


THRONE SPEECH EMPHASIZES ACTION ON ELECTRICITY COSTS

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 Government News Release

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The Ontario Legislative Assembly opened its Fall 2016 session today with Lieutenant Governor Elizabeth Dowdeswell delivering Premier Kathleen Wynne's government's second Throne Speech entitled "A Balanced Plan to Build Ontario Up for Everyone". This Speech from the Throne was focused on reducing electricity costs for Ontario residents and businesses. Municipal governments will find the following items of particular interest.

Energy

Electricity rates impact many, from bottom line operating costs to residents' standard of living and our overall economic competitiveness.

The speech noted that the move toward a cleaner and more reliable electricity system in Ontario had increased costs to residential and business energy consumers. While noting the government's previous moves to contain costs through some renegotiated green energy agreements, consumer programs and conservation incentives delivered through Local Distribution Companies, the speech announced their intent to move forward with additional support to reduce Ontarians' electricity costs.

- **HST Rebate:** The government will rebate the cost to consumers and small businesses of the eight per cent Harmonized Sales Tax (HST) on electricity bills to make them more affordable starting in January 2017.
- **Rural Electricity Costs:** In addition to the new HST rebate, the government will move to "significantly enhance" the existing rural support program so that rural electricity consumers can save up to 20 per cent on their existing costs for electricity.
- **Industrial Conservation Initiative:** For industrial users, the government will expand eligibility for the Industrial Conservation Initiative to help industrial electricity users shift their consumption to non-peak periods yielding savings of up to 34 per cent.

Further details will be forthcoming on these actions. In addition, we'll be investigating what opportunities might exist for municipal savings. While providing rate relief to some consumers, the structure of the hydro system remains unchanged.

Climate Change

The government's commitment to climate change and cap and trade policy was reaffirmed and that cap and trade revenues will be available next year for reinvestment in greenhouse gas (GHG) reduction projects and helping residents and businesses invest in technologies which reduce GHGs.

Infrastructure

The government's existing commitment to infrastructure in the Throne Speech was highlighted. The government will spend \$160 billion over 12 years in this area. It also reaffirmed that the government would work with the federal government to provide its Phase 2 infrastructure funding. We are awaiting the Phase 1 Clean Water, wastewater, and stormwater funding (CWWF) in Ontario. The Province is committed to facilitating access to the Ring of Fire.

Roads and Bridges:

It was said that 5,000 km of roads would be built or repaved and more than 750 bridges will be built, repaired or rebuilt - with almost half of these roads and 200 of these bridges being in Northern Ontario.

Transit:

The government also restated its commitment to invest in regional and local light rapid transit, noting that GO regional rail expansion will significantly increase trips while light rail systems in Waterloo, Hamilton, Ottawa, Toronto, and Mississauga will be established.

Child Care

The provincial government will provide funding and work with school boards and municipalities to expand community hubs. It will also increase child care spaces by an additional 100,000 across the province in the next five years to support parents.

Fiscal

The Province recommitted that the 2017/18 provincial budget will be a balanced budget. It will be important to see how new commitments of today's Throne Speech are reflected in its financial plan. Stay tuned for the Fall Economic Statement expected later this year as it is often accompanied by an Omnibus Bill that can have items of significance for municipal governments.

It is understood that all government bills on the order paper as of September 8th will be reintroduced. We will be monitoring what happens to a number of private members' bills of interest to the municipal sector and whether they are also reintroduced and debated. These include items on human trafficking, use of safety cameras, and land use planning.