

**Economic Club of Canada
Q&As
January 19, 2017**

Q. Many people across Ontario are having trouble paying their electricity bills, and some companies are leaving the province due to fast-increasing electricity rates. What else are you planning to do to lower electricity bills?

A. We are already taking a series of steps to provide relief on electricity bills:

- An eight per cent rebate equal to the provincial portion of the HST starting January 1, 2017. It will benefit about 5 million families, farms and small businesses. Savings for a typical residential consumer will be about \$130 annually
- Additional relief for about 330,000 eligible rural customers. Together with the 8% rebate, eligible customers will receive an average savings of \$540 per year
- A proposal to expand the Industrial Conservation Initiative (ICI) program by lowering the threshold for electricity use to open it up to more than 1,000 newly eligible customers. We would also remove sector restrictions to allow smaller institutional and commercial businesses to participate.
- A proposal to recycle proceeds from cap and trade to keep rates affordable for commercial and industrial electricity consumers.
- The government recognizes that for low-income Ontarians, paying their electricity bills can be particularly challenging, which is why the government has additional measures in place to help those who need it most.
- The Ontario Energy Board (OEB) developed the Ontario Electricity Support Program (OESP), which provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.
- The OESP credit amount qualified customers receive is based on household income and household size, and credits typically range from \$30-\$50.
- The Low-Income Energy Assistance Program (LEAP) is a comprehensive province-wide strategy designed to help qualifying low-income consumers. The program includes:
 - Emergency financial assistance: A one-time grant towards your electricity or natural gas bill if you are temporarily unable to make ends meet in an emergency situation.

- Special rules: Utilities have to follow special rules when dealing with customers with limited finances; for example, waiving security deposits, allowing longer payment times and more.
- Conservation programs: Administered through local distributors to help qualified Ontario homeowners, tenants and social housing providers improve energy efficiency.
- The government has recently introduced The Burden Reduction Act (Bill 27) which would, if passed, provide the OEB with authority to establish additional rules regarding when and how utilities can disconnect customers from electricity and gas.
- Other assistance for low-income energy consumers is provided through the Ontario Energy and Property Tax Credit (OEPTC)

Q. What additional steps are you considering to reduce electricity prices for businesses?

A. Ontario has a number of measures in place to mitigate industrial electricity prices and help businesses manage the cost of electricity, including the:

- Industrial Conservation Initiative (ICI);
- Northern Industrial Electricity Rate Program (NIERP);
- Industrial Accelerator Program (IAP);
- saveONenergy for Business conservation programs for commercial and industrial consumers;
- Demand Response Auction; and
- Regulated Price Plan (RPP).

In addition, the *Budget Measures Act, 2015* sets a fixed date for removing the Debt Retirement Charge (DRC) for commercial, industrial and other non-residential electricity users on April 1, 2018, nine months earlier than previously estimated.

Our government continues to work with the sector, including agencies and distributors, to find efficiencies and reduce costs to benefit ratepayers.

If asked for a breakdown of measures listed above:

- **ICI** lowers costs for eligible large electricity consumers that reduce consumption during peak periods. To give more businesses the incentive to participate in the ICI, we have lowered the threshold 3 megawatts (MW) to 1 MW and removed sector restrictions so that more consumers can benefit. Newly eligible consumers that opt-in to ICI will see the impact in July 2017. ICI consumers can reduce their electricity rates by up to one third.

- Participants in the **NIERP** receive a rebate of two cents per kilowatt hour. On average, industrial electricity prices can be reduced by up to 20% through the program.
- The **IAP** assists eligible industrial, commercial and institutional customers that are connected to the IESO transmission grid to fast-track capital investment in major energy-efficiency projects. Transmission-connected customers with distribution-connected sites can also elect to have these administered through the IAP.
- The **saveONenergy for Business Conservation Programs** offer a variety of financial incentives to businesses to increase energy efficiency and manage their electricity bills. Incentives are available to a broad range of businesses, including institutional customers such as municipalities, for energy audits, retrofits, process and systems upgrades, and small business lighting.
- **Annual Demand Response Auctions** are held by the IESO for demand response capacity. Successful bidders (large businesses and industry) receive payments to shift their consumption at times when the electricity system is stressed.
- **RPP** rates are set every 6 months by the Ontario Energy Board (OEB) based on projected supply cost so Ontarians know what to expect.