
Rate Relief for Families, Farms and Small Businesses**Provincial Rebate**

Ontario is introducing legislation which would rebate an amount equivalent to the provincial portion of the Harmonized Sales Tax (HST) from the electricity bills for residential consumers, small businesses and farms eligible for the Regulated Price Plan (RPP) starting January 1, 2017.).

The RPP is a blended electricity rate set by the Ontario Energy Board (OEB) for the province's five million residential consumers, small businesses and farms.

The list below gives details of which electricity consumers would be eligible to receive the benefit:

- Residential Regulated Price Plan eligible consumers
- Residential retail consumers
- Multi-unit residential buildings and other facilities used as residential rental units such as long-term care homes and school residences
- Regulated Price Plan eligible farms
- Small businesses in the RPP, which depends on size of demand and annual amount of consumption, including most coffee and snack retailers, convenience stores, small apparel stores, hair salons and small offices.

Modernizing the Rural or Remote Electricity Rate Protection Program

While many Ontario electricity consumers are unaware, for the last 15 years the Rural or Remote Electricity Rate Protection (RRRP) program has reduced electricity delivery costs for eligible customers located in rural or remote, areas. The cost of providing electricity service for customers in these low density regions is higher than to customers in more urban or more dense communities.

For most recipients, RRRP funding has been frozen at its current level since 2004. As a result, the relative impact of its assistance has reduced over time as electricity costs have increased to rebuild Ontario's electricity system and close coal-fired power plants.

Today, RRRP is an approximately \$175-million program. Each year, the Ontario Energy Board (OEB) approves an RRRP benefit amount to be collected from all electricity distributors by the Independent Electricity System Operator (IESO). Electricity distributors in turn pass the small OEB-approved retail RRRP charge on to their customers to recover the RRRP amount paid to the IESO.

Through regulation, the government intends to introduce further funding for the program that would increase it by \$110 million, which would result in a reduced bill of approximately \$45 per month for affected customers when combined with the proposed eight per cent rebate. With existing and planned RRRP funding and proposed rebate, average bills would likely be reduced by about \$76 per month.

The RRRP is paid to some electricity distributors serving rural or remote customers to allow them to reduce the amount they would otherwise have to charge their customers to deliver electricity to them. For an average residential customer, the cost of supporting RRRP is roughly one dollar per month.

R2 Customers

The RRRP is provided to a number of rural residential customers and the majority of those residential customers are classified as R2 customers. These are customers in an area with a low density of customers

and are not in urban or moderately urban areas in the province. R2 customers face some of the highest electricity costs in the province. There are approximately 330,000 R2 customers in Ontario.

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