

Sessional Paper No.P-8

- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP McDonell, September 13, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Fedeli, September 14, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Martow, September 15, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, September 15, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Fedeli, September 21, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Fedeli, September 22, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Miller (Parry Sound-Muskoka), September 26, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, September 27, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Miller (Parry Sound-Muskoka), September 28, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, September 28, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Miller (Parry Sound-Muskoka), September 29, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Miller (Parry Sound-Muskoka), October 04, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, October 05, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, October 06, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Hardeman, October 17, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP McDonell, October 17, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Thompson, October 18, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Yakubski, October 18, 2016)
- P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP

Hardeman, October 18, 2016)

P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Miller (Parry Sound-Muskoka), October 18, 2016)

P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Hardeman, October 20, 2016)

P-8 Petition relating to Global adjustment (Sessional Paper No. 8) (Tabled by MPP Scott, October 19, 2016)

Response

Our government continues to ensure a clean, reliable and affordable electricity system for all Ontarians.

Ontario has a diverse power supply mix. Its generation fleet continues to evolve, using cleaner forms of energy to safely and reliably meet the province's changing electricity needs.

Prices are increasing because our energy system is being transformed – we are making needed investments to modernize our electricity system.

We recognize that rebuilding and cleaning up Ontario's electricity system has come at a cost. Over the last decade we've rebuilt our transmission and distribution grid, we've invested in clean generation, and we've closed the last dirty coal-fired power plant. But we need to take the next step in ensuring that clean, reliable system is affordable.

Ontario's Latest Action

We understand the financial pressure that rising electricity prices are putting on Ontarians, and that is why the province is taking action to help manage electricity bills for families, farms, and businesses by introducing new measures that if passed, would provide a rebate of the provincial portion of the HST to reduce bills by 8 % (\$130 annually for a typical residential electricity consumer). This rebate would take effect January 1, 2017.

Ontario also recently announced that it will provide eligible rural ratepayers with additional relief, decreasing total electricity bills by an average of \$540 a year or \$45 each month (the 8 % rebate included). The province is also empowering additional large electricity consumers to reduce bills by up to one-third through a proposed expansion of the Industrial Conservation Initiative (ICI).

Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.

Existing Programs

Ontario also has several initiatives in place that are helping consumers to manage rising energy prices, including:

- The Ontario Electricity Support Program (OESP), which, provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.
- Eliminating the Debt Retirement Charge for residential customers On January 1, 2016. This will save a typical residential electricity ratepayer who consumes 750 kWh per month about \$65 per year. The DRC will be removed from Commercial and Industrial bills starting April 1, 2018.
- The Northern Ontario Energy Credit (NOEC), which continues to provide targeted 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.
- The Ontario Energy and Property Tax Credit (OEPTC), which provides low- to moderate-income individuals and families with relief on the sales tax they pay on energy and with their property taxes.

In addition, the Ontario Energy Board has also implemented a province-wide strategy through the Low-Income Energy Assistance Program (LEAP) that includes access to financial assistance, special rules and conservation programs to help qualifying low-income consumers in critical financial need.

Electricity Rates - Mitigation

In addition to the rebate, the government has also taken a number of actions to reduce electricity ratepayer costs, including:

- Renegotiating the Green Energy Investment Agreement, to reduce contract costs by \$3.7 billion;
- Reducing Feed-in Tariff (FIT) and microFIT prices for new solar projects since 2009 by 50-75%, and moving procurement of electricity from large renewable projects to a competitive Large Renewable Procurement (LRP) process.
- Deferring the construction of two new nuclear reactors at Darlington. This was in response to the supply and demand expectations of the 2013 Long-Term Energy Plan (LTEP), avoiding an estimated \$15 billion in new construction costs.
- Maximizing the value of our existing nuclear fleet by starting Bruce refurbishments in 2020, instead of 2016, thus helping to achieve \$1.7 billion in savings relative to the 2013 LTEP forecast and by continuing to operate

Pickering up to 2024, pending regulatory approvals, which could save ratepayers as much as \$600 million.

- Suspending the second round of the Large Renewable Procurement and the Energy from Waste Standard Offer Program. This is expected to save up to \$3.8 billion in electricity system costs and save the typical residential electricity consumer an average of approximately \$2.45 per month compared to the forecast in Ontario's 2013 LTEP.

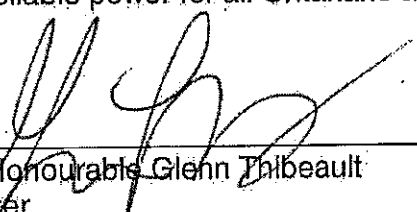
Cap and Trade

On June 8, 2016, Ontario released its Climate Change Action Plan (CCAP). Our CCAP supports people and businesses in shifting away from conventional fossil fuels by undertaking initiatives such as investing in clean technologies that help to reduce greenhouse gas (GHG) emissions.

The CCAP also indicated a desire to keep electricity rates affordable by using cap and trade auction proceeds to offset the cost of GHG emission reduction initiatives that are currently funded by electricity consumers through their bills.

When it comes to concerns regarding natural gas, natural gas will continue to play a critical role in the energy mix in Ontario. On May 25, 2016, Ministry of Environment and Climate Change (MOECC) announced \$100 million in CCAP funding over four years to support a new "renewable natural gas" (RNG) initiative. The province's investment will help reduce GHG emissions and help offset the cost to consumers of introducing RNG.

We know that there is more work to be done, and that we must continue to do all we can to bring costs down. We continue to listen to families and businesses in every part of our great province on how we can build on our plan for a system that delivers clean and reliable power for all Ontarians and to extend affordability across Ontario



The Honourable Glenn Thibeault
Minister