

DRAFT Premier's Remarks

- When we came to office we inherited a broken electricity system.
- After decades of neglect under previous governments of all stripes, our electricity grid required major investment and modernization. It had been left to fall to the side, and that came to a head in 2003 when rolling brown outs and a major blackout crippled our system and put our economy at risk.
- So, we took action to fix that problem.
- We closed the coal plants and rebuilt a reliable system. Through the years we invested more than \$50 billion dollars in a system and built 15,000 kilometers of new power lines.
- Along the way, governments of which I was part, made energy procurement decisions that locked costs in for the long term.
- From natural gas to renewable power, the competitive tension wasn't always bought to bear significantly enough.
- It wasn't what we built. But how we procured those energy resources that contributed, in part, to the increased costs we see today.
- But at the same time, we've also built a system Ontario can be proud of.
- We went from insecurity to a steady flow of electricity. And we went from smog days that made our kids sick, to cleaner air and greener power.
- And at the same time, we've worked hard as a government to make our system fairer for low-income households and those that live in rural areas, providing direct benefits that reduce bills.
- But we've heard from families and businesses that the costs of these investments and social programs have grown too by too much and at too quick a pace, and this requires immediate government action to restructure the hydro system and fix this problem.
- As I've said before and I will say again, as Premier, I cannot stand by when people are telling me they need to choose between keeping the lights on and buying groceries.
- So today I'm proud to announce that we're putting forward a plan to cut electricity bills by [*one-third (~XX%)*] for at least the next [*four years*].

- This will mean significant savings for people across Ontario. And it will reduce the typical household's electricity bill by \$XX.
- Taken together, this plan is the most significant restructuring of hydro bills in a generation, and it recognizes that the decision we made to clean up, to modernize and to make our system fairer was the right one ... but it also recognizes that the costs of this decision cannot be put on today's electricity bills alone.
- So, let me be clear, our plan will restructure how you're billed for hydro, and it will smooth the pace of increases out over the longer term, reducing the average household bill by up to XX%.
- It's kind of like refinancing a home mortgage.
- When we got off coal and rebuilt our power system, it meant the prices increased in the near term to recover the cost of investing, but that they would eventually stabilize and decline in the longer term.
- We recognize these costs have put pressure on too many people across Ontario – especially those in communities not feeling the impact of the economic resurgence.
- So we're taking action to address this issue – and we're taking steps to smooth the price over the longer term.
- That decision will cut bills by XX% for the XX years – but it will also mean that costs are smoothed out over a longer period.
- We will also move all social programs from your hydro bill to government funding, recognizing they are for the public good and provide necessary assistance.
- As a government, we've been focused on ensuring that our electricity system has been fairer for families living in rural areas or on low-incomes.
- We currently offer both the Ontario Electricity Support Program and the Rural and Remote Rate Protection, which offer significant on-bill benefits to eligible households.
- These programs have also been paid for through everyone else's hydro bills over the years.

- So, we will shift these programs from being paid for through your hydro bill to being paid for through government funding.
- This will reduce bills for everyone, and ensure these programs continue to serve those in need.
- At the same time we will enhance this relief, doubling the benefit for low-income households.
- The average low-income family will now receive \$45/month (\$540/year)
- And a family of four that heats with electricity will now receive \$82.50/month (~\$1000/year)
- Finally, our plan will take action to reduce delivery charges for families living in rural and remote communities, who often pay higher costs for delivering power to their home.
- I firmly believe that no matter where a family lives in Ontario, they should have access to affordable energy.
- As I travel the province, I've heard consistently that there is an inequity between those in urban areas and those in rural areas when it comes to hydro bills.
- A family that heats their home with electricity pays a far higher bill, and it was essential to me that even while we delivered broad relief for all Ontarians, we also took targeted action to help rural communities.
- Our plan will therefore reduce delivery charges by \$XX per bill for the average rural family, saving \$XX annually.
- We're going to move quickly to implement this plan and ensure that relief comes quickly. We know this is an issue Ontarians expect urgent action on, and I'm proud that we will be able to help fix this problem.
- At the same time we're going to continue to invest in the reliability of our grid, ensuring that Ontario families and businesses continue to benefit from a steady supply of clean power.