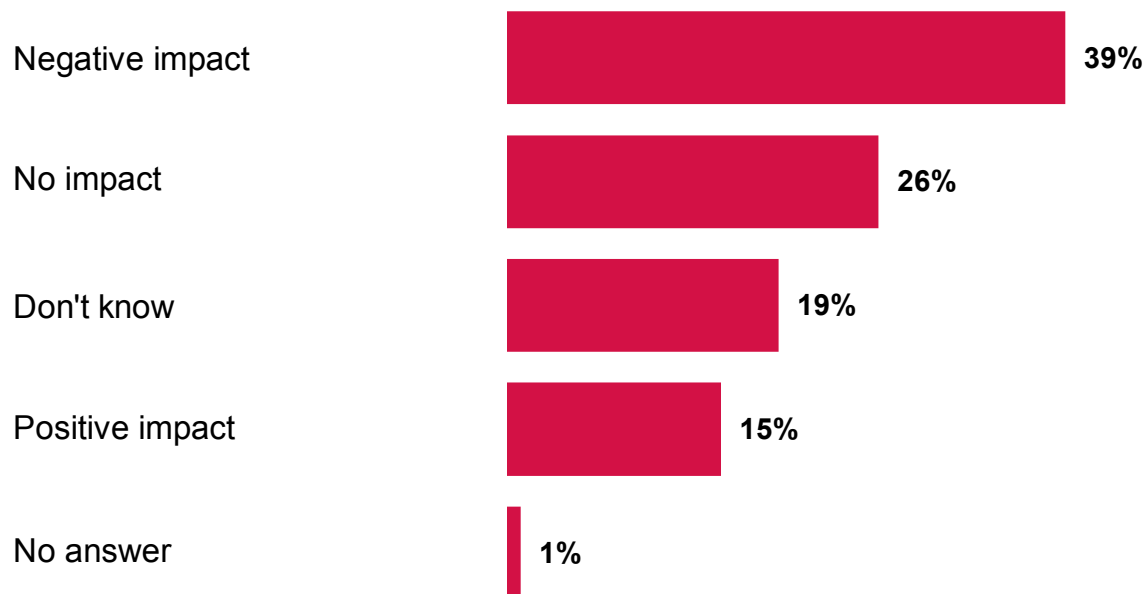
If you had a Smart Meter would your firm be able to shift some of its electricity usage from periods of high peak demand to off-peak periods? (Select one)



Source: CFIB Provincial Survey, September 2008.

Impact of Smart Meters on Small Business

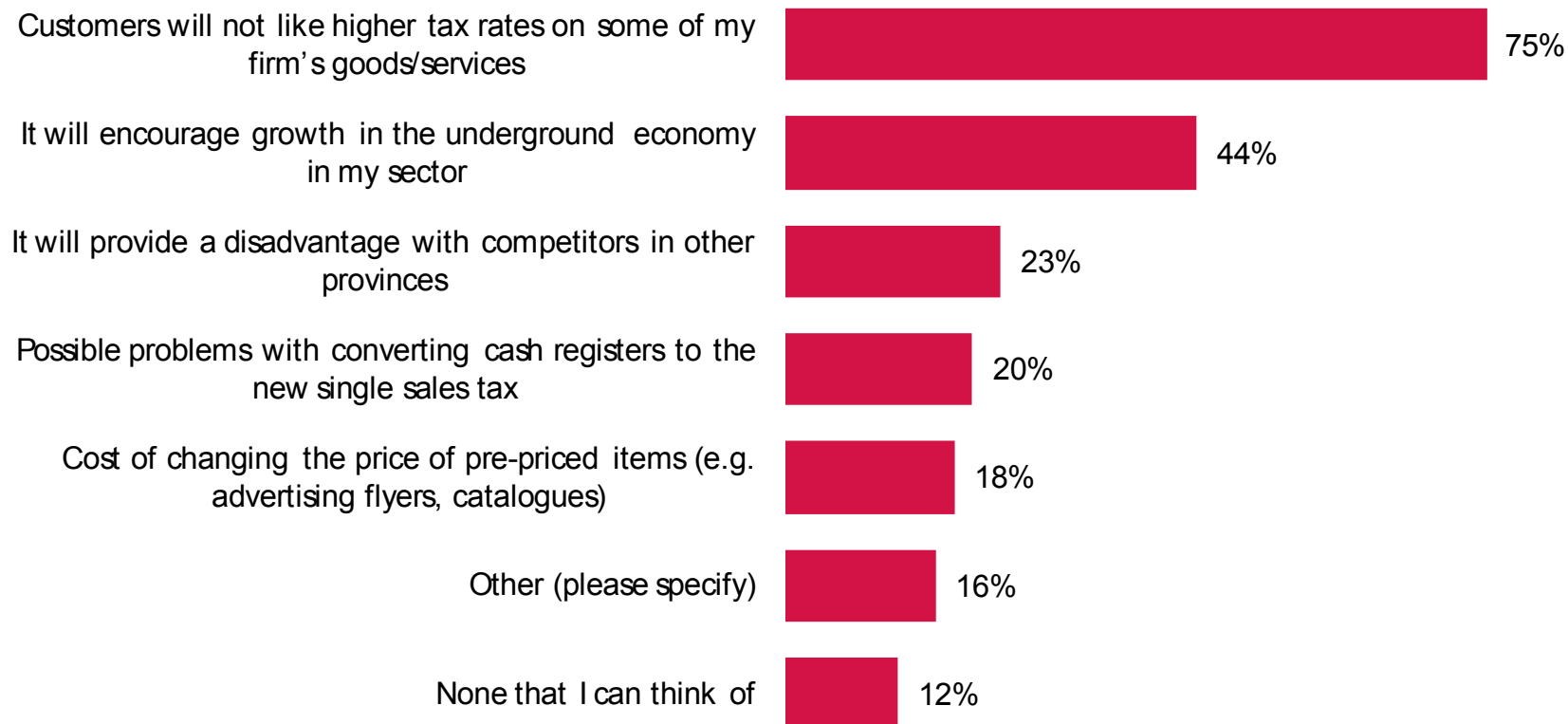
What impact would a Smart Meter have on your business?
(Select one)



Source: CFIB Provincial Survey, September 2008.

HST – Harmful Aspects

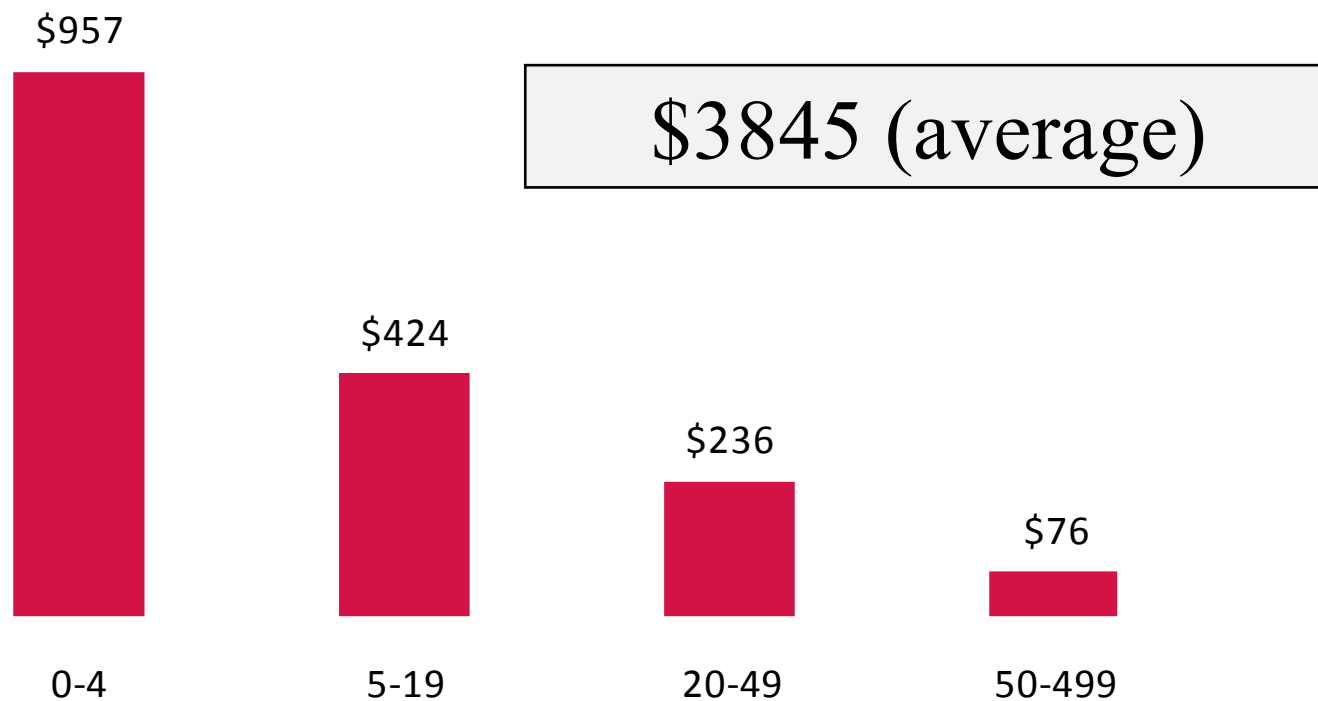
What are the *harmful* aspects of this single sales tax for your business?



Source: CFIB Ontario Sales Tax Reform Survey, 2009

Adjustment Costs

Approximately how much would you estimate it would cost your business to make the transition to the new single sales tax system?



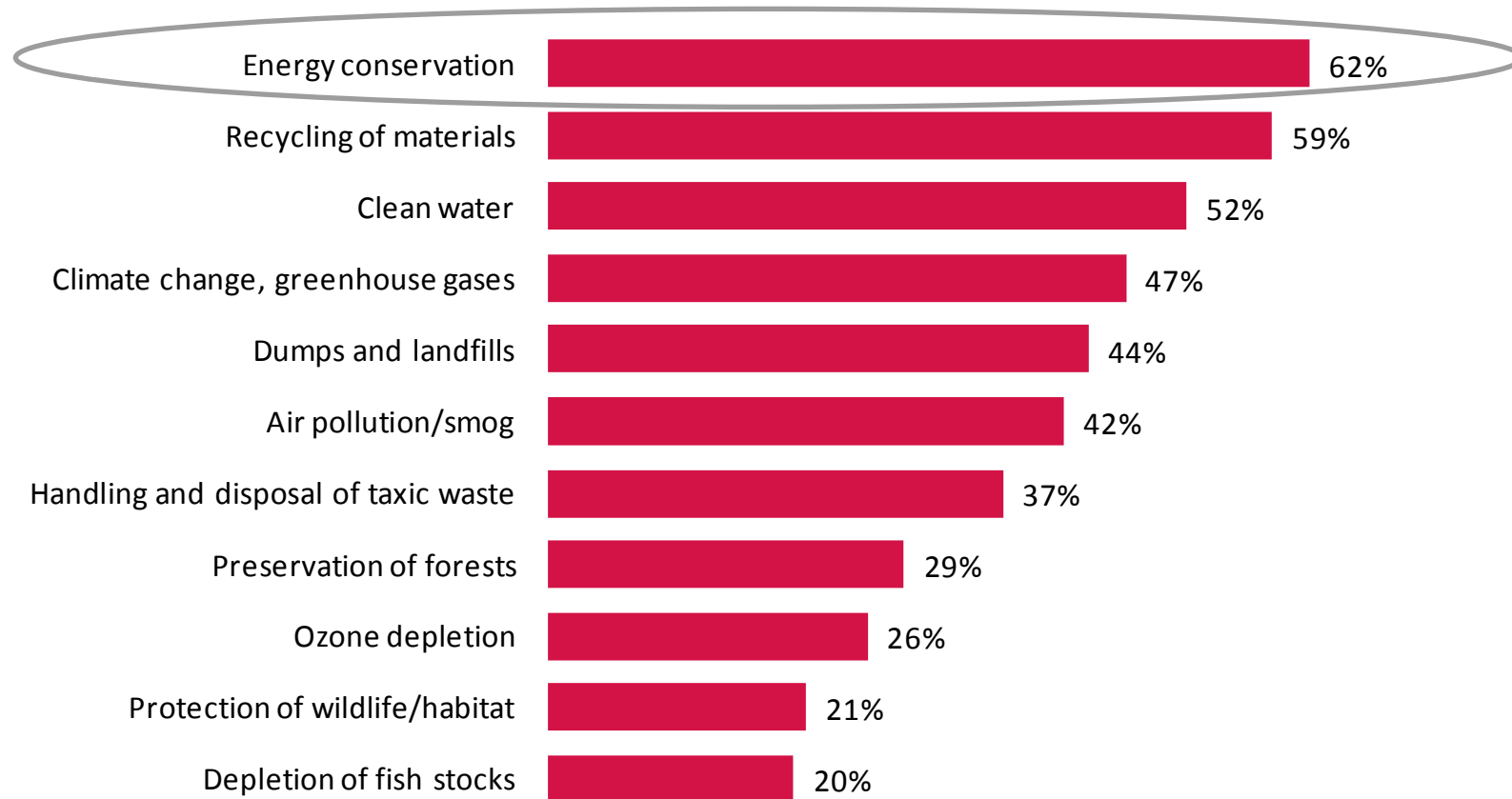
Average adjustment costs per employee, by size of business

Conservation

What about Small Business?

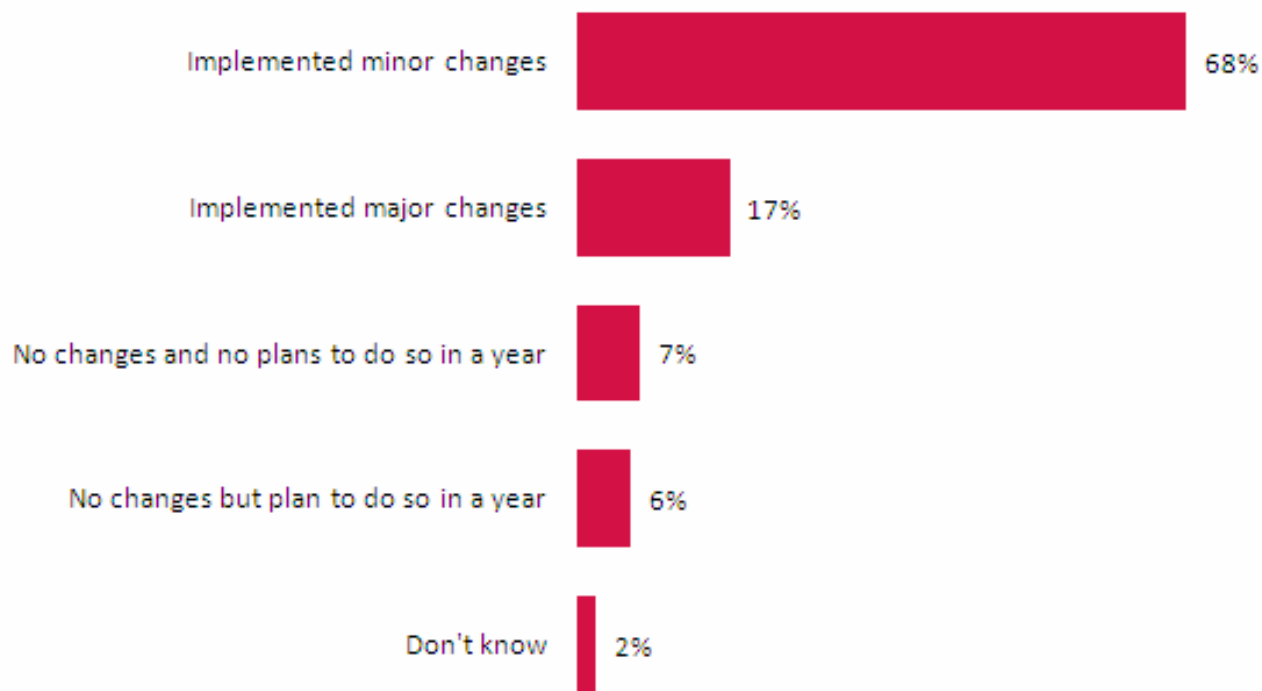
- ❑ Ontario has set aggressive targets to reduce peak demand;
- ❑ Yet programs and information tailored to small businesses is limited; sector is often an afterthought
- ❑ Conservation tools will be slow in coming, yet Smart Meters (time- of- use pricing) is here.
 - *How will the small convenience store or barber shop shift their load to after 9pm?*

Major Environmental Concerns for Small Business



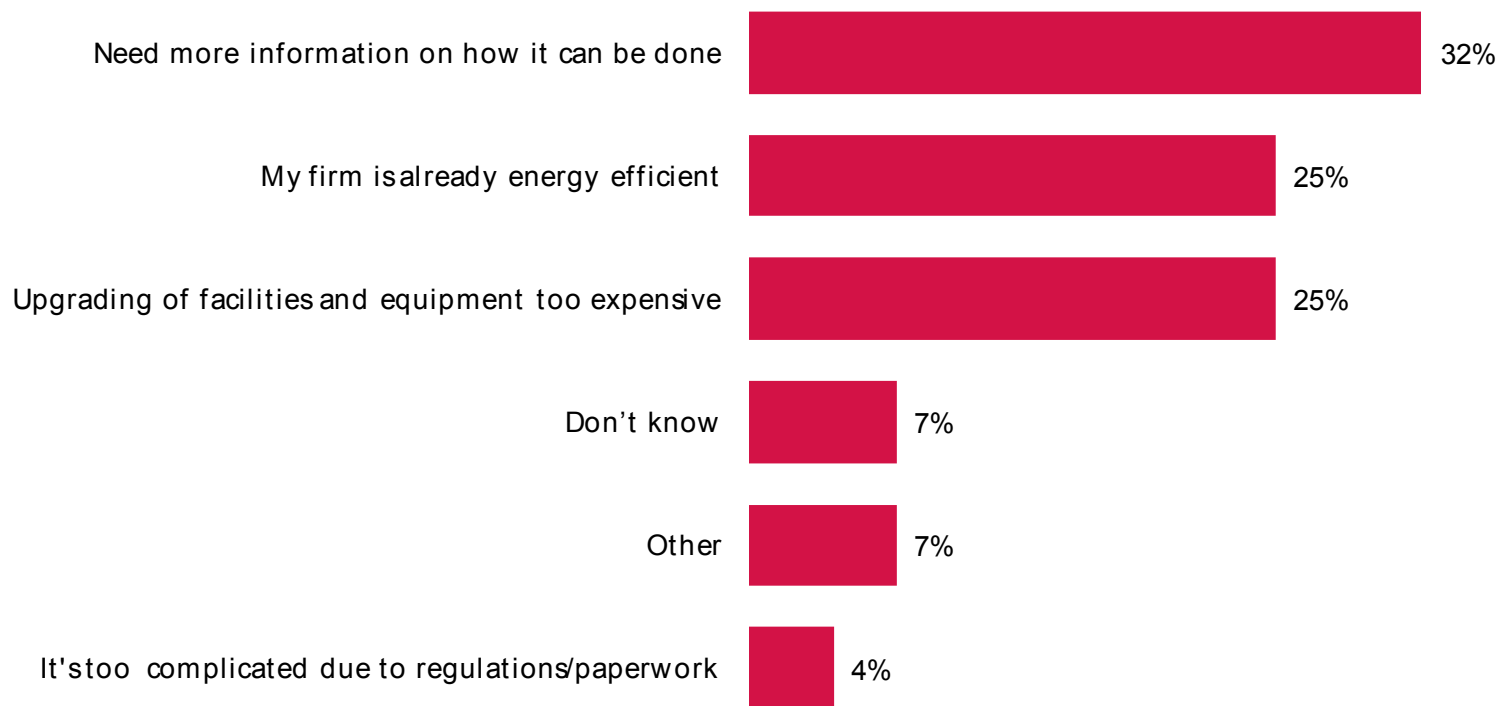
Implementing Conservation Measures

Have you implemented plans to help conserve energy at your firm
in the last five years? (Select one)



Barriers to Conserving

What has prevented you from implementing energy saving initiatives in the past five years? (Select one)



Source: CFIB Energy and Environment Survey, March 2007, Ontario Data

Final Thoughts

- ✓ Price matters! We should not accept that prices must rise in order to send the right “price signals” to encourage conservation;
- ✓ Build on the steps that small businesses have already taken to conserve by providing focused conservation tools and information by industry
- ✓ Delay the aggressive implementation of time- of- use metering until the impact on small businesses is assessed, and measures to help small businesses unable to shift load are ready.