

INTRO

Thank you, Mr. Speaker.

As we proceed to the third reading of the proposed *Ontario Rebate for Electricity Consumers Act, 2016*, I want to review what it would achieve and why we are introducing it.

[PAUSE]

Mr. Speaker, I haven't been Minister of Energy that long, but it doesn't take a long tenure to understand that Ontarians are concerned about their electricity bills.

As a Member of Provincial Parliament representing Sudbury in Ontario's north, that knowledge is inescapable. And across Ontario, there are families who need help with the cost of everyday living. Despite consistent economic growth since the global recession, many families haven't yet begun to feel Ontario's resurgence in their everyday lives.

The government recognizes these challenges. We are committed to an affordable electricity supply. And when I took on this portfolio, it was important to me that we act without delay to help Ontario families and businesses manage their bills.

Passing the proposed *Ontario Rebate for Electricity Consumers Act* would do that.

Starting in just a couple of months, it would provide electricity rate relief to about five million eligible consumers across Ontario.

Let me recap what is proposed in this legislation.

If passed, the Act would take effect this coming January 1st.

Right off the bat, it would provide an eight per cent (8%) rebate for consumers eligible for the Regulated Price Plan.

These consumers are residences, farms and small businesses. There are about five million of them. And the eight percent rebate — equivalent to Ontario's share of the HST — would bring a residential consumer an average savings of about \$130 annually

Mr. Speaker, as you may recall from previous statements, the proposed legislation is just one part of a comprehensive package of reforms that would take effect on the same day. We are also introducing measures to help rural customers, businesses, and commercial and industrial electricity users.

For rural customers: our government will be updating the Rural or Remote Rate Protection program to increase the amount of available funding for approximately 330,000 eligible customers. This proposed funding increase to RRRP and the eight percent rebate will result in electricity relief of approximately \$45 per month for eligible RRRP customers.

For businesses: we are proposing to lower the threshold for participating in the Industrial Conservation Initiative from 3 megawatts (MW) to 1 MW. This promises twofold benefits: it would help more businesses reduce electricity costs by reducing their consumption during peak hours — and their doing so would lower electricity system costs as a whole, because shifting consumption helps defer the need for peaking generation.

Additionally, under the Climate Change Mitigation and Low-carbon Economy Act all proceeds from Ontario's cap and trade program will be deposited into a new Greenhouse Gas Reduction Account.

In turn, every dollar from this account would be required to be invested in a transparent way back into green projects that reduce greenhouse gas pollution and businesses save energy.

The Ministry of Energy is proposing to recycle proceeds to offset the impact of cap and trade on industrial and commercial electricity consumers to keep rates affordable.

Under the proposed electricity price mitigation strategy, proceeds from the Greenhouse Gas Reduction Account will be recycled to commercial and industrial consumers.

[PAUSE]

Now, Mr. Speaker, I want to review why we believe this legislation is the right approach.

The Ontario government is committed to an electricity supply that is clean, modern, reliable and affordable.

But that's not the system we inherited when we came into office.

Back then, our electricity system was faced with shortages, a dependence on coal and aging infrastructure.

Over the last decade we've rebuilt our transmission and distribution grid, and we've closed the last dirty coal-fired power plant.

And I'm especially proud that we've been replacing coal with clean sources of electricity.

Our province has been investing in a system that reduces greenhouse gas emissions and provides cleaner air for this and future generations of Ontarians.

Ontario has over 18,000 MW of wind, solar, bioenergy and hydroelectric energy contracted or online.

Our investments in renewable energy are helping us fulfill our commitment to replace coal-fired generation with cleaner sources of energy. This not only benefits our environment but also the health of Ontarians.

Each of the supply mix elements, including hydroelectric, nuclear, natural gas, wind, solar, bioenergy, conservation and clean imports, plays a unique role in delivering a reliable and cost-effective source of energy to Ontarians.

The diversity of the current supply mix also insulates Ontario against sudden changes in cost or availability of any one source, and is one of the greatest strengths of Ontario's electricity system.

Plus — our investments in rebuilding aging transmission infrastructure and transitioning off coal-fired generation mean we're not expecting to see the kind of energy cost increases that will face coal-dependent provinces as they transition to cleaner forms of electricity generation.

Instead we are looking at a clean supply, and a modern, "future-ready" power grid.

All of this costs money.

Of course we knew that, and along the way we have used a variety of public policy levers to mitigate rate pressure for consumers.

For example, we worked to reduce system costs. Our actions include:

- Renegotiating the Green Energy Investment Agreement to reduce contract costs by \$3.7 billion
- Deferring the construction of two new nuclear reactors at Darlington, avoiding an estimated \$15 billion in new construction costs., and approving OPG's plans to seek regulatory approval to extend the life of the Pickering generation station
- Reducing Feed-In-Tariff (FIT) and microFIT prices through annual price reviews, saving ratepayers at least \$1.9 billion
- Suspending the second round of the Large Renewable Procurement process and the Energy-from-Waste Standard Offer Program, for a savings of up to \$3.8 billion in costs relative to Ontario's 2013 Long-Term Energy Plan forecast.

In addition, we've targeted measures to Ontario's many different customers: urban, rural, business, industrial, north and south.

We removed the Debt Retirement Charge from residential electricity bills, saving the average homeowner around \$65 per year.

For low-income Ontarians, the Ontario Energy Board introduced the Ontario Electricity Support Program (or "OESP"), which offers monthly credits from \$30-\$50. Customers with unique electricity needs could be eligible for a higher level of assistance. More than 135,000 people have signed up for OESP since the program was launched in January.

The Ontario Energy and Property Tax Credit and Northern Ontario Energy Credit also serve low-income Ontarians.

And these are on top of the Low-Income Energy Assistance Program, or "LEAP", which has been around since 2011. LEAP includes emergency financial assistance, special provisions and energy conservation programs to help customers in financial difficulty.

[PAUSE]

Ontario needs its businesses and industries to succeed, grow and create good jobs. We've been helping them manage electricity costs with the saveONenergy for Business electricity conservation program, the Five-Point Small Business Energy Savings Plan, the Industrial Accelerator Program, demand response auction, and the Northern Industrial Electricity Rate Program. And, of course, the ICI. The expansion of ICI that we're proposing would empower eligible businesses to reduce their bills by up to one third.

[PAUSE]

Now that we've been building a clean, reliable and safe electricity system, and with the prospect of a balanced budget next year, I think the first beneficiaries of this balanced budget should be the families of Ontario.

The Legislation we are proposing would help families, farms and small businesses. Our other measures would provide rural ratepayers and Ontario's businesses with additional relief.

Taken together, this is a comprehensive package that would help ensure electricity is affordable for homes, farms and businesses across Ontario as well.

Thank you.