



*PEI Federation of Agriculture
Farm Centre, 420 University Ave Suite 110
Charlottetown PE, C1A 7Z5
Ph: (902) 368-7289 Fax (902) 368-7204*

Working to improve the sustainability of Island farms and farm families

August 14, 2019

Jonah Clements
Island Regulatory and Appeals Commission
P.O Box 577
Charlottetown, PE
C1A 7L1

Dear Mr. Clements:

The Prince Edward Island Federation of Agriculture (PEIFA) is responding to the Island Regulatory and Appeals Commission's (IRAC) call for public input on the Electric Rate Hearing that has taken place from August 6-9, 2019. The Federation certainly welcomes IRAC's invitation to comment. This document will serve as our written submission.

The PEIFA is the province's largest general farm organization representing the direct membership of approximately 600 farm operations, as well as 16 different commodity associations consisting of the broad spectrum of agriculture on PEI. The organization represents the largest industry in Prince Edward Island that provided over \$500 million in GDP in 2018 and directly employs over 4000 Islanders annually.

The PEIFA has watched with great interest the recent Hearing surrounding Maritime Electric's rate application. Certainly, as major users of energy in the province, the agriculture industry has a great deal at stake when it comes to any changes in rates or the rate structure as a whole.

The PEIFA has a good working relationship with Maritime Electric, and it should be noted that the PEIFA Executive Committee met with their officials in January of this year. President and CEO John Gaudet, Vice President Finance & Chief Financial Officer Jason Roberts and Manager, Customer Service, Corporate Communications & Public Affairs Kim Griffin presented to the PEIFA Executive for over an hour and allowed for an open dialogue on the rate application now before IRAC. The PEIFA was told of the proposed rate increase as well as the phase out of Second Block rating over a three year period. In addition, the Officials told the Committee of their desire to study the current energy usage of the farming community with the overall goal of moving towards a rate structure that may be more compatible or appropriate for the agriculture industry. This meeting satisfied the PEIFA Executive as it laid out a clear path forward, with some reservation, but the knowledge that we could continue to discuss changes to the process as things

began to unfold. This information was later relayed to the PEIFA Board of Directors and the organization was comfortable with that approach..

The Hearing has heard testimony that has caused the agriculture community concern. There has been evidence and testimony that has suggested the timeline needs to be shortened. In fact, there has been testimony that has suggested these changes take effect immediately or within one year. The PEIFA strongly opposes such action.

The phase in period is a critical piece of the application that is supported by the PEIFA for several reasons. It allows:

1. Further study of usage for the farming community and others as well
2. Provincial Government opportunity to help users adjust through programming or other initiatives
3. Users opportunity to adjust strategically through investments in efficiencies and innovative technologies

1. Farm Usage Study

Maritime Electric has placed 90 energy metres on 90 different farming operations throughout the province. These meters are located on farms of different sizes, different commodities and different business models. This study started last year with a percentage of these farms before all 90 became operational in 2019. These meters will be closely monitored by the Company for the next three years. This has been done to collect a set of reliable data on which to make decisions regarding farming operations and their rate structure. It will answer questions around whether or not it makes sense to leave them classed with the Residential Rate, or perhaps suggest they need their own class. The PEIFA would suggest it will also point to the fact that farm operations are unique when it comes to energy usage. Computer technology and artificial intelligence is found in many different commodities: Robotic milkers, refrigeration and temperature controlled warehouses just to name a few. And this type of technology, that make our agriculture industry so competitive, runs 24 hours a day and 365 days a year.

This study is of critical importance. It will take 3 years. It will take time and time provides reliable data not only for Maritime Electric and the farming community, but for decision makers in Government as well.

2. Provincial Government Programming and Initiatives

Only a few short months ago the province of PEI elected a new Government. This Government has inherited an Energy Plan and many initiatives that were put in place under the previous administration. It is important to note that they are leading a Minority Government which is unique, especially in recent Island history. The Administration has taken a collaborative approach and wanting to work with all parties to find common solutions that make sense for all Islanders. It is important to point out as well that they and their colleagues are still finding their feet. All three parties are using their fresh eyes

to discuss what more can be done on the energy file and the climate change file in particular that will help Islanders not only save on the cost of energy, but how we can lower our overall energy footprint.

These discussions take time. Program and initiatives take dollars and budget allocations and this too takes time. Rushing this rate application and implementing it immediately or within the next year will cripple this exploration.

For example, the PEIFA recently completed a study surrounding Greenhouse Gas Emissions on PEI Farms that explored how we can reduce our footprint as an industry. Energy was found to be a critical component among others that the industry needs to closely examine to find energy efficiencies, but it also pointed to renewable energy and innovative technology.

The PEIFA remains in talks with the Province on how best to move forward with many of the recommendations contained in the report.

This is only one report and there are many groups who have recommendations on how best to move the Province of PEI forward. This new Government should be given the opportunity to explore these options and map their own path forward. Time will benefit them.

Further, the PEIFA's Executive Director Robert Godfrey has been asked to sit on the newly created Electricity Efficiency & Conservation (EE&C) Advisory Group within Efficiency PEI. This group will advise the Province. It has yet to meet, but will this coming September. EE&C and the Government they are advising could utilize the next few years to map a path forward that helps not only the farming community, but all Islanders.

3. Allow users time to adjust and invest strategically

The rate increases annually will affect individuals including individual farm businesses. The Second Block Phase out will drastically effect the farming community. Strategic investment is going to be very important for many farms as they explore what that change means for their bottom line and how to adjust. This too is going to take time.

As has been seen over the last decade or more, the farming community has proven it is certainly more than willing to make investments in energy conservation, renewable and other such programs or initiatives. They have invested by installing windmills, solar panels or converted from oil to energy as just a few examples. They do not want to be penalized for these strategic decisions, and will want time to adjust, to review and prepare for what is to come.

The same can be said for all businesses on PEI, and by extension all Islanders who utilize energy for heat for example.

This goes back to Government programming as well and how they can help users adjust as people look to invest strategically in renewable, energy audits, heat pumps, and other things.

These changes should also strategically look at how they can dovetail with the Provincial Climate Change Strategy and how we can lower our emissions through this process. Rushing this change through will not allow time for the greater implications this could potentially have.

The PEIFA strongly believes that the more time the better. The farming community needs time, the Government needs time and Islanders need time. Rushing this change makes no logical sense to the PEIFA.

The Federation has a long history of working with Government and our stakeholder partners to achieve our shared goal of a strong and vibrant agriculture industry. The PEIFA has taken the time to build a relationship with Maritime Electric as well knowing we need them to understand our industry as well.

We thank IRAC for taking the time to consider our submission and our comments. We are prepared to further discuss its contents if the Commission so desires.

Sincerely,



David Mol
President

Cc: Hon. Steven Myers, Minister of Transportation, Infrastructure and Energy
Hon. Bloyce Thompson, Minister of Agriculture and Land
Hon. Brad Trivers, Minister of Environment, Water and Climate Change
Mr. Steve Howard, Green Party Critic Transportation, Infrastructure and Energy
Ms. Michelle Beaton, Green Party Critic Agriculture and Land
Mr. Robert Henderson, Liberal Party Critic Transportation, Infrastructure and Energy
Ms. Kim Griffin, Maritime Electric