



*Long-Term Thinking  
for Today's Issues*

## **Christian Farmers Federation of Ontario**

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### **The CFFO on Time of Uses Rates for Hydro and its Impact on Agriculture** **Position Statement**

#### **Background**

Ontario is moving to a new system of pricing electricity, known as Time-of-Use Rates. Essentially, the new price for hydro will reflect season and time of day.

The desired outcome of this new system is to encourage consumers and businesses to change the time at which they do certain activities. This will reduce the strain our system currently experiences during peak times, easing infrastructure pressures.

For many farm operations, the new system may mean that they will face much higher hydro bills than they currently do. For example, many dairy farmers will be milking their animals during the peak winter hours, paying 8.8¢ per kilowatt hour (kWh), up from 5.6¢/kWh for the first 1000 kWh used (and 6.5¢ for each one beyond that) regardless of time of day, an increase of more than 50% during peak time, although it is unlikely that a farm's total bill will increase by this much.

However, there will also be times when the rate is lower. For example, on weekends and at night the rate will be lower than the current rate.

#### **CFFO Recommendations**

The Christian Farmers Federation of Ontario is concerned about the ability of some farm operations to make adjustments under a Time of Use system. For Ontario's farmers, the switch to time of use rates for their energy bills will be an opportunity for some and a major challenge for others. Some operations will be able to shift some of their energy use to off-peak hours while others will not.

Energy conservation falls within the CFFO's stewardship principles as caretakers of the creation. Our organization agrees with efforts to reduce energy consumption in principle.

However, there are some operations that cannot shift their Time of Use away from peak hours. Our reasons for questioning the reasonable nature of the new plan stems from the following concerns:

- Many livestock producers will not be able to reduce ventilation during hot summer hours. If a farm operation were to reduce ventilation at such a critical time, many livestock would perish, causing potential food safety and disease concerns.
- In today's weakened economy, a potential increase in the cost of doing business is not truly sustainable, as it fails to account for economic considerations.

The CFFO recommends that the government of Ontario focus on the following

- Support for the development of on-farm generated renewable energy
- The development of a training program for farmers in energy efficiency
- The development of a new agriculture specific cost-share program for energy efficiency improvement projects.

Furthermore, a long transition period must be put in place allowing producers to see where they can make adjustments to their energy use practices. The transition period must include information on the cost of energy under both systems such that farmers have a true image of whether they need to make changes to their production systems and energy use practices.

Adopted by  
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