

MEETING NOTE

NAME OF MUNICIPALITY/ORGANIZATION: Township of Hornepayne

DATE/TIME OF MEETING:

LOCATION OF MEETING:

ATTENDEES: Minister of Energy
Glenn Thibeault

X

LAST MEETING: Include date of last meeting, if known. (Otherwise, delete.)

ANTICIPATED AGENDA ITEMS (OR 'AGENDA' IF WE HAVE RECEIVED ONE):

1. High electricity costs

NOTES ON AGENDA ITEMS:

1. High Electricity Costs

- Concerns about electricity costs for business and residents

Suggested Response:

- Our government continues to ensure a clean, reliable and affordable electricity system for all Ontarians.
- Prices are increasing because our energy system is being transformed – we are making needed investments to modernize the system. We chose to replace coal-fired generation with cleaner sources of energy, which benefit our environment and the health of Ontarians.

RESIDENTIAL ELECTRICITY PRICES

- Ontario is taking action to reduce electricity bills for families, farms and businesses. We have introduced new measures that will take effect January 1, 2017, including:

- Rebating an amount equal to the provincial portion of the HST to reduce eligible residential, small business and farm electricity bills by 8% (\$130 annually); and
- Providing eligible rural ratepayers with additional relief, decreasing total electricity bills by an average of \$540 a year or \$45 each month.
- The 8% rebate and RRRP increase would be in addition to the existing programs that provide support to Ontario families in paying their bills:
 - The Ontario Energy and Property Tax Credit saves qualifying individuals up to \$1,008 per year, with a maximum of \$1,148 per year for qualifying seniors.
 - The Low-Income Energy Assistance Program provides emergency financial support of up to \$600 for families and individuals having trouble paying their bills.

Ontario Electricity Support Program

- The Ontario Electricity Support Program (OESP) provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.
- OESP monthly credits range from \$30 to \$50. A household receiving the lowest OESP credit would receive \$360/ year off their bills, or \$430/ year when combined with the removal of the DRC.

COMMERCIAL AND INDUSTRIAL ELECTRICITY PRICES

- Indicative industrial electricity prices in Ontario are less than the United States average as reported by the U.S. Energy Information Administration.
- Measures in place to mitigate industrial electricity prices include:
 - Industrial Conservation Initiative (ICI);
 - Industrial Accelerator Program (IAP)
 - SaveONenergy for Business Program; and
 - Demand Response.

ICI Expansion

- The Industrial Conservation Initiative (ICI) allows large electricity consumers to lower their electricity costs by reducing their demand during peak hours. Reducing demand during peak hours benefits companies financially and benefits the electricity system by deferring the need for new peaking generation.

- To give more businesses the incentive to participate in the ICI, we have lowered the threshold to 1 MW and removed sector restrictions so that more consumers can benefit.
- Newly eligible consumers will be able to opt-in to the ICI program at their discretion. These consumers will see the impact in July 2017.

Industrial Accelerator Program (IAP)

- IAP assists eligible transmission-connected companies to fast track capital investment in major energy conservation projects. The program provides financial incentives to encourage investment in innovative process changes and equipment retrofits to reduce electricity consumption on the provincial system and to help companies become more competitive by positively impacting their bottom line.

saveONenergy for Business

- saveONenergy for Business electricity conservation program offered by local distribution companies – offers distribution-connected customers financial incentives for audits, retrofits and process and systems improvements to help businesses better manage their electricity use.

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Demand Response

- The IESO holds annual demand response auctions which provide availability and utilization payments to successful participants that commit to reducing their consumption when called upon to do so.

Greenhouse Gas Recycling Account proceeds for Commercial and Industrial Ratepayers

- In September 2016, Ontario committed that commercial and industrial electricity consumers will receive a benefit via the Greenhouse Gas Reduction Account as part of the Climate Change Action Plan (CCAP).
- Using cap and trade auction proceeds to lower the cost of electricity would make it more competitive with traditionally cheaper fossil fuels.
- A decision has not been made on the mechanism. The Ministry of Energy continues to work with the Ministry of the Environment and Climate Change, Independent Electricity System Operator (IESO) and local distribution companies (LDCs) in implementing an approach to proceeds recycling.

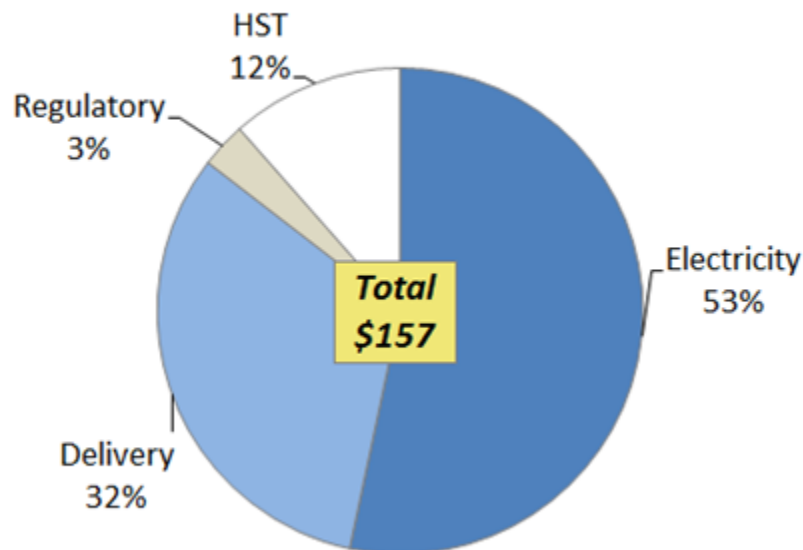
If asked about the amendment to Bill 144, Budget Measures Act 2015:

- Finance's amendment in Bill 144, Budget Measures Act 2015, sets a fixed date for removing the Debt Retirement Charge (DRC) for commercial, industrial and other non-residential electricity users on April 1, 2018, nine months earlier than previously estimated.
- Ending the DRC on a legislated fixed date provides certainty to commercial, industrial and other users to help them plan their investments more effectively.

Background:

Typical Residential Monthly Bill

November 1, 2016 RPP TOU prices, 750 kWh



Source: Ministry of Energy calculations based on Toronto Hydro rate order

Click [here](#) for additional background regarding Item 1

Background (continued)

Figure 1: 2015 Residential Pricing Comparison

Pricing Comparison							
2015 Residential Electricity Prices (Canadian ¢/kWh)							
Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost
1 Quebec	7.19	17 Missouri	12.90	33 Florida	15.31	49 Delaware	17.62
2 Manitoba	8.11	18 Tennessee	13.12	34 Texas	15.33	50 Michigan	18.02
3 British Columbia	10.29	19 Mississippi	13.12	35 Arizona	15.38	51 Wisconsin	18.36
4 Washington	11.17	20 South Dakota	13.56	36 Minnesota	15.39	52 New Jersey	20.24
5 Newfoundland	11.55	21 Oregon	13.66	37 Prince Edward Island	15.62	53 Maine	20.75
6 Alberta	11.61	22 Utah	13.74	38 Kansas	15.70	54 California	21.27
7 Louisiana	11.74	23 Wyoming	13.82	39 South Carolina	15.94	55 Vermont	21.87
8 North Dakota	11.82	24 Montana	13.96	40 Illinois	15.96	56 New York	24.57
9 Arkansas	12.08	25 Georgia	14.14	41 Ohio	15.96	57 Rhode Island	25.30
10 New Brunswick	12.30	26 Indiana	14.29	42 New Mexico	16.00	58 New Hampshire	25.31
11 West Virginia	12.31	27 Iowa	14.37	43 Nova Scotia	16.03	59 Alaska	25.48
12 Canadian Average	12.46	28 Saskatchewan	14.37	44 U.S. Average	16.15	60 Massachusetts	27.83
13 Oklahoma	12.66	29 North Carolina	14.39	45 Pennsylvania	17.21	61 Connecticut	28.47
14 Kentucky	12.78	30 Virginia	14.42	46 Nevada	17.30	62 Hawaii	40.65
15 Nebraska	12.87	31 Alabama	15.07	47 Maryland	17.42		
16 Idaho	12.90	32 Colorado	15.25	48 Ontario	17.57		

Note: Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. Prices exclude taxes and participation in any applicable jurisdictional benefit programs.

The Ontario residential price is based on the residential bill in the Q2 2015 Ontario Energy Report.

All other Canadian prices (except Ontario) are from the Hydro Quebec Rate Comparison for rates effective April 1, 2015 for select local distribution companies servicing specific cities. Where Hydro Quebec reports prices for two cities in a province (e.g., Calgary and Edmonton), an average of the two is used; in provinces where only one city is reported (e.g., Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes.

American jurisdictions reflect year-to-date May 2015 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the industrial sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.30 CAD.

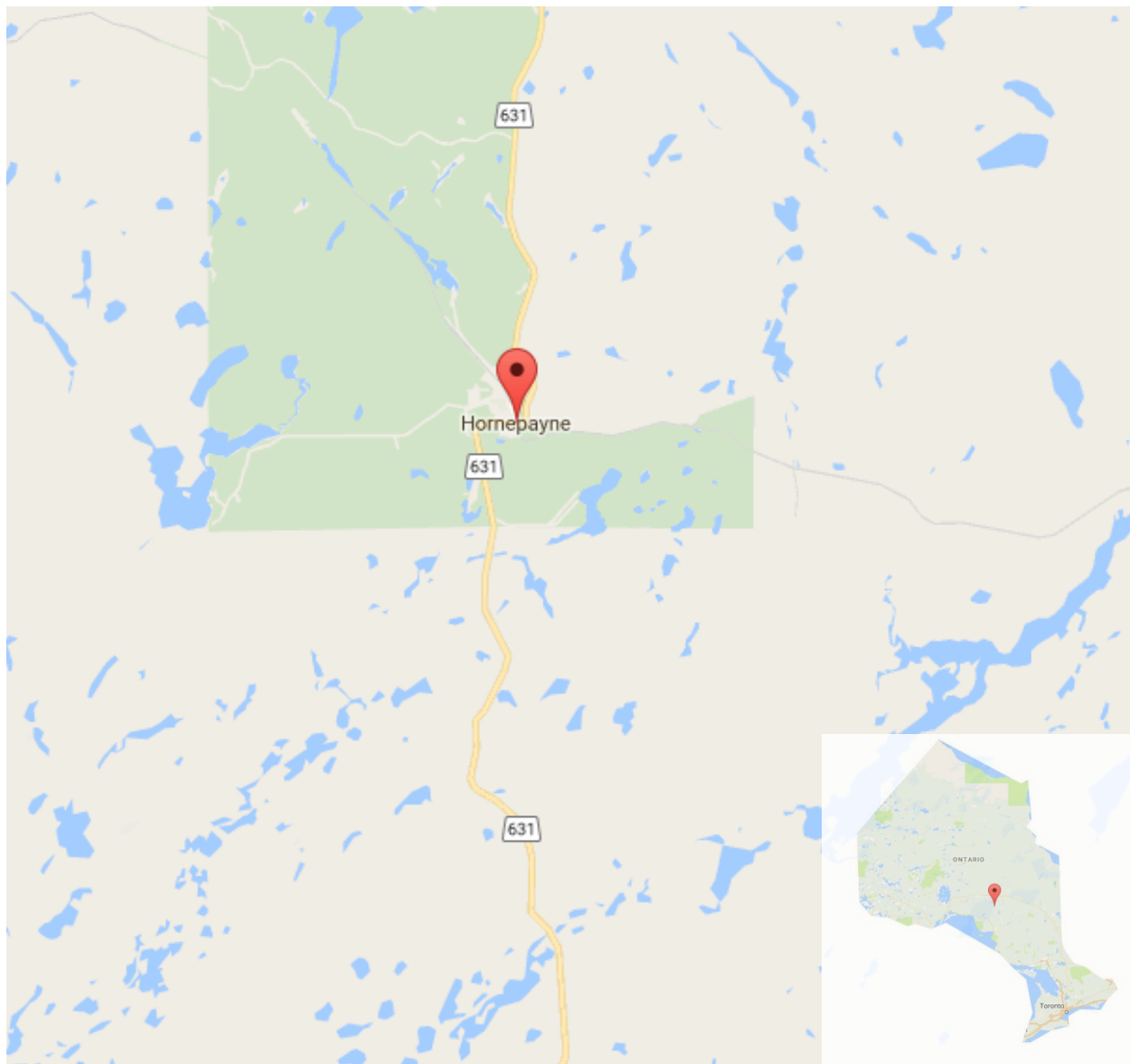
Existing Price Mitigation Measures

- The **Ontario Energy and Property Tax Credit (OEPTC)** provides low- to moderate-income Ontarians, including seniors, who own or rent a home with help paying both their energy costs and property tax.
 - Qualifying individuals can receive up to \$1,008 in tax relief annually, and seniors can receive up to \$1,148 annually.
- The **Low-Income Energy Assistance Program (LEAP)** offers emergency financial assistance as on-bill assistance up to \$600 annually, special customer service rules, and energy conservation programs to qualifying electricity and natural gas consumers.

- The **saveONenergy Home Assistance Program** was developed to help income-eligible consumers manage their energy costs by providing home energy efficiency assessments and energy savings measures at no cost.
 - Eligible participants can receive energy efficient appliances like refrigerators and window air-conditioners. Eligible participants in electricity heated homes can also receive a programmable thermostat, weather-stripping services and insulation services.
- The **Ontario Electricity Support Program (OESP)**, developed and implemented by the Ontario Energy Board (OEB) provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements. The OESP started January 1, 2016, when the OCEB ended.
 - The OESP provides a fixed monthly credit directly on eligible customers' bills, the amount of which will be based on a consumer's household income and household size. This allows the program to provide the greatest benefit to low-income consumers in need of assistance.
- To help ease pressure on residential ratepayers, the government **removed the cost of the Debt Retirement Charge (DRC) from residential electricity bills** as of January 1, 2016:
- Eliminating the DRC saves a typical residential electricity ratepayer \$5.25 per month, before taxes.

Township of Hornepayne

The Township of Hornepayne is located in Northern Ontario, within the Alogma District. As of 2011, it has a population of 1,050.



MEDIA SCAN: