

NEWS

Ministry of Energy

Ontario Rebating Provincial Taxes on Electricity Bills

More Than Five Million Families, Farms and Small Businesses will see bill reductions

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September 15, 2016

To help people in their everyday lives, Ontario is taking action and rebating an amount equivalent to provincial taxes on residential and small business electricity bills starting January 1, 2017. Additionally, the government intends to introduce new measures to further reduce delivery charges for rural families, and introduce expanded relief programs for commercial and industrial electricity consumers.

Over the last number of years, Ontario's economy has fully recovered from the impact of the global recession. While the province and independent economic analysis projects consistent economic growth for Ontario, many families are not yet feeling the impact of the recovery in their everyday lives. Therefore, Ontario's government intends to take action to help with the cost of electricity.

Together, these actions would provide a benefit to all electricity consumers in Ontario, including:

- Reducing the average Ontario residential electricity bill by 8% or \$11 each month
- Decreasing rural delivery charges by an additional \$45
- Opportunity for more than one thousand businesses to reduce bills by up to one-third through the Industrial Conservation Initiative (ICI)

Through these initiatives, more than five million residential consumers and more than one thousand industrial consumers could see reductions in their bills. This includes more than 330,000 eligible rural electricity consumers who would be provided an additional \$110 million in support by modernizing the Rural and Remote Rate Protection (RRRP).

More than one thousand more businesses will now be able to participate in the Industrial Conservation Initiative by lowering the eligible electricity threshold from 3 MW to 1 MW. In addition, sector restrictions would be removed and small industrial, institutional and commercial businesses would be eligible to participate.

Helping Ontarians with the cost of everyday living and helping businesses compete are part of the government's plan to build Ontario up. The four-part plan includes investing in people's talents and skills, making the largest investment in public infrastructure in Ontario's history, creating a dynamic, innovative environment where business thrives and building a secure retirement savings plan.

QUOTES

"The actions we're announcing today would benefit all ratepayers in a meaningful way. Rural customers would receive significant rate relief through these initiatives. Expanding incentives across Ontario would create more opportunity for businesses to be competitive and manage their energy costs and the proposed rebate would add an extra relief for residential, small businesses, commercial, farms and industrial consumers." - Glenn Thibeault, Minister of Energy

Commented [d1]: Why this deletion?

QUICK FACTS

- Since 2003, the Province has invested more than \$35 billion in over 16,000 megawatts (MW) of new and refurbished clean generation, including nuclear, natural gas and renewables – this represents about 40% of our current supply.
- [NEW] Ontario businesses currently paying “Class B” rates that participate in the ICI could reduce their bills by up to one-third. In June, 2016, a typical Class B customer paid \$154/MWh, while the typical price for an ICI participant was \$89/MWh.
- Ontario has taken action to replace coal-fired generation with cleaner sources of energy which has decreased electricity sector emissions by approximately 80% since 2003.
- 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.
- Mitigating increased costs for commercial and industrial electricity consumers as a result of cap and trade by recycling proceeds from the Greenhouse Gas Reduction Account (GGRA) to offset the costs to consumer of ongoing emissions reduction initiatives.

LEARN MORE

- Backgrounders on the proposed 8% rebate, ICI and RRRP x
- Read Ontario’s Long-Term Energy Plan

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Commented [d2]: This needs to be built out. MO preference would be to include language around ‘empowering businesses with the tools’ or something of the like. Don’t agree with the removal of current rates v. ICI rates however.

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