Remarks for Minister of Energy Glenn Thibeault
Third Reading remarks for *Ontario Rebate for Electricity Consumers Act, 2016*
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INTRO

Thank you, Mr. Speaker.

As we proceed to the third reading of the proposed *Ontario Rebate for Electricity Consumers Act*, 2016, I want to review what this Bill would achieve, and why our government has introduced it.

[PAUSE]

Mr. Speaker, when the Premier asked me to become the Minister of Energy four months ago, my mandate was clear – to ensure that electricity was as affordable as can be for all Ontarians.

As Members of this House will know, I am formerly an Executive Director with the United Way in Greater Sudbury. And as an elected representative from Ontario’s north, this mandate strikes particularly close to home for me.

I know the importance of electricity costs to peoples' everyday lives. And I know that, despite consistent economic growth since the global recession, many families both in the north and elsewhere haven't yet begun to feel Ontario's resurgence in their everyday lives.

The Wynne government recognizes these challenges. And we are committed to an affordable electricity supply. When I took on this portfolio, it was important to me that we act without delay to help Ontario families and businesses manage their bills.

Passing the proposed *Ontario Rebate for Electricity Consumers Act* is an important step in that undertaking.

Starting in just a couple of months, this Bill would provide significant, immediate, and permanent electricity rate relief to about five million eligible consumers across Ontario.

So let me recap what is proposed in this legislation.

If passed, the Act would take effect this coming January 1st. It would provide an eight per cent (8%) rebate for consumers eligible for the Regulated Price Plan, as set out by the Ontario Energy Board.

These consumers are about five million residences, farms and small businesses. This eight percent rebate — equivalent to Ontario’s share of the HST — would bring an average residential consumer a savings of about $130 annually.

Mr. Speaker, as you may recall from previous statements, the proposed legislation is just one part of a comprehensive package of reforms that would take effect on the same timeline.

The timeline we have proposed is ambitious, because we know that Ontarians are looking for this support.

That's why it's so important that this Bill be passed quickly. Our partners at local distribution companies in municipalities across the province need the time and clarity provided by the swift passage of this Bill, in order to ensure they can make the changes necessary to provide the rebate to their customers.

We are also introducing measures to help rural customers, businesses, and commercial and industrial electricity users.

For rural customers, our government will be updating the Rural or Remote Rate Protection program to increase the amount of available funding for approximately 330,000 eligible customers.

This proposed funding increase to RRRP and the eight percent rebate will result in electricity relief of approximately $45 per month for eligible RRRP customers, or $540 every year.

For businesses, we are proposing to lower the threshold for participating in the Industrial Conservation Initiative from 3 megawatts (MW) to 1 MW.

This program incentivizes businesses shifting their consumption away from peak hours, which provides two benefits.

First, it helps businesses reduce their own costs, increasing their flexibility and competitiveness.

And second, it also reduces electricity system costs as a whole, because shifting consumption helps defer the need for new-build peaking generation.

In addition to these programs, our government has committed that under the Climate Change Mitigation and Low-carbon Economy Act, all proceeds from Ontario's cap and trade program will be deposited into a new Greenhouse Gas Reduction Account.

In turn, every dollar from this account are to be transparently invested back into projects that reduce greenhouse gas pollution and help businesses save energy.

The Ministry of Energy is proposing to recycle proceeds to offset the impact of cap and trade on the largest industrial electricity consumers to keep rates affordable.

This means that under the proposed electricity price mitigation strategy, proceeds from the Greenhouse Gas Reduction Account will be recycled to industrial consumers, as our Government committed in the 2016 Budget.

[PAUSE]

Now, Mr. Speaker, I want to review why we believe this legislation is the right approach.

The Ontario government is committed to an electricity supply that is clean, modern, reliable and affordable.

But that’s not the system we inherited when we came into office.

Back then, our electricity system was faced with shortages, a dependence on coal and aging infrastructure.

Over the last decade we've rebuilt our transmission and distribution grid, and we've closed the last dirty coal-fired power plant.

And I'm especially proud that we've been replacing coal with clean sources of electricity.

Our province has been investing in a system that reduces greenhouse gas emissions and provides cleaner air for this and future generations of Ontarians.

Today, Ontario has over 18,000 MW of wind, solar, bioenergy and hydroelectric energy contracted or online.

Our significant investments in renewable energy have helped us to fulfill our commitment to replace coal-fired generation with cleaner sources of energy. This not only benefits our environment but also the health of Ontarians.

Each of our supply mix elements, including hydroelectric, nuclear, natural gas, wind, solar, bioenergy, conservation and clean imports, plays a unique role in delivering a reliable and cost-effective source of energy to Ontarians.

The diversity of the current supply mix also insulates Ontario against sudden changes in cost or availability of any one source, and is one of the greatest strengths of Ontario’s electricity system.

What’s more, our investments in rebuilding aging transmission infrastructure and transitioning off coal-fired generation mean we’re already well on our way with an electricity system for the future.

As a result of these investments, we’re not expecting to see the kind of energy cost increases that will face coal-dependent provinces and US states as they transition to cleaner forms of electricity generation.

Instead we can look to the future with confidence, backed by a power grid that is already clean, modern, and reliable.

However, we know that these significant investments have put cost pressures on some families.

That's why this government has used a variety of public policy levers to mitigate rate pressure for consumers.

For example, we worked to reduce system costs, saving money for all ratepayers. These actions include:

- Renegotiating the Green Energy Investment Agreement to reduce contract costs by $3.7 billion

- Deferring the construction of new nuclear, avoiding an estimated $15 billion in new construction costs, and approving OPG's plans to seek regulatory approval to extend the life of the Pickering generation station

- Consistently reducing Feed-In-Tariff (FIT) and microFIT prices through annual price reviews, saving ratepayers at least $1.9 billion

- And suspending the second round of the Large Renewable Procurement process and the Energy-from-Waste Standard Offer Program, for a savings of up to $3.8 billion in costs relative to Ontario’s 2013 Long-Term Energy Plan forecast.

In addition, we’ve introduced targeted measures to Ontario’s many different customers: urban, rural, business, industrial, north and south.

We removed the Debt Retirement Charge from residential electricity bills, saving the average homeowner around $65 per year.

For low-income Ontarians, the Ontario Energy Board introduced the Ontario Electricity Support Program (or “OESP”), which offers monthly credits from $30-$50. Customers with unique electricity needs, such as medical devices, can be eligible for an even higher level of assistance.

More than 135,000 people have already signed up for OESP since the program was launched in January.

The Ontario Energy and Property Tax Credit and Northern Ontario Energy Credit also serve low-income Ontarians.

And these are on top of the Low-Income Energy Assistance Program, or “LEAP”, which was introduced in 2011. LEAP includes emergency financial assistance, special provisions and energy conservation programs to help customers in financial difficulty.

[PAUSE]

As for the commercial sector, Ontario needs its businesses and industries to succeed, grow and create good jobs.

That's why we've been helping them manage electricity costs with the saveONenergy for Business electricity conservation program, the Five-Point Small Business Energy Savings Plan, the Industrial Accelerator Program, demand response auction, and the Northern Industrial Electricity Rate Program.

And, of course, there is also the ICI. The expansion of ICI that we're proposing would empower eligible businesses to reduce their bills by up to one third.

[PAUSE]

We've spent more than a decade building a clean, reliable and safe electricity system. As the government approaches a balanced budget next year, we believe the first beneficiaries should be Ontario families.

The Legislation we are proposing would help families, farms and small businesses across the province. The other elements of our plan would provide rural ratepayers and Ontario's businesses with additional relief.

Taken together, this is a comprehensive package that would help ensure electricity is affordable for homes, farms and businesses across Ontario.

I am pleased to be debating this legislation for third reading, and look forward to its speedy passage, to ensure that Ontarians can begin taking advantage of the electricity savings provided for in this Act.

Thank you.