Thank you for your feedback regarding the impact that peak electricity prices have on retired seniors living on fixed incomes.

Time-of-use prices are intended to encourage consumers to shift consumption away from high demand periods when the cost to meet province-wide demand is higher. However we understand that it can be hard for some customers to adjust their consumption and realize the full benefits of time-of-use pricing.

Ontario is taking additional action to reduce electricity bills for families and help with the cost of everyday living.

Ontario’s Fair Hydro Plan would lower electricity bills by 25 per cent on average for all residential consumers in the province. This plan reflects a number of initiatives, including: the refinancing of a portion of Global Adjustment, the funding of support programs through provincial revenues, and the existing 8% rebate.

Effective January 1, 2017, the Ontario Rebate for Electricity Consumers (OREC) program provides an eight per cent rebate equal to the provincial portion of the HST for about five million residences, small businesses and farms. Currently, a typical residential consumer can expect average savings of about $130 annually or $11 each month.

Decades of under-investment in the electricity system by governments of all stripes resulted in the need to make significant investments in generation, transmission and distribution assets. In addition, an important decision was made to eliminate Ontario’s use of coal and build clean, renewable supply. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment (GA).

The majority of the province’s electricity generators have 20-year contracts. Many of these generators will be able to operate past their contract term, meaning that generating assets are expected to have ongoing useful life and will benefit future ratepayers by reducing the need to finance the development of new generating assets.

To relieve the current burden on ratepayers and share costs more fairly, a portion of the GA is being refinanced. Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA would be refinanced to reduce pressure on today’s electricity ratepayers. In later years, the cost of refinancing would be recovered from ratepayers. Under current forecasts, the immediate reduction in the GA would be about $2.5 billion per year on average over the first 10 years, with annual interest costs not exceeding $1.4 billion.

The government intends to introduce legislation that would, if passed, enable the Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) to work together to refinance the GA over a longer period of time. The legislation would also outline the role for the Ontario Energy Board (OEB), as it relates to the financing proposal.

The Rural or Remote Rate Protection (RRRP) program provides a rate subsidy to rural and remote residential customers who face higher distribution costs compared to urban areas. The RRRP is currently provided to approximately 350,000 rural residential customers in Ontario.

The Province will broaden the RRRP to provide distribution charge relief to additional residential customers served by LDCs with the highest distribution rates. About 800,000 customers would benefit from the broadened RRRP program. LDCs benefitting from the broadened RRRP include: Hydro One R2 and R1 customers, Northern Ontario Wires, Lakeland Parry Sound, Chapleau, Sioux Lookout, InnPower, Atikokan and Algoma. The benefits would differ from LDC to LDC. Credit amounts would be set using the lowest cost distribution LDC from the group, as set by the Ontario Energy Board (OEB). For example:

a) A Hydro One R2 customer consuming 2,500kWh a month would have their distribution cost reduced by about $75.
b) A Hydro One R1 customer consuming 1,000kWh a month would have their distribution cost reduced by about $18.
c) An InnPower customer consuming 1,000kWh a month would have their distribution cost reduced by about $12.

The Province will also move to fund RRRP costs through the tax base, reducing regulatory charges for all Ontario ratepayers.

The Province is also moving forward in having the First Nations On-Reserve Delivery Credit funded by provincial revenues.

The Ontario Electricity Support Program (OESP) provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements. Changes, if passed, would increase OESP credits by 50%, meaning that single, low-income consumers who receive the lowest credit amount would get an increase from $30 to $45 per month ($540 per year, an increase of $180), and the lowest credit for the enhanced scale would increase from $45 to $68 ($816 per year, an increase of $276). In addition, the OESP will now be funded by the government instead of by ratepayers.

The Affordability Fund will assist electricity customers who require assistance to make energy efficiency improvements to their homes but cannot qualify for low-income conservation programs. The Affordability Fund will provide LDCs with an additional tool to help customers in need. The Affordability Fund program will be made available to eligible electricity customers through their electricity distributor.

The Province will work with Hydro One, in consultation with all other LDCs, to establish a Trust to serve as the administrator of the Affordability Fund. The Province will pay for the Affordability Fund through provincial revenues.

In addition to these changes, the government also offers a number of other programs that provide support:

- The Ontario Energy and Property Tax Credit (OEPTC) provides low- to moderate-income individuals and families with relief on the sales tax they pay on energy and with their property taxes. For the 2017 benefit year, qualifying individuals and families could receive a maximum benefit of $1,023 per year, and qualifying seniors could receive a maximum benefit of up to $1,165.

- The Northern Ontario Energy Credit (NOEC) provides targeted assistance to low- to moderate- income individuals and families living in northern Ontario who can be exposed to higher energy costs due to more severe winters and heavier reliance on more expensive home heating fuels. For the 2017 benefit year, qualifying individuals received up to $148 annually and families (including single parents), received up to $227 annually. Individuals can apply for the NOEC and/ or OEPTC by completing the Ontario Benefits Application for the Ontario Trillium Benefit and the Ontario Senior Homeowners' Property Tax Grant, which is part of the personal income tax and benefit return.

- The Low-Income Energy Assistance Program (LEAP) is a comprehensive province-wide strategy designed to help qualifying low-income consumers. The program includes:

    - Emergency financial assistance in the form of a one-time grant towards a customer's electricity bill (up to $600 if home is electrically heated) or natural gas bill (up to $500) if they are temporarily unable to make ends meet in an emergency situation.
    - Special rules that utilities have to follow when dealing with customers with limited finances (E.g. waiving security deposits, allowing longer payment times).
    - Conservation programs administered through local distributors to help qualified Ontario homeowners, tenants and social housing providers improve energy efficiency.

Ontario also has a suite of electricity conservation and energy efficiency programs which help consumers manage their electricity bills:

- The saveONenergy Home Assistance Program helps income-eligible homeowners and tenants manage their energy use and costs by offering detailed in-home energy assessments and installing energy-saving measures at no cost. Social and assisted housing providers also qualify for assistance in making their buildings more energy efficient.

- Natural gas utilities (Enbridge Gas Distribution and Union Gas) also offer a home energy assessment, as well as insulation and draft proofing measures at no cost to eligible low-income households.

I hope this information is helpful in responding to your recommendation.