

Ministry of Energy

Ministère de l'Énergie

Office of the Minister

Bureau du ministre

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tel.: 416-327-6758
Fax: 416-327-6754

4^e étage, édifice Hearst
900, rue Bay
Toronto ON M7A 2E1
Tél. : 416 327-6758
Télec. : 416 327-6754



Sessional Paper No. P-156

Petition related to repealing the Green Energy Act 2009 (Sessional Paper No. P-156), Mr. McDonnell (Tabled September 18, 2013); Mr. McDonnell (Tabled September 23, 2013); Mr. McDonnell (Tabled September 30, 2013); Mr. McDonnell (Tabled October 8, 2013)

Our government has worked hard to modernize an electricity system that needed to be fixed, including bringing stability and transparency back to rates. We are also eliminating dirty coal-fired generation and replacing it with a mix of emission-free energy sources, including nuclear, hydro and renewables, along with lower-emission energy sources like natural gas.

Through the Green Energy Act, Ontario has established a new, clean economy and created a new generation of clean jobs, while protecting our environment. Ontario's Green Energy Act has attracted billions of dollars in private sector investments, generated 31,000 jobs, and significantly increased the amount of clean energy in our supply mix.

To facilitate investment in Ontario's electricity system, the Global Adjustment mechanism was introduced in 2005 to ensure that new generators had sufficient revenue certainty. Since that time, the Global Adjustment has been successful in delivering stable prices as well as ensuring that capacity is in place to deliver a reliable supply of energy.

The Global Adjustment reflects costs associated with contracted and regulated generation such as nuclear, natural gas, and renewables, as well as the cost of conservation programs. In 2012, non-hydro renewables accounted for about 14 per cent of Global Adjustment, including 4 per cent from the Feed-in Tariff program.

While Global Adjustment costs for consumers have increased in recent years, this has been accompanied by a decrease in the wholesale market price, known as the Hourly Ontario Energy Price (HOEP). The net effect is that the increase in the blended electricity price (i.e., HOEP plus Global Adjustment) has been limited.

We have been clear that there are costs associated with making the critical investments needed in order to maintain a clean, modern and reliable energy system. To help make electricity rates predictable, the Ontario Energy Board sets prices every six months so

Ontarians know what to expect. Current electricity prices are below the forecast in the province's 2010 Long-Term Energy Plan.

Ontario has programs in place to help residential and business consumers address the cost for their electricity. The Ontario Clean Energy Benefit (OCEB) is helping families, small businesses, and farms manage rising electricity prices. The OCEB provides a benefit equal to ten per cent of the total cost of electricity on eligible consumers' bills, including tax, limited to the first 3,000 kilowatt hours of electricity consumed each month until the end of 2015. Typical residential consumers will receive an average annual benefit of \$175.

Through the Ontario Trillium Benefit, we are also providing support for energy costs in the form of tax credits for qualifying families, individuals, and seniors. The Ontario Energy and Property Tax Credit helps low-to moderate-income families and seniors who own or rent a home with both their energy costs and property tax. This tax credit provides qualifying families and individuals, including seniors, up to \$214 in relief for the sales tax on energy.

The Northern Ontario Energy Credit is a permanent measure that provides assistance to qualifying 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. This tax credit provides \$139 per annum for qualifying individuals and \$214 per annum for qualifying families living in the North.


We also recognise that electricity costs are important to the economy which is why we have put in place programs that directly benefit energy intensive companies. For example:

- We also implemented the Industrial Conservation Initiative that rewards companies that reduce consumption during peak periods.
- Companies have the opportunity to participate in Demand Response programs administered by the OPA and receive payments for shifting or reducing demand at certain times.
- The Industrial Accelerator Program provides incentives to help fast-track investments in major energy efficiency and generation projects.

As of January 2013, industrial companies could also be eligible for electricity rates among the lowest in North America if they start or expand operations and create jobs through the recently announced Industrial Electricity Incentive program.

For all consumers, conserving electricity is the best and easiest way to reduce electricity bills, which is why we're continuing to provide families and businesses with tools and rebates to conserve energy and save money.

A formal review of Ontario's 2010 Long-Term Energy Plan is currently underway. As part of the review, we are carefully considering our energy supply mix to ensure it is clean, sustainable and cost-effective. It is anticipated that this Fall, we will release an updated plan, which will reflect Ontario's constantly evolving energy sector and the province's commitment to clean, reliable energy and conservation.



The Honourable Bob Chiarelli
Minister