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Premier's Electricity Op-Ed for Metroland

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Lowering Bills by 25%: A Hydro Plan That's Fair and Lasting

By Kathleen Wynne

On Thursday, I announced a plan that will lower every residential hydro bill by an average of 25 per cent starting this summer. No asterisks, no loop holes, no exceptions, and no increases above inflation for at least 4 years.

I don't have to tell you why this is necessary. I have been speaking with families across the province and everyone is in the same situation, struggling to understand why rates have gone up so much and so quickly, and asking how it is possible that they're paying more for delivery charges than for the power that's been used.

What I want to share is exactly how we're making the whole system fairer to deliver the biggest rate cut in Ontario history.

First, how did we get to this point? For a long time, Ontario enjoyed one of the best electricity systems in North America. But for decades, governments of all stripes stopped investing. By the turn of this century, those quick-fixes caught up with us. Brownouts, blackouts and dirty coal plants were a danger to our health, our environment and our economy.

So, we began to rebuild. We closed all of Ontario's coal plants, built new transmission lines and invested in renewable energy. Today we have a clean, reliable system that is going to benefit us for decades. But that came at a price. And the terms we set to finance these necessary renovations weren't fair.

In effect, we put the cost of a \$50 billion rebuild onto the hydro bills of just one generation. That was a mistake. It meant high bills because you were paying for the sins of the past *and* subsidizing future ratepayers who will benefit from these energy assets for years to come. So now, we're lowering bills by stretching those costs out over a timeframe that better reflects the lifespan of the assets we're paying for. That's the fairer way forward.

We have also been asking ratepayers to pay for things that should really be part of the province's budget. Our program to help low-income families afford hydro is one example.

But I want to highlight the Rural or Remote Rate Protection program. The RRRP helps subsidize the high cost of delivering electricity to 350,000 rural residential customers. We're taking the cost of the program off bills and enhancing it so that now about 800,000 homes will qualify for lower delivery charges.

Hydro is a necessity. But for many living outside of large urban centres, high delivery charges were leading to impossible choices between groceries, rent or electricity. That's not right. With this change, everyone in Ontario is going to be paying roughly the same in delivery charges. Again, it comes down to fairness.

Of course, these huge and lasting structural fixes come with a cost. We can afford to do this because of Ontario's strengthening economy, which is the fastest growing in Canada. After a decade of running deficits, the provincial budget will be balanced this year. Our recovery is on track, but it hasn't been evenly shared. Many families are not better off than they were before the recession. It is why I am determined to make sure growth in our economy means more opportunity and security for people right across Ontario. And I can think of no better way to use the province's newfound fiscal strength than by giving everyone the break they need on their hydro bills. It's the right thing to do for Ontario and the fair thing to do for your family.