

Key Messages for Members

Bill 13:

The Ontario Rebate for Electricity Consumers Act

Topline

- Our government **modernized an electricity system** that needed to be fixed, to ensure Ontarians have the **power they need, when they need it.**
- We took a **dirty system and made it clean**, by completely **eliminating dirty coal-fired generation** – meaning Ontario will have a cleaner future.
- Now we are taking action to ensure every Ontarian has affordable access to our clean, reliable electricity.
- The *Ontario Rebate for Electricity Consumers Act*, which we have put forward for the House, would help ensure affordable electricity across the province. There are three parts to our plan:
 1. Rebating Ontario's portion of HST for families and small businesses, a savings of 8%, or \$130 annually for the average household;
 2. Increasing protection for rural and remote customers, resulting in a net benefit for these households of 20%, or \$540 on average;
 3. Expanding the Industrial Conservation Initiative, making it possible for newly eligible medium and large businesses to achieve savings of as much as 1/3 of their bill.
- This relief package is in addition to the many programs our government already offers. Our government will continue to prioritize **affordable access to the**

province's clean, safe, and reliable electricity system.

Efforts Taken To Reduce Costs

Pre-existing Programs for Families

- We understand that the investments we made to take a **dirty and unreliable** electricity system and make it **clean and reliable** are putting cost pressures on Ontario families.
- Our latest efforts in the *Ontario Rebate for Electricity Consumers Act* only add to programs already available. As of January 1st 2016, we enacted for consumers:
 - The removal of the **Debt Retirement Charge**, 2 years earlier than planned – **saving the average family \$65 per year** on their hydro bills.
 - And implemented the **Ontario Electricity Support Program (OESP)** for low to modest-income families **saving the average family \$430 a year** when combined with the removal of the DRC.
- There are a number of other programs that help reduce bills for Ontario families:
 - The **Ontario Energy and Property Tax Credit** saves qualifying individuals and families up to \$1,008 per year, with a maximum of \$1,148 per year for qualifying seniors.
 - The **Low-Income Energy Assistance Program** provides emergency financial support of up to \$600 for families and individuals having trouble paying their bills.

- The **saveONenergy Home Assistance Program** helps income-eligible consumers manage their energy costs by providing home energy efficiency assessments and energy saving measures at no cost.
- The **Northern Ontario Energy Credit** helps families and individuals in Northern Ontario by providing tax credits for low- to middle-income families and individuals living in northern Ontario. The maximum annual credit for a single person is \$146, and for a family (including single parents), is \$224.

Reducing system costs

- This government has taken a number of steps to reduce overall electricity system costs and ensure **electricity bills remain affordable for families and businesses**. These efforts include:
 - Renegotiating the Samsung Agreement, saving **\$3.7 billion**.
 - Reduced Feed-In-Tariff prices, saving more than **\$1.9 billion**.
 - Moving procurement of large renewable energy projects to a competitive Large Renewable Procurement (LRP) process expecting to eliminate **\$3.3 billion in system costs** saving the **average Ontario family \$20 annually on bills** when compared to 2013 LTEP projections.
 - Deferring the construction of two new nuclear reactors at Darlington, avoiding **\$15 billion in new construction costs**, and amended the Bruce nuclear refurbishment agreement, representing another

nearly \$2 billion in cost savings relative to projections in the 2013 LTEP.

- **Continued operation of Pickering** will save ratepayers over **\$600 million**.
- Introducing dispatching rules for wind generators, saving over **\$200 million**.
- Reducing overall costs associated with the FIT and microFIT programs by about **\$800 million**, as a result of lower prices and reduced procurement capacity relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast.
- These efforts represent significant cost savings for Ontario ratepayers.

Investments in the System

- Our government **modernized an electricity system** that needed to be fixed, ensuring Ontarians **have the power they need, when they need it**. We have made significant investments towards our goal of a clean, safe, reliable, and affordable system.
- Since 2003, we have invested in modernizing and rebuilding approximately **13,000 megawatts** of new, cleaner power for Ontario – that’s about one third of our current supply.
- **\$30 billion invested in new and refurbished generation** since 2003.
- As of 2014, Ontario’s electricity sector became **completely coal-free** – that’s like taking up to 7 million cars off Ontario’s roads (*almost every car in Ontario today*).

- This remains the single biggest climate change initiative in North America – **coal use had accounted for \$4.4 billion per year in health, financial and environmental costs.**
- Ontario has shut down **all 19 coal units.**
- **Since 2003, we have also invested over \$13 billion in improvements in Hydro One's systems, including upgrades to over 11,000 km of power lines** (including both transmission and distribution lines) – more than twice the distance from Montreal to Vancouver.
- The IESO estimates that significant transmission projects over the last ten years **have increased Ontario's transmission capacity by about 10,000 MW.**
- Among major accomplishments is the commissioning of the **Bruce to Milton Reinforcement Project** in 2012. It is **the largest transmission infrastructure investment in Ontario in the last 20 years.**
 - The 180 km transmission line will enable more than **3,000 megawatts of clean energy** from nuclear and renewable power resources.

Key Opposition Responses

Cost of the Act

- This Act represents approximately a **\$1.0 billion investment** in ensuring affordable electricity for Ontarians.
- This investment is made possible by the **sound fiscal management of this government**, which has brought us to a balanced budget.

- Our government believes that **the first people who should benefit from the government's fiscal balance are the taxpayers of Ontario** – that's exactly what we're proposing with this Act.

Why we're acting now

- This government has built a safe, clean, reliable system during the last ten years. Now we are ready to **take it to the next level**, by taking steps to make Ontario's electricity bills as affordable as can be.
- Our government has heard from Ontarians and is committed to helping them with their everyday living costs.
- Through this **three point plan**, our government will reduce the cost of electricity bills across the board.
 1. Families and small businesses will be rebated Ontario's percentage of HST on their bills which is a savings of 8%, or \$130 annually - a significant savings.
 2. Rural and remote communities will be rebated 20%, or \$540 annually - a necessary relief for families to help offset the cost of supplying power (delivery charge) to these areas.
 3. Newly eligible manufacturers will receive approximately 34% in savings as a result of the expanded Industrial Conservation Initiative, which is a benefit in return for their continued commitment to meeting conservation targets.

What should people do until Jan 1st?

- Our government has set an **aggressive target** of January 1st for the tax rebates contained in this bill.
- This would ensure the initiative is **aligned with the new fiscal year.**
- In the meantime, the government continues to offer many existing programs to help Ontarians with their bills.
- On January 1st of 2016, we removed the Debt Retirement Charge from all customers' bills, saving the average family \$65 per year.
- We also implemented the Ontario Electricity Support Program for low- to modest-income families, saving these Ontarians an average of \$430 per year when combined with the removal of the DRC.
- The government offers many other programs to help reduce bills for families. Customers should contact their local utility to learn more.
- **This government remains committed to affordable access to Ontario's clean, reliable electricity supply.**

Favourable Quotes and Clips

"We are happy about this. This is the right thing to do, particularly so that the medium-sized enterprises can remain competitive relative to our largest competitor, which is just across the lake."

– Alan Odette, CEO of the Ontario Chamber of Commerce, BNN Interview

"The announcement today is very significant for residents, small industry, but the most important group that could benefit would be medium sized companies, like manufacturing."

– Alan Odette, CEO of the Ontario Chamber of Commerce, BNN Interview

"I would like to thank the Minister for listening to the concerns of rural Ontario's rural residents, who are struggling to pay their electrical bills," she said. "As we head into the cold winter months, the provincial government's new efforts will go a long way in helping Ontarians keep their lights on, especially in Bruce and Grey counties."

– Francesca Dobbyn, United Way of Bruce-Grey executive Director, Owen Sound Sun Times

"United Way Milton is pleased to support this initiative. This will help reduce financial stress on people who are using United Way Milton-funded programs."

- Kate Holmes, CEO of United Way Milton, Milton Canadian Champion

"If we reduce our cost we are able to become more efficient. If we become more efficient we can offer more goods to the market at a lower cost, and if we do that we'll grow our volume. And if we grow our volume we'll hire more people."

- Hugh Thompson, President of Cambridge Towel, CBC News

Quote from GuelphToday article – "Linamar CEO Linda Hasenfratz said hydro incentives work, not only in helping make Ontario manufacturers more competitive in the global market place through reduced costs, but they also motivate manufacturers to invest in measures that reduce their hydro consumption."

- Linda Hasenfratz, CEO of Linamar, GuelphToday.com

"We are pleased that the government has committed to assisting these groups with their energy costs by introducing legislation that would rebate the province's share of the Harmonized Sales Tax from residential and small business electricity bills as well as supporting industry by expanding and lowering the threshold of eligibility for the Industrial Conservation Initiative (ICI),"

- Alan Spacek, Mayor of Kapuskasing and President of the Northeastern Ontario Municipal Association (FONOM), Kapuskasing Times

More Responses to Opposition Criticisms

“Too Little, Too Late” and “Band-Aid Solutions”

- Our government has heard from Ontarians and is committed to **helping them with the cost of everyday living**. Through this three point plan, our government will reduce the cost on electricity bills across the board.
- In a recent report, the independent Financial Accountability Officer refuted many of the claims made about energy policy, and confirmed that the **average family in Ontario spends less money on electricity than in every other province, except British Columbia**. It also confirmed that total home heating and cooling costs are in the middle of the pack when compared to the other provinces.
- Ontario’s electricity **prices are in line with comparative jurisdictions**; and Ontario’s prices are nearly half of what they are in American cities like Chicago, Boston, New York, and Los Angeles.
- What’s really remarkable about comparing Ontario to other provinces/states is that we’ve already done the heavy lifting in rebuilding our system and getting off dirty and cheap coal. While other jurisdictions still need to undertake that work, Ontario will benefit from our leadership.
- That said, we know that the investments we have made to modernize and clean up our electricity supply have put cost pressures on some families. And **that’s exactly why we’ve introduced these measures**, which offer significant support to Ontarians.

Permanent removal of HST

- The proposed HST rebate will be available to all consumers eligible for the Regulated Price Plan (RPP) – this includes about **five million residential consumers, small businesses and farms**.
- **This rebate is permanent** – it is being enacted through legislation, and as such will be law and will require legislation to overturn it.
- Consumers won't have to do anything to receive the rebate, it will be automatically added to their bills.

Ontario Clean Energy Benefit

- Ontario has made a decision to effectively-eliminate provincial taxes from electricity bills. The **fastest, most efficient** way to achieve this is through an immediate on-bill rebate of the provincial part of the HST.
- It's also important to remember that on January 1, 2016 the **Debt Retirement Charge was eliminated** from residential bills and the **Ontario Electricity Support Program was launched** to provide low-income families with up to \$75 each month.
- This legislation is part of a holistic package this government has introduced to ensure affordable access to electricity. **Taken together, families are receiving far more than through OCEB.**

Sale of Hydro One

- Our government is taking Hydro One public to improve long-term performance and unlock the value

in this asset **to be able to invest in transit and other major infrastructure projects** that will help grow Ontario's economy.

- Hydro One has transitioned into a publicly-traded company, with different mechanisms of oversight. **Hydro One will remain regulated.**
- The Ontario Energy Board (OEB) will continue to have oversight of the company and to approve rates. In fact, **we have passed legislation that will further strengthen the OEB.**

Balancing the Budget

- The government remains **committed to balancing the budget by 2017-18** while continuing to invest in the economy, our people and a healthy, clean and prosperous low-carbon future. These investments will help enhance the public services that Ontarians rely on, as well as **stimulate economic growth.**