

Undertaking 132: CAC to table a note with regards to proposed changes to the Clean Energy Benefit and review the budget to ensure it is current.

Response:

Ontario Clean Energy Benefit Program after 2012 Update

Beginning September 1, 2012, the 10 per cent rebate will be applied to the first 3,000 kilowatt hours of electricity consumed per month. With the 3,000 kilowatt hour per month cap in place the Ontario Clean Energy Benefit will continue to provide a full 10 per cent rebate to almost all residential consumers, while allowing small businesses and farms to continue to receive the benefit on the first 3,000 kilowatt hours they use.

A typical family of four people uses, on average, 800 kilowatt hours per month and will continue to receive the full rebate of 10 per cent off their electricity bill.

Proposals Expected in 2014 Budget (May 2, 2014)

- CEB ends December 31, 2015. This rebate was \$15/mo (\$180/yr) at 800 kwh
- Debt Retirement Charge (DRC) will be removed from residential bills on January 1 2016. At a monthly consumption of 800kwh this will reduce bills by \$6.30/ mo or \$75.60/yr

The province is looking at ways to reduce electricity costs for low-income families when the clean energy benefit expires on Dec. 31, 2015.

Preliminary information is that families with an income of \$40,000 (average LICO) may be eligible to receive support of up to \$250/yr in a program that replaces the CEB. The OEB will make recommendations on the scope of the Program.

Energy Minister Bob Chiarelli said non-residential electricity users, including large industries, will still have to pay the DRC until 2018. The DRC was introduced in 1998 to help pay down the debt of Ontario Hydro, the former Crown corporation which was split into several companies.

Sources: Ministry of Finance Press Release and Media Reports

Ontario Budget 2014

Reducing Energy Costs for Low-Income Families

The government is committed to reducing electricity cost pressures on individuals and families, recognizing that Ontario's most vulnerable spend a proportionately higher percentage of disposable income on energy and electricity.

The Province provides tax credits to help low- to moderate-income families and individuals with their energy costs:

- Ontario Energy and Property Tax Credit — for 2014, up to \$973 in tax relief for non-seniors, or up to \$1,108 in tax relief for seniors, to help with the sales tax on energy, including electricity, and with property tax; and
- Northern Ontario Energy Credit — for 2014, up to \$141 for single people in the north, or up to \$216 for families in the north, to help with the higher energy costs they face.

The Province is also requiring the Ontario Energy Board to report back on electricity system options for a sustainable, long-term electricity support program specifically designed for low-income Ontario families.

The government is also proposing to remove the Debt Retirement Charge (DRC) cost from residential electricity users' electricity bills after December 31, 2015.¹

Conclusion

The Ontario Budget did not proceed to debate and the House is dissolved until after a Provincial Election on June 12, 2014.

¹ Government of Ontario, *Ontario Budget 2014*, May 2, 2014, Chapter 1 Section D, p. 177
http://www.fin.gov.on.ca/en/budget/ontariobudgets/2014/papers_all.pdf