

O&A RESPONSE – ONTARIO REBATE FOR ELECTRICITY CONSUMERS (OREC) TO OTHER ELECTRICITY CONSUMERS

Q. What would be the cost of offering a benefit similar to the Ontario Rebate for Electricity Consumers (OREC) to other electricity consumers?

As shown in the table below, initial estimates suggest the cost of offering an OREC-style 8% rebate to other electricity consumer groups could range from \$240 to \$740 million in 2018.

The benefits would be most material to consumers with the highest electricity costs (e.g., vehicle assembly, commercial buildings and small and mid-sized manufacturers). This would include both Class A and Class B consumers.

	TWh	Assumed Unit Price (\$/MWh)	Estimated Cost of 8% Rebate in 2018 (\$M)	Average Unit Price Reduction (\$/MWh)
Class A	31.6	95	240	7.60
non-OREC Class B	40.4	155	500	12.40
Total	72	-	740	-

Note: Distribution and transmission costs are estimated and included for all consumers. Estimates are for the 2018 calendar year and would increase over time.

Note: There are about 1,100 Class A consumers (i.e., ICI participants), mainly mines and large manufacturers and about 50,000 non-Regulated Price Plan (RPP) Class B consumers, including many smaller industrial facilities.