

NEWS

Ministry of Energy

Government Introduces Legislation to Rebate Provincial Tax on Electricity Bills

Families, Farms and Small Businesses Will See Bill Reductions

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September 15, 2016

Today, Ontario introduced the *Ontario Rebate for Electricity Consumers Act, 2016*. This proposed legislation would rebate an amount equivalent to the provincial portion of taxes from the electricity bills of residential consumers, small businesses and farms eligible for the Regulated Price Plan starting January 1, 2017. Additionally, the government intends to introduce new measures to further reduce bills for rural families, and introduce expanded relief programs for commercial and industrial electricity consumers.

This bill and other new measures would provide a benefit to all electricity consumers in Ontario, including:

- Reducing the average Ontario residential electricity bill by 8% on the amount before tax or \$11 each month
- Decreasing total bills for eligible rural customers by \$45 each month
- Empowering more than 1,000 businesses to reduce bills by up to one-third through the Industrial Conservation Initiative (ICI). This would reduce cost pressures on the electricity system by enabling more consumers to lower their electricity demand during peak periods.

Through these initiatives, more than five million residential consumers and more than 1,000 industrial customers could see a reduction in their electricity bills. Eligible rural electricity consumers would be provided an additional \$110 million in support by modernizing the Rural or Remote Rate Protection program (RRRP).

Helping Ontarians with the cost of everyday living and helping businesses compete are part of the government's plan to build Ontario up. The government's four-part economic plan includes investing in talent and skills, including helping more people get and create the jobs of the future by expanding access to high-quality college and university education. The plan is making the largest investment in public infrastructure in Ontario's history and investing in a low-carbon economy driven by innovative, high-growth, export-oriented businesses. The plan is also helping working Ontarians achieve a more secure retirement.

QUOTES

"This proposed legislation would benefit ratepayers in a meaningful way by reducing bills by 8% for families, farms and many small businesses. Other initiatives would see rural and northern customers receive significant rate relief. Expanding incentives across Ontario would create more opportunity for businesses to be competitive and manage their electricity costs.

- Glenn Thibeault, Minister of Energy

Commented [JPR1]: This is technically incorrect and off-side clear requests/direction from MOF to not directly link the financial assistance ("rebate") to tax. This title on its own reads as if the Province is rebating tax.

Commented [LH2]: SNAP

Commented [JPR3]: LSB had received a brief note from MOF LSB confirming that the Ontario Retirement Pension Plan initiative was not proceeding – at least not at this time. Consider whether you want to include and what it would be linked to if asked.

QUICK FACTS

- The Industrial Conservation Initiative (ICI) provides a strong incentive for large electricity consumers to shift their electricity consumption to off-peak hours to reduce their bills by up to one-third.
- The Rural or Remote Electricity Rate Protection (RRRP) program is designed to reduce electricity delivery costs for approximately 350,000 customers located in rural or remote areas. The costs of providing electricity service to these low density customers are higher than to customers in higher density areas.
- Earlier this year, the province introduced the Ontario Electricity Support Program (OESP) to provide a monthly credit to low-income households who have applied and meet the eligibility requirements.
- The government is recycling proceeds from the Greenhouse Gas Reduction Account (GGRA) to offset the costs to industrial and commercial consumers of ongoing emissions reduction initiatives. This meets the 2016 Budget commitment that that business electricity costs would not be negatively affected by cap and trade.

LEARN MORE

- Backgrounders on the ICI program and Rate Reductions for Electricity Customers
- Read Ontario's Long-Term Energy Plan

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