

Government Introduces Legislation to Reduce Electricity Costs

Families, Farms and Small Businesses Will See Bill Reductions

NEWS

September 15, 2016

Today, Ontario introduced the *Ontario Rebate for Electricity Consumers Act, 2016*. This proposed legislation would rebate the provincial portion of the HST from the electricity bills of residential small businesses and farms consumers starting January 1, 2017. Additionally, the government intends to introduce new measures to further reduce bills for rural families, and introduce expanded relief programs for commercial and industrial electricity consumers.

This bill and other new measures would provide a benefit to all electricity consumers in Ontario, including:

- Reducing the average Ontario residential electricity bill by 8 per cent (8%) on the amount before tax or \$11 each month
- Decreasing total bills for eligible rural customers by \$45 each month
- Empowering more than 1,000 businesses to reduce bills by up to one-third through the Industrial Conservation Initiative (ICI). This would reduce cost pressures on the electricity system by incenting more consumers to lower their electricity demand during peak periods.

Through these initiatives, about than five million residential consumers and more than 1,000 industrial customers could see a reduction in their electricity bills. Eligible rural electricity consumers would be provided an additional \$110 million in support by modernizing the Rural or Remote Rate Protection program (RRRP).

Helping Ontarians with the cost of everyday living and helping businesses compete are part of the government's plan to build Ontario up. The government's four-part economic plan includes investing in talent and skills, including helping more people get and create the jobs of the future by expanding access to high-quality college and university education. The plan is making the largest investment in public infrastructure in Ontario's history and investing in a low-carbon economy driven by innovative, high-growth, export-oriented businesses. The plan is also helping working Ontarians achieve a more secure retirement.

QUOTES

"This proposed legislation would benefit ratepayers in a meaningful way by reducing bills by 8% for families, farms and many small businesses. Other initiatives would see rural and northern customers receive significant rate relief. Expanding incentives across Ontario would create more opportunity for businesses to be competitive and manage their electricity costs.

- Glenn Thibeault, Minister of Energy

QUICK FACTS

- The Industrial Conservation Initiative (ICI) provides a strong incentive for large electricity consumers to shift their electricity consumption to off-peak hours to reduce their bills by up to one-third.
- The existing Rural or Remote Electricity Rate Protection (RRRP) program is designed to reduce electricity delivery costs for customers located in rural or remote areas including the 330,000 R2 customers. The costs of providing electricity service to these low density customers are higher than to customers in higher density areas.
- 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.
- As outlined in the 2016 Budget and the Climate Change Action Plan, the government intends to recycle a portion of the cap and trade auction proceeds to offset the impact of cap and trade on industrial and commercial electricity consumers to keep rates affordable.

LEARN MORE

- Backgrounders on the ICI program and Rate Reductions for Electricity Customers
- Read [Ontario's Long-Term Energy Plan](#)