

**Subject:** FW: Comment re application by Maritime Electric seeking approval to increase electric rates

**From:** Tony Reddin

**Sent:** Wednesday, August 14, 2019 5:59 PM

**To:** [Info@irac.pe.ca](mailto:Info@irac.pe.ca)

**Cc:** Roger King; Todd Dupuis; Bradley Trivers

**Subject:** Comment re application by Maritime Electric seeking approval to increase electric rates

Jonah Clements  
Island Regulatory and Appeals Commission

To whom it may concern,

I write to support the submission of Roger King, which calls for IRAC to mandate that MECL establish a comprehensive rate structure, with customer engagement based on **"Load Factor"** as the central cost control message for all customers.

Because, as Roger King states:

- there is a "47% peak load reduction opportunity",
  - approximately **50% of MECL annual capital budget (\$15M) is driven by the annual growth in peak load**,
  - the future cost control challenge is Peak Load Demand and not the inevitable accelerating amount of electricity consumed
  - **Load Factor can apply to individual customers where Demand is metered**; Nova Scotia Power is using customer Load Factor as a pricing and education mechanism", and
  - his proposed Rate Structure "would be a **major step in controlling Island wide Load Demand growth resulting in reductions in future annual capital expenditures**",
- therefore** this is a practical solution to fulfilling the IRAC Order UE-16R (July 2016): "The Commission fully expects that MECL and the Government will work together over the next two years to develop a proposed rate structure that is fair and non-discriminatory for all ratepayers"

I am impressed and in full agreement with the compelling, very-well researched rate structure plan that Roger King has proposed :

- " Build a new "Residential" rate structure starting with a dominant Demand element similar to the existing General Service tariff that is currently used for 7000+ Commercial customers
- Separate the 6,917 High-Use Residential and 635 Farming customers using more than 2,000KWh/Month into a new 7000+ High-Use, load factored tariff group. A second block is NOT required but bridge meters will measure demand
- Offer Time-of-Day metering for customers using between 1,300 to 2,000 KWh/Month - 6,458 Residential, 297 Farmers. This would set in place the third "range-of-use" tariff group. Again no second block and expanded deployment of smart bridge meters
- The remaining segment of residential/farming customers – about 40,000 – using less than 1300KWh/Month would remain metered and billed as the current tariff (with no second block but an adjusted service rate); some customers would migrate, as electricity consumption increased, to the "Time-of-Day" tariff "

Properly established Load Factor pricing would provide electricity to MECL customers for the true fair cost of that electricity, and at the same time encourage conservation, efficiency and good management of electricity

demand by both customers and MECL. This pricing system would give the correct pricing incentives for local electricity generation and energy storage, which should encourage both of these, and reduce PEI's dependence on imported electricity, while giving a real reduction in PEI's GHG emissions.

Yours for good energy policy,

**Tony Reddin, ECO-P.E.I. Energy Project Coordinator (volunteer)**

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