

Press Conference Remarks - Fair Hydro Plan Legislation

- Electricity is an essential part of our daily life
- Over the past decade, we have made major investments in reforming our electricity system
- We made history by completely eliminating coal-fired generation – the largest climate change initiative in North America...
- And we invested \$50 billion into the system, taking a grid that had become unreliable and turning it into one that was safe, clean, and one we could all count on
- And we made the choice to invest in clean energy, which was the right thing to do
- Hospitalizations due to air pollution are way down, and smog days in Ontario are a thing of the past
- These investments were necessary, and we can all feel proud and secure in the electricity system we have built
- We are better off as a result
- But these investments also led to tremendous cost pressures
- We heard loud and clear from people that their bills were simply rising too much, too fast
- But we came to realize it was the 'how' not the 'what'
- We were asking a single generation of Ontarians to pay for investments that will benefit the province for decades into the future
- The pressure it was putting on people's everyday budget wasn't sustainable, and it wasn't fair
- They needed certainty about three things:

- First, that relief – substantial relief – is on its way
- Second, that the relief will go to everyone, and will benefit the most vulnerable electricity consumers
- And third, that the relief will be lasting because it is built on a real change – that bills won't jump back up in a couple months or a couple years
- The legislation we tabled today would, if passed, deliver on all three counts – starting with bringing down what people pay on their bills and making relief fair and balanced
 - The Fair Hydro Plan Act will triple the size of the cut we're making to people's hydro bills from the 8 per cent reduction that took effect in January, to an average of 25 per cent for households, along with half a million farms and small businesses
- There are two major pieces to this legislation
- The first creates the mechanism with which we refinance the cost of the global adjustment over a longer period of time – to make our electricity system fairer for everyone

This will reflect the cost of building expensive generation capacity more fairly – sharing it more evenly among present and future generations who will benefit from it

- This type of financing is nothing new – it has been done by numerous other jurisdictions in North America
- The second piece of our proposed legislation allows us to shift important social programs off of people's bills and onto the tax base – allowing us to expand support for those who need it most without adding to the burden of ratepayers
- There are four components to this that I would like to highlight

- First, the Rural or Remote Rate Protection program would be expanded to provide delivery charge relief to some 800,000 customers – up from 350,000 today –served by local distribution companies with some of the highest rates
- Secondly, the Ontario Electricity Support Program, which directly lowers electricity costs for the most vulnerable through a rebate on their monthly bills, will increase credits by 50 per cent, and expand eligibility
- We're also pursuing automatic qualifications for customers enrolled in other provincial social assistance programs
- Thirdly on-reserve First Nations customers would receive a 100 per cent delivery line credit on their monthly electricity bills
- This would provide an on average monthly saving of \$85, or about \$1,020 per year
- And lastly, an Affordability Fund has been established to support those Ontarians who do not qualify for low-income conservation programs to adopt energy efficiency improvements to help reduce their future electricity bills
- Collectively, these proposed changes represent the single-largest reduction to electricity rates in Ontario's history, and I'm tremendously proud of the work that's gone into developing this legislation
- I look forward to debating this in the House, and hope that MPPs across the aisle will work with us to get this passed quickly, so that we can deliver this relief to the people of Ontario starting this summer
- If the proposed legislation receives Royal Assent, the Ontario Energy Board has 15 days to update rates to reflect the full benefit of the proposed Fair Hydro Plan – delivering the 25 per cent on average reduction for all households and half a million small business and farms
- Along with Jeff Lyash, CEO of OPG, we are happy to speak more to the details of the legislation where there are questions