
Electricity Rate Relief For Ontario Consumers

Rebating provincial taxes on electricity bills for families, farms, and small businesses

If passed, proposed legislation would provide an eight per cent rebate to five million electricity consumers, including:

- Residential consumers;
- Multi-unit residential buildings and other facilities used as residential rental units such as long-term care homes and school residences;
- Small businesses; and
- Farms.

This eight per cent saving would go into effect as of January 1, 2017 and would result in savings of about \$130 a year for a typical Ontario residential consumer

FINANCE PLACEHOLDER: illustration of savings as a proportion of household income, by income decile

Reducing rural bills by 20 per cent – about \$45 a month or \$540 a year

The Rural or Remote Rate Protection (RPPP) program reduces electricity delivery costs for approximately 330,000 customers located in rural areas.

This proposed funding increase to the RRRP and the eight percent rebate would result in electricity relief for eligible consumers of approximately \$45 per month.

Empowering more than one thousand more businesses to reduce their bills by one third

The Industrial Conservation Initiative (ICI) provides a strong incentive for large electricity consumers to reduce their electricity consumption during peak hours to lower their bills by up to one-third. By reducing the province's peak electricity demand, the Industrial Conservation Initiative reduces electricity system costs by deferring the need to build new generation and helps reduce greenhouse gas emissions.

Currently, electricity consumers with monthly peak demand exceeding 3 megawatts (MW) are eligible to participate. Ontario is proposing to expand the ICI program to include customers with monthly peak greater than 1 MW.

Ontario is also proposing to remove sector specific restrictions, meaning consumers in all commercial, institutional and industrial sectors over the newly lowered threshold would now be eligible to participate.

Eligible industrial customers will be able to find cost savings of up to 34 per cent, depending on their ability to reduce peak electricity consumption.

With more than a thousand more businesses soon eligible for ICI, cost impact across sectors and industries will vary. For example, a plastics manufacturer with an average peak demand of 2 MW that participates in the ICI program could see its electricity costs reduced from \$154 per MW to as low as \$102 per MW. This would result in energy cost savings of up to \$42,000 per month.