**Reporter/Outlet:** Chris Pimentel, Turtle Island News

**Topic:** Delivery charges – government run buildings, Six Nations

**Deadline:** Due to reporter ASAP

**Background:**

As we talked about on the phone, the Elected Council, specifically, Elected Chief Ava Hill brought up in a Council meeting on Tuesday night that she is trying to lobby to get the delivery charges removed from Band (government run) buildings on Six Nations not just residential houses.

**Questions/responses:**

1. **Is that something the Ministry of Energy is willing to add on to the Fair Hydro Act?**

Ontario has made changes to the Rural or Remote Electricity Rate Protection (RRRP) program to lower delivery charges for about 800,000 rural and remote consumers who currently face some of the highest rates. The legislation eliminates the delivery charge for all on-reserve First Nations residential consumers, resulting in an average savings of $85 per month.

The Delivery charge on consumer bills includes the cost of delivering electricity from generating stations across the Province to homes and businesses via the high voltage (transmission) and low voltage (distribution) electricity systems and also includes the cost of distribution system losses.

The cost of distributing power to lower-density rural and remote areas is much higher than for urban and higher density areas.

To help offset the higher costs to distribute electricity to Ontario residents who live in rural or remote locations, eligible customers receive a credit off their bills under the Rural or Remote Rate Protection (RRRP) framework.

The proposal to remove delivery charges from band-owned buildings was raised by Chief Hill at a Nov. 2, 2017 at a ministry-Chiefs' Committee on Energy meeting. The ministry agreed to work with the committee to further consider this idea.

2. **If so, would they be willing to expand it to businesses as well?**

We recognize the importance of electricity prices for business.  Maintaining competitiveness with respect to energy costs is a top government priority.

Ontario’s Fair Hydro Plan will lower electricity bills by 25 per cent for average residential customers and hold increases to the rate of inflation for four years. As many as half a million small businesses and farms will also benefit.

We have also expanded the Industrial Conservation Initiative (ICI), which lowers electricity costs for eligible large consumers that reduce consumption during peak times. To allow more businesses to benefit from ICI, effective January 1st, we lowered the threshold from 3 megawatts (MW) to 1 MW. Newly eligible consumers that opt-in to ICI will see the impact beginning in July 2017.

As part of Ontario’s Fair Hydro Plan, we further expanded ICI to include smaller manufacturers and greenhouses (i.e., NAICs codes commencing “31”, “32”, “33” and “1114”) with average peak demand greater than 500 kW and less than 1 MW. The expansion to 500 kW will also be effective in July 2017.

Consumers of all sizes will benefit from the shifting of cost recovery for electricity support programs from electricity bills to provincial revenues, lowering regulatory charges for everyone by approximately $3/MWh or 2-4 per cent.

Ontario has a number of additional measures in place to help businesses manage the cost of electricity, including the Northern Industrial Electricity Rate Program (NIERP), the Industrial Accelerator Program (IAP), saveONenergy for Business conservation programs, and industrial consumers.

3. **Was it ever discussed to remove the charges completely from all residents on Six Nations?**

As part of Ontario’s Fair Hydro Plan, we are providing support for people who live on First Nations reserves, including Six Nations, by eliminating the delivery charge for all on-reserve First Nations residential customers.

We are also removing the monthly service charge for customers of licensed distributors that charge a bundled rate. The Ontario Energy Board estimates this will provide residential customers an average monthly benefit of $85 (or $1,020 per year)

This automatically qualifies on-reserve First Nations residential customers — about 21,500 in total.

4. **What happens if a person runs a business from their home? Do they currently still have to pay delivery charges?**

First Nation on-reserve residential customers that are currently registered with their Local Distribution Company for the HST exemption will be automatically eligible and enrolled to receive the First Nation Delivery Credit.

First Nations on-reserve residential customers that are not currently registered with their Local Distribution Company and who receive the HST exemption are encouraged to register as soon as possible.

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***Minister's Office request for information re: the On-Reserve First Nation Delivery Credit. NOT part of the Turtle Island media inquiry.***

**How was the On-Reserve First Nation Delivery Credit developed? What was the consultation process, why it was chosen to help just residents and not small business?**

Under s.35 of the *Ontario Energy Board Act, 1998* the Minister of Energy requested that the Ontario Energy Board (OEB) investigate appropriate rate assistance options for on-reserve First Nation electricity consumers.

The OEB worked with the Chiefs of Ontario to engage with First Nations throughout the fall of 2016 to gather input to develop recommendations for options to address the high cost of electricity.

On December 29, 2016, the OEB submitted its report on First Nations rate assistance options to the ministry identifying the elimination of the delivery charge for on-reserve residential customers. The Ministry of Energy then collaborated with the Chiefs Committee on Energy to develop an approach that could provide relief from the high cost of electricity to First Nations customers in the most expedited manner possible.

On March 2, 2016 Premier Wynne announced Ontario's Fair Hydro Plan which included the elimination of the delivery charge for on-reserve First Nation residential customers through the First Nations Delivery Credit that was implemented on July 1, 2016.