

Ontario Cutting Electricity Bills by X %

Government takes decisive action to ensure fairness for electricity consumers

NEWS

March XX, 2017

Ontario is lowering electricity bills by X per cent on average for all residential consumers in the province. Small businesses and farms will also benefit from the initiative, with additional relief for people living in rural areas or on a low income. Any rate increases over the next four years will be held to the rate of inflation for everyone.

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 the provincial tax from bills, resulting in an 8 per cent decrease. However, this has not been enough. Greater relief and structural change is needed.

As a result, Ontario is introducing the most significant electricity rate relief plan in the province's history. These changes to the electricity system will provide substantial rate reductions today and ensure fairness and predictability for tomorrow.

Ontario's fair hydro plan includes:

- **Refinancing the Global Adjustment (GA):** Over the past decade, Ontario has invested more than \$50 billion in modernizing, rebuilding, and cleaning up our electricity system. The cost of these investments were originally spread out over a 10 to 15 year period, causing prices to rise sharply for current ratepayers. Recognizing that the electricity infrastructure that's been built will last for many decades to come, the province is refinancing the Global Adjustment, akin to renegotiating a mortgage, and setting a longer term. This shares the cost burden more fairly.
- **Changing how support programs are funded:** Ontario provides support to those in rural areas or on low incomes who are struggling with 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.

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.

Taken together, these changes will deliver the largest-ever rate cut for Ontario consumers and overhaul the way families, farms and small businesses in this province are billed for the electricity they use.

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

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Commented [TG(2)]: 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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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 to 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.

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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](#).

Commented [LL(5)]: Link to [Ontario.ca/raterelief](https://ontario.ca/raterelief)

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