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**From:** [REDACTED]  
**Sent:** January-17-19 11:37 AM  
**To:** Rate Mitigation Review  
**Subject:** Rate Mitigation -- Synapse Energy Economics Interim report

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The Synapse team deserves credit for a report that clarifies the relationship between conservation, electrification, and export sales. The report handles the apparent contradictions nicely.

What is missing from this report is an account of the capital expenditures that enable both electrification and conservation. Any householder who has swapped out incandescent bulbs for CFL or LED bulbs has first-hand experience of the initial need for capital in order to defray operating expenses. This need becomes more significant when one considers the range of replacements that are involved in either electrification or conservation on a scale that would have significant impact on the problem that the rate mitigation review is dealing with.

There are only two apparent sources for that capital. As it stands, the householder is responsible for the capital costs involved in heat pumps or resistance furnaces installed in private dwellings. The householder is also responsible for the premium that electrification of private transport entails. Setting aside the industrial use of electricity, governments, provincial, municipal or regional, or bodies funded largely by governments, are responsible for capital costs of efforts like the electrification of public transit, the conversion from oil to electricity of institutional heating plants and the retrofitting of public housing.

Going forward, some attention should be paid to the economics of investment. Given the investment in, say, a heat pump, provincial demographics suggest that the return to the current owner of the residence is bound to be less than the return to future owners. Investment in the electrification of public transit is likely to mitigate the reluctance to increase the proportion of the private vehicle fleet that is electrified.

Attention should also be paid to the potential for variable rates depending on use. If significant support for the initial premium involved in the purchase electrical private vehicles were to be made available, pricing the electricity necessary for recharging the battery at the equivalent to \$1/litre for gas via separate metering might result in considerable additional revenue from off-peak use, while introducing stability to transportation costs. The U.S. Government has created a measure called an e-gallon which provides a guide for such pricing.

I look forward to the report from the next stage of your review.