**MEETING NOTE**

**NAME OF MUNICPALITY/ORGANIZATION: Municipality of West Nipissing**

**DATE/TIME OF MEETING:**

**LOCATION OF MEETING:**

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**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
2. Item 2
3. Item 3, etc.

**NOTES ON AGENDA ITEMS:**

**1. High Electricity Costs**

- Concerns about electricity costs for business and residents, especially households that are dependent on electricity for home heating.

**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, when combined with the 8% rebate.**

- **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.**

  - **The Northern Ontario Energy Credit helps families and individuals in Northern Ontario by providing tax credits for low- to middle-income families and individuals living in northern Ontario. The maximum annual credit for a single person is $146, and for a family (including single parents), is $224.**

***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);
- Northern Industrial Electricity Rate Program (NIERP);
- 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 beginning in July 2017.

*Northern Industrial Electricity Rate Program*

- Participants in the Northern Industrial Electricity Rate Program (NIERP) receive a rebate of two cents per kilowatt hour. On average, industrial electricity prices can be reduced by over 20% through the program.

- In 2015, the Ontario government announced the commitment to an ongoing NIERP beyond March 2016.

*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.

**Commented [MB1]:** CRED to review

*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.**

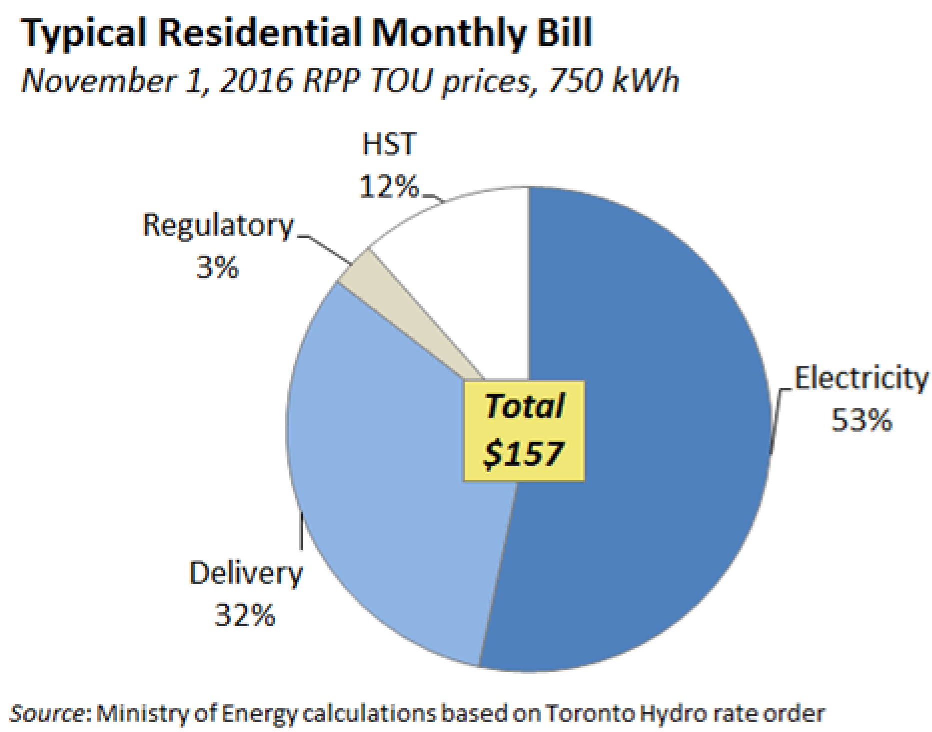
- **A decision has not been made on the mechanism. The Ministry of Energy continues to work with the Ministry of the Environment and Climate Change, Independent Electricity System Operator (IESO) and local distribution companies (LDCs) in implementing an approach to proceeds recycling.**

***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:




Click here for additional background regarding Item 1.

**2. Item 2**

- Brief description of issue or topic most likely to be raised; 1-3 bullets

**Suggested Response:**

- **Continue as above.**

Background:

- Continue as above.
- Click here for additional background regarding Item 2.

**3. Item 3**

- Brief description of issue or topic most likely to be raised; 1-3 bullets

**Suggested Response:**

- **Etc.**

Background:

- Etc.
- Click here for additional background regarding Item 3.

****THE NOTE UP UNTIL THIS POINT SHOULD NOT EXCEED 4 PAGES****

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 **Northern Ontario Energy Credit (NOEC)** provides assistance to low- to moderate income individuals and families living in northern Ontario who can be exposed to higher energy costs due to more severe winters and heavier reliance on more expensive home heating fuels.
  - Qualifying individuals can receive up to $146 annually and families (including single parents) can receive up to $224 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, weatherstripping 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.

## Municipality of West Nipissing

The Municipality of West Nipissing is located in Northeastern Ontario, on the coast of Lake Nipissing between North Bay and Sudbury. As of 2011, it has a population of 14,149.

**MEDIA SCAN:**