



INTRODUCING THE ONTARIO REBATE FOR ELECTRICITY CONSUMERS ACT, 2016

Minister of Energy
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Statement to the Legislative Assembly

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Thank you, Mr. Speaker.

I rise today to introduce the proposed **Ontario Rebate for Electricity Consumers Act**, 2016.

If passed, this Act would provide electricity rate relief to about 5 million eligible residential consumers, small businesses and farms across Ontario.

Mr. Speaker, when our government came to power in 2003, we committed to providing a safe, clean and reliable energy supply to Ontario homes and families.

And, indeed, over the last 13 years, we have been transforming and modernizing our system.

We have left coal behind, and our actions have decreased electricity sector emissions by approximately 80%. That means a healthier environment and better health for Ontarians.

We replaced coal with a cleaner supply. In 2015, Ontario's electricity generation was over 90% emissions-free.

Also, Mr. Speaker, Ontario has enhanced and renewed its transmission and distribution systems, giving us a "smart grid" that is "future-ready".

We are proud of that record.

But, Mr. Speaker, along with our commitments to safe, clean and reliable electricity, we also committed to an affordable supply.

And I want to assure this House that we have not lost sight of that commitment.

Now, I think it's important to note that according to the Financial Accountability Officer, families in Ontario spend less money on electricity on average than in every province except British Columbia (BC), and that total home energy costs are in the middle of the pack when compared to other Canadian provinces.

The Government has used virtually all available public policy levers at our disposal to mitigate rate pressure for customers, before they become costs that need to be recovered via Ontario electricity customers.

Since 2013, a number of actions have been taken to reduce overall electricity system costs, including:

- Renegotiating the Green Energy Investment Agreement, reducing contract costs by \$3.7 billion;

- Deferring the construction of two new nuclear reactors at Ontario Power Generation's Darlington facility, avoiding an estimated \$15 billion in new construction costs;
- Approving Ontario Power Generation's plans to enable the ongoing operation of Pickering up to 2024, which is expected to save ratepayers as much as \$600 million;
- Reducing Feed-In-Tariff (FIT) prices through annual price reviews, saving ratepayers at least \$1.9 billion relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast; and
- Removing an expected \$3.3 billion in Large Renewable Procurement (LRP) costs relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast, based on the results of the first phase of the LRP.

But our government recognizes that the changes we have made have come at a cost to Ontario's residential and business customers.

That's why our government has put in place price mitigation measures to help consumers manage their electricity costs.

For example, at the start of this year, we removed the Debt Retirement Charge from residential bills.

And in January, we launched the Ontario Electricity Support Program, which provides ongoing monthly bill payment support to low-income households.

Mr. Speaker, our government recognizes we need to do more to ensure an affordable energy system for all Ontarians.

That's why, today, I am proud to introduce legislation that would benefit ratepayers in a lasting, meaningful way.

The proposed **Ontario Rebate for Electricity Consumers Act, 2016** would provide an eight per cent (8%) rebate for consumers eligible for the Regulated Price Plan.

If passed, the legislation would take effect on January 1, 2017. That's less than four months from now.

What's more, Mr. Speaker, the proposed legislation is one part of a package of reforms that would provide benefits to all Ontario electricity consumers.

For rural customers, who have been especially affected by increasing electricity distribution costs, we are updating the Rural or Remote Rate Protection, providing an additional \$110 million in support. This represents significant rate relief for approximately 330,000 eligible rural electricity consumers.

For businesses, we will be lowering the threshold for participating in the Industrial Conservation Initiative from 3 megawatts (MW) to 1 MW. This would give more businesses the opportunity to significantly reduce their electricity costs by reducing their consumption during peak hours, thereby deferring the need for costly new peaking generation.

Finally, as outlined in the 2016 Budget, 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 consumers to keep rates affordable.

Taken together, the legislation we are introducing today along with these other measures, forms a comprehensive package that would provide electricity rate relief to all Ontario electricity consumers.

Mr. Speaker, Ontario's investments are securing a clean supply of electricity, a grid that's ready for the future, and a healthier environment for ourselves and our children.

The legislation we are introducing today, along with our other reforms, would ensure electricity is affordable for homes, farms and businesses across Ontario as well.

Thank you, Mr. Speaker.