

Fair Hydro Plan Event (Barrie)

Purpose

Premier, on Tuesday, March 14, you will be in Barrie to participate in a tour of J'adore Fine Cheese and Chocolate and deliver remarks during a Hydro Echo Announcement, and hold a media avail.

J'adore Fine Cheese and Chocolate carries fine cheeses from all over the world and handmade gourmet chocolates. This business is eligible for the 25% hydro reduction. In January, their bill was \$613.34 and in February, their bill was \$553.76 (with the 8% rebate already kicked in). They would have roughly saved \$150 in February and \$160 in January, but these are only approximate values. It also appears their bills have varied quite extensively month to month, so they will have a better idea of what savings will look like over the course of a year.

Relevant Policy Issues

Fair Hydro Plan

Starting this summer, Ontario's Fair Hydro Plan would provide households, as well as small businesses and farms, with this 25 per cent break. People with low incomes and those in eligible rural communities would benefit from even greater reductions to their electricity bills. As part of this initiative, rate increases over the next four years would be held to the rate of inflation.

These measures include the eight per cent rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

The plan expands and enhances the Rural or Remote Rate Protection Plan (RRRP) to provide distribution charge relief for Hydro One's Medium and Low Density Customers, and customers of the 7 other highest cost utilities (Algoma Power, Atikokan Hydro, Innpower, Chapleau PUC, Sioux Lookout, Parry Sound, Northern Ontario) benefitting 800,000 Ontarians. The plan also expands eligibility for the Ontario Electricity Support Program (OESP), while increasing the credits by 50%.

Key Messages

- Ontario is committed to keeping electricity in Ontario clean, reliable and affordable.
- We've been making important investments in a cleaner and more reliable energy system, but these investments have led to higher electricity bills.
- We have heard from Ontarians across the province that the costs of these new investments have grown too quickly, which is why we are moving forward with a plan that will ensure costs are shared more evenly.

- The new Rate Relief Plan will bring in more savings now through new initiatives that will cut costs directly on your energy bill.
- 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, small businesses and farms.
 - Helping vulnerable electricity consumers by enhancing electricity support programs and shifting costs off the electricity bill. Eligible consumers will receive additional funding through assistance programs including:
 - Establishing a new Affordability Fund which will support Ontarians who are not eligible for the Home Assistance Program and who have difficulty paying their electricity bills.
 - Broadening Rural or Remote Rate Protection (RRRP) to provide distribution charge relief for the customers of the local distribution companies (LDC's) with the highest distribution charges.
 - Expanding the Ontario Electricity Support Program (OESP) to increase participation and provide further assistance to eligible participants.
 - 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).
- If passed, proposed legislation would mean that starting in the summer of 2017, the average residential electricity bill would be 25% lower.
- We'll do this by changing the way electricity costs are recovered and moving funding for assistance programs off of hydro bills.
- This plan is the biggest rate reduction in Ontario's history. It recognizes that the decision to invest in a clean, modern and reliable was the right one – but that the costs of this decision should not be put on today's electricity bills alone.
- Last year, we offered Ontarians much needed relief by introducing a series of measures to help make life more affordable. This includes:
 - Introducing the Ontario Electricity Support Program
 - Introducing a rebate equal to the provincial portion of the HST to reduce bills by 8% pre-tax
 - Additional relief for eligible rural customers, and
 - Expanding the Industrial Conservation Initiative so more businesses can take advantage of it.

Business in the OFHP

Key Messages

- Ontario's Fair Hydro Plan is about delivering relief to ratepayers struggling with the cost of electricity, while making the system more fair to everyone.
- Nearly half a million small businesses (any business that is on Time Of Use rates) will receive the full benefit of the initiatives in the Fair Hydro Plan, reducing their bills by an average of 25%

- For larger companies, we expanded the ICI program in January to capture over a thousand new businesses, and under the Fair Hydro Plan we have expanded it to even more medium-sized manufacturing.
 - Participants in the ICI program who are able to shift their electricity consumption are able to save up to 1/3 on their electricity bill
- Part of the plan also involves taking social programs currently funded by ratepayers and shifting them to provincial funding instead.
 - All ratepayers – including businesses ineligible for the other programs – will benefit from this move
 - A typical medium-sized business will see moderate savings of about \$3/MWh on their electricity rates
- And meanwhile, our government continues to support a wide array of rebates and incentives through the saveONenergy program, helping businesses with upgrades and retrofits to save money

Ontario business climate

Key Messages

- We've worked hard to make sure Ontario's business climate is competitive
- In fact many 3rd party studies have found that Ontario is an affordable place to live and do business
- In KPMG's 2016 business cost rankings 3 out of the top 5 cities to do business were in Ontario
- And in Mercer's 2016 Cost of Living survey Ontario cities beat out many of their American counterparts when it came to affordability
- Even the Leader of the Opposition has acknowledged that our corporate income tax rates are competitive
 - In fact they're 13% lower than the average combined federal-state corporate income tax in the US
- In 2010 we eliminated capital taxes and have lead the country in foreign direct investment for several years
- Thanks to this competitive business climate were seeing jobs and economic growth right here in Ontario;
 - Ontario has created 697,600 new jobs since the recession
 - Our unemployment rate has dropped to 6.4% near its lowest level in 8 years
 - And in the first three quarters of 2016 Ontario led all G7 nations when it came to economic growth
- Ontario's economy is growing; we just need to make sure that everyone has the opportunity to benefit from that growth

Phil Donelson - 647-530-6642

