

Ontario Cutting Residential Electricity Bills by X %

Wynne Government responding to concerns and takes decisive action to ensure fairness for electricity consumers

Comment [LH1]: Only applicable to residential, small business and farms (i.e., eligible for Regulated Price Plan).

NEWS

March XX, 2017

Ontario is lowering reducing electricity bills by X per cent on average for all typical residential consumers in the Pprovince and will hold future rate increases to at or below the rate of inflation for the next four years. Small businesses and farms will would also benefit from the initiative, with additional relief for people living in rural areas or on a low income, and low income ratepayeAny rRate increases over the next four years will be held to the rate of inflation for everyone rs. This plan builds upon rate mitigation initiatives announced in the 2016 Speech from the Throne and represents the single largest electricity rate relief plan in the Province's history.

In January, 2017 Ontario removed the provincial tax from bills, resulting in an 8 per cent decrease. However, this has not been enough. The government has heard from people that electricity bills remain a burden and more action to fix this problem is needed. In January, Ontario removed offset the provincial portion of HST tax from bills, resulting in an 8 per cent decrease before tax. However, this has not been enough. Greater relief is being proposed in response to concerns raised by consumers across the Ontario Greater relief and structural change is needed.

Comment [LH2]: 8% on the pre-tax subtotal, lower % on total bill.

As a result, Ontario is introducing the most significant electricity rate relief plan in the province's history. undertaking structural cThese changes to the electricity system t will make it fairer for consumers and provide substantial rate reductions today and ensure fairness and predictability for tomorrow. and certainty about costs going forward.

The province has heard that people do not understand why rates have gone up so much, why they have gone up so often and why their efforts to conserve haven't resulted in lower bills. In January, 2017 Ontario removed the provincial tax from bills, resulting in an 8 per cent decrease. However, this has not been enough.

As a result, Ontario is undertaking structural changes to the electricity system to make it fairer for consumers and provide substantial rate reductions and certainty about costs going forwa

Ontario's affordable hydro plan includes:

- **Refinancing Smoothing the Global Adjustment (GA):** Over the past decade, Ontario has invested more than \$35 50 billion in modernizing, rebuilding, and cleaning up our electricity system. The cost of many of of these investments generating assets has caused prices to rise in the short term, while these investments will benefit ratepayers for many decades to come through a continued clean and reliable supply of electricity. were originally spread out over a 10 to 15-20 year contract period, resulting in causing prices to rise rising sharply for current ratepayers. Recognizing that the electricity infrastructure that's been was built will last for many decades to come is likely to last beyond its contract period, the province is refinancing the GA lebal Adjustment, akin to renegotiating

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Comment [HS(4)]: The generation portion (\$35B) is funded out of GA, whereas transmission etc investments are not.

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a mortgage, and setting a longer term. This shares the cost burden more more fairly even and appropriately

- Changing how support programs are funded. Moving costs from the rate base to the tax base: Ontario provides always provide support to those in rural areas or on low incomes who are struggling with costs of electricity costs. Programs such as the Ontario Electricity Support Program (OESP) and Rural or Remote Rate Protection (RRRP) are in place to provide savings. Up until now, these programs were paid for by electricity rate payers alone. To ensure fairness and save people money, these programs will now be paid for through government funding.

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Comment [TG(5)]: This is probably not the most graceful wording, but I think "rate base" and "tax base" references beg for more explanation that we're not giving in this piece

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- Establishing a new Affordability Fund. The Fund will help electricity customers who do not qualify for low income conservation programs and are unable to make energy efficiency improvements to their homes without financial assistance. The Fund will assist eligible customers by supporting the installation of energy efficiency measures similar to the existing Home Assistance Program delivered by LDCs

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Ontario will also enhance support programs for rural and low income residents, providing more relief and ensuring rates stay consistent. This includes enabling automatic enrolment in an expanded OESP, subject to approval by the federal government.

Comment [BB(6)]: Hyperlink to backgrounder

Taken together, these changes will deliver the largest-ever single-rate cut reduction for Ontario consumers and overhaul the way represent the most significant restructuring of how Ontario families, farms and small businesses in this province are billed for the electricity they consume, and represents the largest single rate cut in Ontario's history.

Ontario's Rate Relief Plan includes:

- Refinancing the Global Adjustment (GA) over a longer term period for Regulated Price Plan (RPP) eligible consumers, including families, farms and small businesses.
- Helping vulnerable electricity consumers by enhancing electricity support and conservation programs and removing costs from electricity bills. Eligible consumers will receive additional funding through assistance programs including:
 - Establishing a new Affordability Fund which will support Ontarians who have difficulty paying their electricity bills to be able to access energy efficiency improvements.
 - Broadening Rural or Remote Rate Protection (RRRP) to provide distribution charge relief for the customers of the costliest local distribution companies (LDC's).
 - Expanding the Ontario Electricity Support Program (OESP) to ensure the program uptake is as close as possible to 100%.
 - Establishing a new On Reserve First Nations Delivery Rate.
- 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).

Comment [BR(7)]: Hyperlink to Ontario.ca/raterelief

Comment [LL(8)]: Will link to backgrounder

Comment [LL(9)]: Link to backgrounder

Comment [MB10]: Link to backgrounder

Comment [BB(11)]: Moved to quick facts

The refinancing of the Global Adjustment (GA) is a complex initiative that represents a significant restructuring of how Ontario families, farms and small businesses are billed for the electricity they consume.

Ontario has a robust electricity supply and is in a good position for market renewal. A revitalized energy market has the power to improve inefficiencies, increase transparency, provide opportunities for innovation and enhance competition to reduce system costs.

Reducing electricity costs is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

QUOTES

"We have heard from ratepayers across the province that we need to do more to help reduce costs. The government is committed to ensuring an affordable energy system for all Ontarians. These new measures will have a significant impact on your monthly bill and will help the most vulnerable."

— Glenn Thibeault, Minister of Energy

QUICK FACTS

- Ontario plans to improve sector efficiency and modernize the province's electricity market, working in collaboration with the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).
- Ontario is investing \$200 million in the Affordability Fund. The Fund will be accessible to LDCs for customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance.
- GA financing will be available applied to the electricity bills of families, farms and small businesses. Combined with other mitigation measures, it will save X% for the typical residential electricity consumer.
- Eligible customers with the highest-cost distribution rates have their costs harmonized at the lowest level among eligible distribution companies.
- On-reserve First Nations customers will receive a 100% credit of the delivery line on their monthly electricity bills. The expanded OESP will provide an additional \$180 to \$276 per year for households of eligible size and combined income.

Comment [BB(12)]: Will need to be updated to include costs.

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LEARN MORE

- Estimate how much you can save on your next bill
- Learn how Ontario is developing the next Long-Term Energy Plan.

Comment [LL(13)]: Link to Ontario.ca/raterelief

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ontario.ca/energy-news
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