Green Ontario Fund – Media Q and As

Key Messages

- The Green Ontario Fund is a one-stop shop that will help people across Ontario save money and fight climate change by taking advantage of programs and rebates to reduce energy costs in homes or businesses.
- The Green Ontario Fund provides rebates and offers through proceeds from Ontario's carbon market to help homeowners and businesses cut back energy costs while helping fight climate change.
- The agency is tasked with reducing greenhouse gas pollution from energy use in buildings to help meet Ontario's emission reduction targets – targets that will require a transformation in the low-carbon technology market for buildings.
- To achieve market transformation, the agency will work to reduce barriers to deploying and financing low-carbon technologies while working to meet the needs of low-income and marginalized communities.
- No matter where you live or work in Ontario, fighting climate change can be as easy as changing a light bulb, switching your thermostat or making other home improvements that cut your energy bills.
- The new agency will complement Ontario's suite of existing conservation and energy efficiency programs, offering consumers greater choice and convenient access to all programs.
- Visit GreenON.ca to find out how small – or big – changes in your home can help save money while reducing greenhouse gas pollution.

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General

1. What is the Green Ontario Fund?

The Green Ontario Fund is a non-profit provincial agency funded through proceeds from Ontario's carbon market.

The agency provides programs and rebates to help homeowners and businesses cut back energy costs and fight climate change.

The agency is working to reduce barriers to deploying and financing low-carbon technologies while working to meet the needs of low-income and marginalized individuals and communities.

2. **Why does Ontario need a government agency to do this job?**

Without a single coordinating agency, it can be difficult for consumers to find information about existing and new programs to help them reduce their energy use and greenhouse gas emissions.

The Green Ontario Fund will ensure a more coordinated and efficient approach to deploying low-carbon technologies to Ontario households, businesses and industry. It will complement Ontario's suite of existing conservation and energy efficiency programs, offering consumers greater choice and convenient access to all programs.

Government support to help boost the deployment of low-carbon technologies will help improve the economies of scale and supply chain challenges facing the industry. Over time, the agency will also help ensure the availability of low-cost, long-term financing to help Ontarians undertake deep energy retrofits with little to no money down.

3. **How will the Green Ontario Fund impact Ontario's economy and environment?**

The Green Ontario Fund's activities are expected to strengthen the environment and economy by:

- Stimulating innovation: Establishing an entity that will be funded long-term through the province's carbon market to increase the use of low-carbon technologies will send a strong signal that demand for such technologies will be sustained over the long-term in the province. The agency will also pro-actively identify and overcome key barriers to the rapid deployment of low carbon technologies.
- Creating jobs: Successful deployment of technologies requires auditors, suppliers and well-trained installers. From 2012-15, Connecticut's Green Bank reports that it created 1,700 direct jobs and 3,000 indirect jobs.
- Providing companies with a competitive advantage: By supporting the deployment of low-carbon technologies and construction of low-carbon buildings, the Green Ontario Fund will encourage the growth of expertise, workforce and supply chains. This will give Ontario a competitive advantage with respect to products and services needed for the global transition to a low-carbon economy.

The organization will help consumers and businesses identify low-carbon technologies to manage energy costs and reduce greenhouse gas emissions, and make it more affordable to adopt them.

4. **What is the Green Ontario Fund's budget?**

The Green Ontario Fund is funded by proceeds from Ontario's carbon market which by law must be directed to initiatives that reduce or support the reduction of greenhouse gases.

This year, the province is investing $377 million from the carbon market in the Green Ontario Fund.

5. **Where does the funding come from?**

The Green Ontario Fund is funded by proceeds from Ontario's carbon market which by law must be directed to initiatives that reduce or support the reduction of greenhouse gases.

Ontario's cap and trade program is a market-based system that sets a hard cap on greenhouse gas emissions while giving flexibility to businesses and industry in terms of how they meet their caps.

By putting a price on carbon, the cap and trade program encourages companies and consumers to make choices that are better for the environment. It also gives polluters an incentive to cut emissions – if you pollute less, you pay less.

6. **Why does the agency focus mostly on buildings?**

Emissions from energy use in buildings contribute almost a quarter of the greenhouse gas pollution that causes climate change in Ontario – it is the third largest source of emissions in Ontario Giving Ontarians more incentives and tools to make the right energy choice for their homes and businesses is one of the main goals in Ontario's Climate Change Action Plan.

The agency is also focused on reducing emissions from industrial processes. Emissions from industry are the second largest source of emissions in Ontario next to transportation. New programs to help industry cut emissions will be introduced in the coming months.

For more details about climate change in Ontario, please visit Ontario.ca/climatechange.

7. **How many staff will work at the agency?**

The board of directors is currently determining the resources required to effectively and efficiently deliver the agency's mandate.

8. **Isn't this agency doing the same work as the Independent Electricity System Operator (IESO)?**

IESO's conservation efforts are focused on reducing electricity use and promoting coordination between electricity and natural gas conservation programs. ~~, while~~ T~~t~~he Green Ontario Fund's mandate is to invest carbon market proceeds to deploy technologies that reduce greenhouse gas emissions from buildings and the production of goods.

IESO and the Green Ontario Fund are working together to ensure that new programs complement and build on existing programs, and to provide consumers with one-window access to these programs and others.

9. **Do other jurisdictions use this type of agency?**

Similar models have been used in jurisdictions around the world, including in the United Kingdom and states like New York, Vermont and Connecticut.

For example, between 2000 and 2014, Efficiency Vermont, the first statewide energy efficiency service provider in the United States, helped customers save $1.6 billion on electric, heating, and water costs over the lifetime of the installed efficiency measures.

The Green Bank in Connecticut was designed to shift the state's clean energy market from government-based incentives to private-sector financing. Initially, the entity invested 80 per cent of resources on grant, rebates and subsidies to build a clean energy market in the state. Later, the Green Bank transformed into a new entity that invests over 80 per cent of its resources in loans, leases and credit enhancements to attract private capital investment to grow the clean energy market.

13. Will the Green Ontario Fund have the expertise to address the unique challenges of Indigenous communities?

The Green Ontario Fund will ~~consult~~ engage with Indigenous communities as it develops its business plan and programming to ensure their unique challenges are being addressed.

Ontario also continues to seek representation from Indigenous ~~stakeholders~~ communities on the agency's board of directors.

14. Who did you consult in creating this new agency? Do environmental organizations, municipalities, Indigenous communities and others support this new entity?

From October 12-14, 2016, the Ministry held targeted consultations on the Green Ontario Fund's potential functions and objectives. Consultations were held with technology firms, utilities, governments, builders, building owners, large and medium sized emitters, lenders, experts, suppliers, distributors, and installers of targeted technologies, and professional organizations.

Ontario subsequently posted the draft regulation to establish Green Ontario Fund on the environmental and regulatory registries for a 46-day consultation period, and received 40 submissions. In general, respondents were supportive of the agency's establishment and objectives.

Green Ontario Fund Programs - General

15. What programs are you offering for homeowners and businesses right now?

The Green Ontario Fund is a one-stop shop for programs and rebates to help homeowners and businesses across the province cut back energy costs while reducing greenhouse gas emissions.

Current programs include:

- A new no-charge installation service that provides homeowners with a complimentary smart thermostat and home energy review that will suggest other personalized energy-saving measures and incentives.
- OExisting offers and rebates are also available through successful energy-saving initiatives from partners such as Save on Energy and local electricity distributors, Enbridge Gas Disribution, and Union Gas ~~or other local utilities~~, including for example the Ontario Home Energy Conservation Incentive Program, Save on Energy New Home Construction Program and Union Gas' Home Weatherization Program.

16. This year, the province is investing $377 million from the carbon market in the Green Ontario Fund. However, it seems like you are offering mainly existing programs and just one program for smart thermostats. Where are the other new programs that can help homes and businesses save on energy costs and reduce greenhouse gas emissions?

The Green Ontario Fund will soon be announcing a range of additional programs for residents, businesses and industry. Check GreenON.ca regularly for updates.

17. How do home energy upgrades help fight climate change?

Buildings, including homes, condos, apartment buildings, office buildings and factories, make up a quarter of Ontario's greenhouse gas emissions. When combined together, home energy upgrades can make a big difference in terms of reducing greenhouse gas emissions.

For example, Ontario's two largest natural gas utilities have been delivering natural gas conservation programs for over 20 years. Since the programs started to the end ofIn 2014, their residential energy efficiency programs ~~in Ontario~~ reduced 500,000 tonnes of greenhouse gas emissions - which is equivalent to taking more than 100,000 cars off the road for a year.

Home energy efficiency retrofits also save consumers money on their energy bills. Historically, every dollar invested in natural gas efficiency has resulted in up to $4 in savings for natural gas consumers. The home energy audit and retrofit programs delivered by the natural gas utilities, have been expanded to become province-wide multi-fuels programs, including homes heated with oil, propane, wood and electricity. Homeowners who heat their homes with electricity, for example, can now participate through funding from Save on Energyin ~~Save on Energy programs, offered through their local hydro companies to achieve electricity savings~~.

18. Will there be any programs that will help address the unique challenges faced by Indigenous and northern communities in Ontario?

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Yes. The Green Ontario Fund will offer programs, including a wood stove exchange program, to support Indigenous and remote communities in shifting to cleaner energy choices.

16. **How will the Green Ontario Fund be measuring whether its programs are performing well and providing best value for money?**

    The Green Ontario Fund will be collecting data, tracking greenhouse gas emission reductions and uptake, and analyzing performance measures to assess whether the programs are performing well and to ensure continual improvements.

17. **Did the province conduct any research or reports to inform their decisions around programs for the Green Ontario Fund? If so, can these reports be made public?**

    The province secured the services of two independent firms for advice that informed the design of programs and operational requirements for the first year of agency operations. These reports will not be posted publicly.

GreenON Installations Program

19. **How does this program work?**

    Eligible homeowners and renters with landlord's permission will be able to sign up for a visit from a trained Green Ontario Fund technician to install, free of charge, complimentary smart thermostats and show them how to use it.

    Based on information collected from the homeowner, the home's energy systems are analyzed by a team of specialists who offer a personalized follow-up on other available incentive programs to help reduce energy costs.

    Green Ontario Fund trained technicians may or may not have certification from Natural Resources Canada, which is required to conduct more comprehensive audits and to be eligible for incentives through programs like the Ontario Home Energy Conservation Incentive Program.

20. **When will the GreenON Installations program service be available?**

    Homeowners in select areas can sign up for the concierge service on August xx. Green Ontario Fund technicians will begin visiting homes to install thermostats in fall 2017.

21. **Are all homeowners eligible to participate in the GreenON Installations program?**

If you are a homeowner or renter living in single-detached, semi-detached, townhome or row house you are eligible to take part in the program. If you rent a single-detached, semi-detached, town or row home, you must get approval from your landlord before taking part in the program.

Residents living in multi-residential buildings are not eligible to take part in the GreenON Installations program but can access other energy saving programs.

22. Why is the Green Ontario Fund offering smart thermostats?

Smart thermostats can help residents both reduce their carbon footprint and save up to 15% on their energy bill. They are connected to the Internet and allow residents to adjust the settings remotely from a smartphone. Smart thermostats can also learn a resident's schedule and temperature preferences and automatically adjust the temperature to save money and energy.

In addition, smart thermostats help educate individuals on their energy usage, and are an important first step to creating smart, low carbon homes. The customized report that GreenON will offer in addition to the smart thermostat will provide further options to enable people to save more money and further reduce their carbon footprint.

23. How many smart thermostats are you giving away?

The Green Ontario Fund is initially targeting to install 30,000 smart thermostats, beginning in September 2017 in select regions across the province. Then another 70,000 thermostat installations in 2018.

24. How much will this program cost the government and taxpayers?

This program is being funded by proceeds from Ontario's carbon market. Costs will depend on participation rates in the program and responses to procurement competitions for delivery.

25. Why are you giving away free stuff?

These investments will be paid for by the proceeds from Ontario's carbon market, which must by law be spent on initiatives that reduce greenhouse gas emissions.

The program is a first step program to get people engaged with reducing greenhouse gas pollution and saving energy. The home energy review will help people understand their options and encourage them to take action to reduce their carbon footprint.

Thermostats require careful disposal. This program ensures all thermostats, including those containing mercury, are carefully disposed of.

This program is low-barrier and easy-to-access for people with accessibility needs and the elderly.

26. Will the program reduce enough greenhouse gas emissions to justify its cost?

The program is estimated to reduce 26,000 tonnes of CO2e and is a gateway to homeowners understanding the potential for further reductions. Any further reductions from deeper retrofits as a result of the program will be verified against a control group.

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ENERGY Comment:

– the initial home energy report will have suggested upgrades, will GreenON/IESO have a follow-up procedure to verify who has undertaken these?

27. How do you know this technology actually works?

Smart thermostats are devices that can control a home's heating and/or air conditioning. They are connected to the Internet and allow residents to adjust the settings remotely from a smartphone. Smart thermostats can also learn a resident's schedule (when they are home and away) and temperature preferences and automatically adjust the temperature, ensuring both energy savings and comfort. This technology is currently being used by similar programs in U.S. jurisdictions, including Energy Star in Washington DC.

Who will perform the installations and home ~~audits~~energy reviews?

Installations and home ~~audits~~ energy reviews will be performed by trained representatives from the Green Ontario Fund.

28. How many greenhouse gas emissions will the average homeowner ~~save~~ reduce through this program?

The installation of a smart thermostat contributes to ~~approximate~~ greenhouse gas emissions reductions of about 260 kilograms ~~of greenhouse gas emissions~~ per household. Emissions reductions will depend on a household's heating source.

29. How much money will this program save the average homeowner?

The installation of smart thermostat can contribute~~s~~ to approximate cost savings of $75 per year.

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30. Isn't the home energy audit a duplication of an existing program?

There is currently no energy efficiency program that provides a directly installed smart thermostat at the customer's premise and review of a home's ~~building energy~~ system to determine the potential for greenhouse gas emissions reduction.

31. What action will you take if not enough people take advantage of this program?

The Green Ontario Fund will monitor the progress of program implementation and will determine what actions, if any, may be required.

<u>Other Programs</u>

32. What other programs are available now through the Green Ontario Fund?

Homeowners and businesses can access a wide range of existing programs and rebates offered through Save ~~o~~On Energyand local electricity distributors, Enbridge Gas Distribution, Union Gas and municipalities. Examples include~~other local utility companies, including~~ the Ontario Home Energy Conservation Incentive Program, Save on Energy New Home Construction Program and Union Gas' Home Weatherization Program.

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The home energy ~~system review~~audit will help determine the most efficient and effective ways homeowners can save money and reduce greenhouse gas emissions.

The Green Ontario Fund is also working on a range of additional programs. Check back regularly for updates.

33. Don't Green Ontario Fund and Save On Energy offer the same programs?

Save on Energy is focused on reducing electricity use and encouraging coordination between electricity and natural gas conservation programs, while the Green Ontario Fund is focused on GHG savings from various fuel types.

The Green Ontario Fund is working to ensure that its programs complement existing programs and provide~~s~~ more options to consumers.

34. What programs do you have available for renters?

The GreenON Installations program will be available to renters of semi-detached, detached, town or row homes who have approval from their landlord.

35. How will your programs help condo owners?

This program is not for condo owners. Condo owners will be eligible for other residential programs to be announced in the coming weeks. Please check the website regularly for updates, and check out the “Tips and Tools” section of GreenON.ca.

Board of Directors and CEO

36. How will the Board be recruiting for a permanent CEO?

In order to ensure Green Ontario Fund is able to attract the necessary skills and expertise to deliver high quality public services, the Board is working with an executive search-firm to assist with the recruitment process for a long-term CEO. The position will be publicly advertised, including posting in public job search forums.

37. How long will the recruitment process take?

The posting will be advertised starting the week of August 14, 2017 for six weeks, during which time the board will be accepting applications. The board expects to have the hiring process complete for the permanent CEO later this fall.

38. How much money are you paying your CEO?

Remuneration for the CEO must align with the standards set out in the rules for executive compensation.

Remuneration will also be set at a level that ensures the entity is able to attract the necessary skills and expertise to deliver high quality public services.

The new board of directors will be responsible for recruitment of the agency’s CEO.

39. How many people are on the board of directors?

There are eight people on the board, including the Chair, Parminder Sandhu. Biographies for all of the board members can be found at GreenON.ca.

40. How much are you paying the board of directors?

Remuneration rates for board members are $500 per diem for the Chair, $250 per diem for the vice-chair and $200 per diem for all other board members.

41. Why are you paying them so much money?

Remuneration rates for the CEO and board members are consistent with the rates used by a similar government agency, specifically the Ontario Financing Authority, and set at a level that ensures the entity is able to attract the necessary skills and expertise to deliver high quality public services.

42. How much of the cap and trade proceeds are going to programs for homeowners and businesses and how much is going to pay salaries of executives?

At least 90 per cent of the funds maintained by the Green Ontario Fund will be used for programming. The remaining 10 per cent are reserved for agency operations, which include remuneration for board members, salaries for the CEO and any other staff hired, among other expenses such as office space for the agency.

43. How was the Board of Directors selected?

Appointments are made by the Lieutenant Governor in Council and follow the Public Appointments Secretariat process.

All positions for the Green Ontario Fund Board of Directors, including Chair and Vice-Chair, were advertised on the Public Appointments Secretariat website. The province also notified interested parties through an advertisement on LinkedIN, and in its e-mail to stakeholders regarding the filing of Ontario Regulation 46/17 (Ontario Climate Change Solutions Deployment Corporation).

A panel involving senior policy and program executives from MOECC and the Ministry of Economic Development and Growth interviewed a short listed group of applicants.

Candidates were assess on the applicability and depth of their experiences, particularly relevant were the prioritized skills outlined in Ontario Regulation 46/17.

44. Who is the Chair of the Green Ontario Fund's Board of Directors? Why was he selected?

Parminder Sandhu is the Chair of the Green Ontario Fund's Board of Directors. Mr. Sandhu's broad experiences with consumer-focused energy efficiency programming, leadership in running organizations, general relatability to the clients of Green Ontario Fund and over 20 years' experience in the energy efficiency marketplace, made Mr. Sandhu the top candidate for the position of Chair.

45. Does the board of directors include representatives from Indigenous communities?

Ontario continues to seek representation from Indigenous ~~stakeholders~~ communities on the agency's board of directors.

Green Investment Fund Programs

46. How many emissions were you able to save through the Green Investment Fund retrofit programs?

Ontario invested $100 million province-wide to help more than 37,000 homeowners identify energy-saving opportunities and then complete retrofits. This will help homeowners reduce costs and approximately 1.6 million tonnes of cumulative greenhouse gas emissions in Ontario.

Ontario has also committed $92 million from its carbon market to support retrofits for more than 19,000 units in social housing homes and high-rise apartment buildings across Ontario.

We will use the energy audits and follow-up energy use data to help measure the real impacts of the retrofits, and ~~are~~ calculate greenhouse gas reductions.

47. How much money were homeowners able to save through recent retrofit programs funded by the cap and trade

Ontario invested $100 million province-wide to help approximately 37,000 homeowners identify energy-saving opportunities through a home energy audit and complete retrofits.

- Some of the retrofits include replacing furnaces and upgrading insulation for homeowners who use natural gas, oil, propane or wood for primary heating. This program was expanded in May 2017 to include electricity measures through the IESO's Whole Home pilot program.
- Energy retrofits are saving natural gas consumers $1.50 to $4 for every dollar invested.

Ontario has also committed $92 million from its carbon market to support retrofits for more than 19,000 units in social housing homes and high-rise apartment buildings across Ontario.

Two low-to-middle income townhouse complexes in North Bay received social housing retrofits as a result of this program and reported an estimated savings for 90 families of about $700 per year on their electricity bills.

IESO ~~Directive~~Amending Direction

48. What is the Minister of Energy's IESO August amending directionve to the IESO about? What is IESO's relationship with the Green Ontario Fund?

The direction provides general ~~authorization~~ authority for the Independent Electricity System Operator to work with the Ministry of the Environment and Climate Change and the Green Ontario Fund to help develop, design and deliver a range of potential Green Ontario Fund program types focused on reducing greenhouse gas emissions from Ontario residents and businesses.

The IESO (former Ontario Power Authority) has been delivering conservation programs in the province since 2005. Leveraging IESO expertise and resources in Green Ontario Fund program delivery is promoting efficiencies and a coordinated, one-window approach for customers.

We will announce details on specific programs in the coming months.

General Climate Change

49. Why should I take action against Climate Change?

Taking action now to reduce greenhouse gas (GHG) emissions will mean cleaner air, less time spent in traffic, more comfortable homes and offices, and more convenient, livable cities.

Cap and Trade

50. What is cap and trade?

Ontario's cap and trade program is a market-based system that sets a hard cap on greenhouse gas emissions while giving flexibility to businesses in terms of how they meet their compliance obligations — it is the right solution for Ontario's fight against climate change.

A cap and trade program reduces the amount of greenhouse gas pollution going into our atmosphere by setting a limit, or cap, on the amount of greenhouse gases that can be released.

The cap drops each year to lower emissions.

Supplementary information

Large emitters must have enough permits (technically known as allowances) and credits to cover their emissions. If they do not, they can purchase additional permits. To that end, the system creates a market for pollution permits and credits.

Companies that emit more than they have can buy them through government auctions or from another person who has surplus allowances. This ensures the overall cap is maintained. Emitters have an incentive to find new ways to reduce greenhouse gas pollution whether they are buying or selling permits.

The system rewards innovative companies, provides more certainty for industries, and creates more opportunities for investment.

To fight climate change, Ontario is investing proceeds from its carbon market into programs that help households and businesses reduce greenhouse gas emissions and save money on energy costs, including home retrofits that let homeowners save money and conserve energy and incentives towards the purchase of an electric vehicle.

51. Why did Ontario choose cap and trade instead of a carbon tax?

Expert economic modelling confirms that a linked cap and trade program — in partnership with Québec and California — is the lowest-cost option for Ontario to achieve its reduction targets.

Cap and trade also strengthens the economy, promotes competition and spurs innovation.

52. How does cap and trade guarantee reductions?

Cap and trade guarantees reductions to pollution by setting a limit, or cap, on the volume of GHG that can be released. The cap drops each year. Emitters must either reduce their emissions or buy allowances from a carbon market.

This gives Ontario's businesses choice, and promotes innovation. And it achieves GHG emission reductions at the lowest price.

53. Will Ontario consumers face increased electricity costs as a result of cap and trade?

Households will not see increases in their electricity rates as a result of cap and trade. The electricity we consume every day is already largely carbon-free thanks in part to early action to close coal-fired power generation plants.

The elimination of coal-fired generation represents a 30 Mt reduction in greenhouse gas emissions since 2003. Ontario's electricity sector is now over 90% emissions free. As a result of these efforts, Ontario's electricity system is in a strong position as we move forward with implementing the province's cap and trade program.

54. What are you doing to help Ontarians recovering from the recession pay their high electricity bills?

Over the last decade, the government has rebuilt our transmission and distribution grid, invested in clean generation, and closed the last coal-fired power plant. Prices have increased because our electricity system is being transformed – more than $50 billion has been invested to modernize the system.

We have heard from Ontarians across the province that the costs of these new investments have grown too quickly, which is why we are moving forward with a plan that will ensure costs are shared more evenly over the years ahead.

Starting this summer, Ontario's Fair Hydro Plan will reduce electricity bills by 25 per cent on average for eligible households. As many as half a million small businesses and farms will also benefit. Income-qualified Ontarians and those living in eligible rural, remote or on-reserve First Nation communities would receive even greater reductions to their electricity bills, as much as 40 to 50 per cent.

As part of this plan, rate increases over four years would be held to the rate of inflation for residential customers and eligible farm and small business consumers. These measures also include the eight-per-cent rebate on electricity bills equal to the provincial portion of the Harmonized Sales Tax, effective January 1, 2017.

Taken together, these changes will deliver the largest reduction to electricity rates in Ontario's history.

Ontario's Fair Hydro Plan proposes:

- Refinancing the Global Adjustment (GA) over a longer time period for Regulated Price Plan (RPP) eligible consumers, including families, small businesses and farms. GA refinancing would reduce electricity bills by 25 per cent on average starting this summer, and increases would be held to the rate of inflation for the four years.

- Expanding the Industrial Conservation Initiative (ICI), which allows large consumers to reduce their electricity bills by up to one third by shifting their demand away from peak hours. The expansion allows manufacturers with an average monthly peak demand between 500 kW and 1 MW to participate, in addition to the consumers over 1 MW that are already eligible.

- Helping vulnerable electricity consumers by enhancing electricity support programs including:

  - Broadening the Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief for the customers of the local distribution companies (LDCs) with the highest delivery charges. We currently support approximately 350,000 Ontarians living in rural or remote areas through RRRP. The enhancement would extend relief to approximately 800,000 households in total.

  - Expanding the Ontario Electricity Support Program (OESP), which provides relief directly on the bills of income-qualified consumers who have applied and meet the eligibility criteria. The expansion would increase OESP credits by 50 per cent and allow more Ontarians to benefit from the program.

  - Establishing a new Affordability Fund that will be accessible to LDCs for customers who do not qualify for income-qualified conservation programs and who are unable to undertake energy efficiency improvements without financial ~~assistance~~support.

- Establishing a new On-Reserve First Nations Delivery Credit to eliminate delivery charges for all First Nations people living on reserve.

- Shifting cost recovery for RRRP and OESP from electricity bills to provincial revenues, lowering regulatory charges paid by ratepayers. Consumers of all sizes would benefit from this change.

- Reducing system costs by improving sector efficiency and modernizing Ontario's electricity market, working in collaboration with the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).

55. How much more will fuel cost as a result of cap and trade?

The 2016 Budget estimated that cap and trade would increase the cost of gasoline by about 4.3 cents/litre in 2017 as compliance costs under cap and trade are passed through to consumers.

Fuel suppliers in the province are subject to Ontario's cap and trade legislation, and are required to have allowances) by the end of the first compliance period in 2020 to offset the greenhouse gas (GHG) emissions from the fuel they provide to the market starting January 1, 2017.

The timing and strategies used by fuel suppliers to comply with cap and trade will likely be influenced by competitive pressures. It is expected that wholesale suppliers will pass through carbon costs to their retail dealers, who will then pass it through to their retail customers. Given the volatility and regular fluctuations in transportation fuel prices, it may be difficult to estimate the precise impact of cap and trade at a given point in time.

The Ministry of Energy monitors gasoline and diesel supply and pricing on an ongoing basis, and makes this information publicly available in the Ontario Energy Report on the Ministry website.

56. How much more will natural gas cost as a result of cap and trade?

For natural gas, effective January 1, 2017, the Ontario Energy Board (OEB) approved interim cap and trade charges for the three utilities it regulates: Enbridge Gas Distribution, Union Gas and NRG. Annual carbon costs (excluding taxes) for residential consumers range from $74 to $80, depending on the utility. This is a monthly bill impact of $6.16-$6.67.

Carbon cost impacts for consumers includes related charges, such as the administrative costs to implement cap and trade and reflects the utilities' average residential customer consumption. The cap and trade charges were approved by the OEB on an interim basis. The amount of costs to be recovered and the final rate impacts will be determined in an OEB rate hearing early this year. The OEB plans to update cap and trade charges annually.

Ontario is investing proceeds from its carbon market into programs that help households and businesses reduce greenhouse gas emissions and save money on energy costs, including home retrofits that let homeowners save money and conserve energy or incentives towards the purchase of an electric vehicle.

Current natural gas conservation programs can help save households $7 to $11 per month.

57. Why doesn't the Province force the Ontario Energy Board to separately disclose the cost of cap and trade on natural gas bills as a single line item?

The OEB is an experienced public interest regulator and its decision is based on research and consideration of input from the natural gas utilities, consumer advocates and environmental groups.

The Government of Ontario relies on and has confidence in the OEB as a trusted and expert administrator of the regulatory system for natural gas.

The OEB will require utilities to keep their customers informed on cap and trade obligations by including periodic bill inserts and providing details on cap and trade charges on the utility's website.

Transparency of decision-making and improved awareness of actions is critical to the success of our climate change efforts. That is why the Minister of the Environment and Climate Change is now required by law to report annually on progress on measures under the Climate Change Action Plan. We also will be developing new tools for households and businesses to measure and calculate on their own their greenhouse gas (GHG) emissions and investment opportunities to ensure all Ontarians are better aware of the costs and benefits associated with GHG reductions.

58. Did consumers see an automatic hike in cost of living on January 1 when the cap and trade program took effect?

We've been very clear about costs associated with cap and trade.

The program came into effect in Ontario on January 1, 2017.

Based on the carbon price forecast of February 2016, the retail price of unblended gasoline is estimated to increase about 4.3 cents a litre (pre-tax) in 2017 as a result of the cap and trade program. Based on new information that was released by OEB in December 2016, natural gas is expected to see an estimated average monthly increase of $5.70-$6.70 in 2017.

It is important to note that recent trends in gasoline prices have decreased fuel costs. Ontario gasoline pump prices in 2016 were, on average, 28 cents per litre lower than they were in 2014.

The cost of not taking action on climate change is much higher. A CitiGroup report notes that, by 2060, failure to act on global warming will cost $44 trillion due to climate change impacts and that a lower carbon energy mix results in $1.8 trillion in savings by 2040.

59. What are you doing to help Ontarians with increased costs because of cap and trade?

We're investing cap and trade proceeds to fund retrofit programs to make Ontario one of the easiest and most affordable jurisdictions in North America for homeowners to lower their energy costs and save money on their energy bills by installing clean energy systems like solar, battery storage, advanced insulation and geothermal heat pumps

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Current natural gas conservation programs can help save households $7-11 per month. In addition, government programs are already helping Ontarians with the cost of their energy bill, including:

- The Ontario Energy and Property Tax Credit: saves qualifying individuals up to $1,008/year, and up to $1,148/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 saveONenergy Home Assistance Program: helps income-eligible consumers and tenants manage their energy use and costs by offering in-home energy assessments and installing energy-saving measures at no cost. Social and assisted housing providers also qualify for assistance in making their buildings more energy efficient.

- The Enbridge Home Winterproofing Program: helps eligible income-qualified Enbridge customers reduce their energy costs and make their home healthier, comfortable and energy efficient. Qualified customers can receive free energy efficiency upgrades, including: new insulation and draft proofing installed by experienced professionals.

- The Union Gas Home Weatherization Program: helps eligible income-qualified Union Gas customers lower their energy costs and make their homes healthier, comfortable and energy efficient. Qualified customers will receive an energy audit, at no cost to find out what improvements the home needs. Then, as needed, Union Gas will install insulation to the participants' basement, walls and attic. Customers may also receive a programmable thermostat, an energy efficient shower head and additional water savings products to lower heating and hot water costs.

- The Northern Ontario Energy Credit: helps low- to middle-income families and individuals living in Northern Ontario by providing tax credits - up to $146 for individuals, and $224 for a family (including single parents) for the 2015 benefit year.

60. How is the climate change action plan connected to cap and trade?

Ontario's cap and trade program and the Climate Change Action Plan form the backbone of Ontario's strategy to cut greenhouse gas pollution reduce greenhouse gas emissions in Ontario and help reach our 2020 targets of 15 per cent below 1990 levels.

Together they will also set Ontario on a path to achieving its 2030 and 2050 targets.

To fight climate change, Ontario is investing proceeds from its carbon market into programs that help households and businesses reduce greenhouse gas emissions and save money on energy costs, including home retrofits that let homeowners save money and conserve energy and incentives towards the purchase of an electric vehicle.

61. How will cap and trade achieve the greenhouse gas emission reductions required to meet the province's 2020 target?

Cap and trade imposes a hard limit on the amount of greenhouse gas pollution that can be emitted in Ontario and lowers that amount over time.

Ontario is setting the economy-wide cap for the covered sectors at 142 megatonnes in the first year of the program and will decline to 125 megatonnes by 2020.

Ontario has released an action plan which identifies specific measures to help businesses and households reduce emissions and associated costs.

Marketing/Advertising

62. Who was responsible for the new ad campaign promoting the Green Ontario Fund?

The Ontario government is supporting the communications and public education efforts of the Green Ontario Fund until the agency becomes fully operational this Fall.

63. How much did the campaign cost and how is it being funded?

The digital campaign had a modest budget of $2 million to direct people on social media and digital channels to available energy saving programs on the GreenON.ca website.

64. How much of the Green Ontario Fund Budget is allocated to campaigns like this?

Public education is an important part of the Green Ontario Fund mandate. Decisions on budget for public education and awareness programs will be made when the Green Ontario Fund becomes fully operational this Fall.