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Reducing Electricity Costs for Business (OFA)

Ontario is taking action to reduce electricity costs for small businesses, farms and large electricity consumers, helping them to remain competitive. These measures complement existing programs, such as the Industrial Accelerator Program (IAP), the Industrial Electricity Incentive (IEI), the Northern Industrial Electricity Rate Program (NIERP), and Demand Response Auction.

Supporting Small Business

Ontario has introduced legislation that, if passed, would rebate the eight per cent provincial portion of the Harmonized Sales Tax (HST) from the electricity bills of small business and farms as of January 1, 2017.

See Chapter 1E for more information.

Expanding the Industrial Conservation Initiative

Through the Industrial Conservation Initiative (ICI), large electricity consumers can lower their bills by up to one-third by reducing their electricity consumption during peak hours. By reducing the province's peak electricity demand, the ICI improves system reliability, helps reduce greenhouse gas emissions, and lowers electricity system costs for the benefit of all consumers by deferring the need to build new generation.

Ontario is proposing to expand the ICI and empower more than a thousand more businesses to reduce their bills by up to 34 per cent.

Currently, electricity consumers with monthly peak demand exceeding three megawatts (MW) are eligible to participate. The government is proposing to expand the ICI program to include customers with monthly peak greater than 1 MW.

Ontario is also proposing to remove sector specific restrictions, meaning consumers in all commercial, institutional and industrial sectors over the newly lowered threshold would now be eligible to participate.

Helping Ontario Businesses Thrive

A plastics manufacturer with an average peak demand of 2 MW that participates in the ICI program could see its electricity costs reduced from \$154 per MWh to as low as \$102 per MWh. This would result in energy cost savings of up to \$42,000 per month.