

There are two classes of ICI consumers:

- “Class A” consumers are large power users with a monthly peak demand exceeding 5 MW. These users are charged global adjustment (GA) on the basis of their contribution to system peak demand during the highest 5 system demand hours of the year. There are currently about 200 Class A consumers in Ontario.
- “Class B” consumers are all other consumers, who are charged GA as a flat rate applied to their consumption.

The ministry is recommending lowering the Class A threshold to include customers with monthly peak demand greater than 1 MW. This is expected to add between 300 new Class A customers to the existing pool. It is estimated that these new Class A customers would see their electricity bills reduced by an average of about 21% in the short-term. The remaining pool of smaller (Class B) users would see their bills increase of X% as they would have to cover the share previously borne by the customers shifting to Class A.

The Ministry is recommending that new entrants be required to opt-in to the ICI program in order to become a Class A customer. The reason for this opt-in requirement is that customers in industries that are unable to shift their power use away from times of peak demand (e.g. motor vehicle manufacturing) would actually see their bills increase if they were included in Class A of the ICI program.

The only electricity consumers that would be potentially eligible for both the 8% rebate and ICI would be large farms and potentially large multi-unit residential sub-metered builds (i.e., a very large apartment complex or condominium).

These consumers would not have to choose because they would be eligible for both.

- Providing a rebate equivalent to the cost of HST could lead to pressure to provide similar relief for other fuels and energy sources (Ontarians who heat their homes with natural gas, heating oil, propane, etc. would continue to pay 13% HST on those sources)

Difficult program design - an across the board rebate could be criticized as providing HST relief to those who do not pay HST (Public Service Body rebates, income tax relief), however a complicated program design would result in difficulties and higher cost with implementation