

# THE ELECTRICITY INSIDER

INFORMATION • TOOLS • RESOURCES

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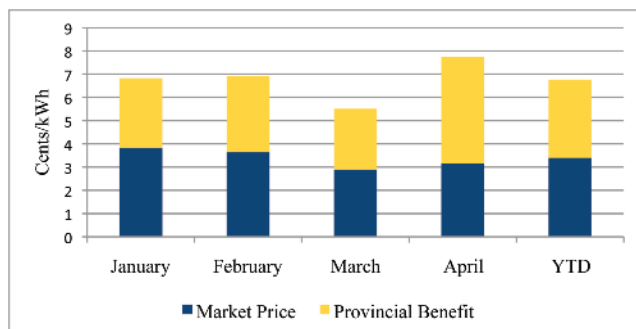
## Ontario Electricity Updates – Keeping in Touch

We want to keep in touch with you. All electricity consumers representing business, industry and the public sector whom we have met at workshops and events hosted by the Independent Electricity System Operator (IESO) will receive an update from us three to four times a year. This publication will provide you with information, tools and resources to help you to make informed decisions on your energy use. The July 2010 issue focuses on the information available on the IESO website that can help your organization.

If you have comments or suggestions, or if you want to share information and tips on what you are doing to conserve energy or use the electricity market to your advantage, we would like to hear from you.

## Understanding Electricity Prices

In recent months, the market price for electricity has been unusually low, which has resulted in a higher provincial benefit charge to consumers. Knowing how the market price and provincial benefit are charged will help you to get a better picture of what to expect on your electricity bill.



The hourly price is set in the IESO-administered market and reflects the supply and demand of electricity. Generally, hourly prices are higher when the demand for electricity is high, for instance in prolonged summer heat waves when air conditioners are being used constantly in homes and businesses. Hourly prices are usually lower on weekends and overnight, when demand for electricity is lower. In 2009, prices were 20 per cent lower during these times. If you have an interval meter on your facility you pay hourly prices according to how much electricity you use in that hour. If you do not have an interval meter, you may want to contact your local distribution company to inquire about the process to install one, or to see if one is right for you.

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## Reducing your Electricity Bill

In just four years, St. Marys Cement in Bowmanville turned a 68-item energy action plan into more than \$500,000 of energy savings and \$258,000 in rebates.



They achieved these successes in a number of different ways such as looking at low cost projects, monitoring the hourly electricity price and assembling an energy management committee of people from all parts of the plant to make energy management a shared responsibility. For more details on the St Marys action plan and other case studies from business, industry and the public sector, go to [www.ieso.ca/profiles](http://www.ieso.ca/profiles)

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No matter when you use electricity, you are charged the provincial benefit based on the total number of kilowatt hours you consume during the month. This applies whether you purchase electricity on market prices through your local utility, or if you have signed a retail contract. The provincial benefit makes up the difference between the market price and contracted rates for new generators as well as conservation and demand response programs. This charge covers the cost of building new plants, paying regulated rates to baseload generators and greening the power system through conservation, demand response and cleaner generation.

The provincial benefit has been higher over the last year because the market price has declined significantly. Lower demand for electricity, an increased supply of generation and lower fuel costs all contributed to the drop in electricity prices in the IESO-administered market. When prices are lower, contracted generators recover less revenue through the market, and the difference is recovered through the provincial benefit.

#### *Did you know:*

*The provincial benefit rate is set on the first business day of each month? To see the current rate, go to:  
[www.ieso.ca/business](http://www.ieso.ca/business)*

## The Changing Role of Consumers

“As market and system operator, we see a clear need for consumers to become more active in their energy choices.” In a recent speech to the Energy Matters Summit on April 27, IESO President and CEO Paul Murphy outlined the active role consumers can play in Ontario’s electricity system as well as some of the tools, technology and knowledge that consumers can use to take full advantage of all the benefits of a smart grid.

The full text of this speech as well as a catalogue of all IESO speeches is available at: [www.ieso.ca/speeches](http://www.ieso.ca/speeches)

## Cashing in on Incentives

Businesses, industries and the public sector across Ontario are getting rewarded for completing energy efficiency projects. There has never been a better time for your organization to move forward on energy management projects by taking advantage of programs delivered by the Ontario Power Authority, local distribution companies, natural gas companies and many others.

A list of incentive and rebate programs is available at [www.ieso.ca/incentives](http://www.ieso.ca/incentives)

## Consumer Breakfast Series

This spring, the IESO worked with five local distribution companies to organize a series of meetings focusing on helping business, industry and the public sector understand how the electricity system works and identify ways to save money on their electricity bill.

If you are interested in attending one of these sessions, contact our Customer Relations group at [customer.relations@ieso.ca](mailto:customer.relations@ieso.ca) or 1-888-448-7777 x2.



#### Spring events were held in:

Cobourg  
Woodstock  
Ottawa  
North Bay  
Sarnia

Other initiatives are being planned for this fall. More information on these events will be posted to [www.ieso.ca/consumerforum](http://www.ieso.ca/consumerforum)

The IESO is a not-for-profit organization that manages the reliability of Ontario’s power system and operates the wholesale electricity market which sets the hourly price of electricity. Through its market education program, the IESO works to educate consumers paying the market price by creating information material on the market and providing opportunities for consumers to learn about the electricity sector and how they can better manage electricity costs.

For more information on the IESO’s market education program, please contact:

**Robert Doyle**

**Tel:** 416.506.2839

**Email:** [Robert.Doyle@ieso.ca](mailto:Robert.Doyle@ieso.ca)

**Twitter:** [www.twitter.com/IESO\\_Tweets](http://www.twitter.com/IESO_Tweets)

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