- reducing electricity bills by 25 per cent on average for all residential customers.

- Lowering household electricity bills on average by 25 per cent, beginning this summer;

Since 2003, this government has supported investment of more than $50 billion in electricity generation and grid infrastructure across the province to ensure Ontarians benefit from a system that is cleaner, more modern and more reliable. Ontario also became the first jurisdiction in North America to end the use of coal-fired electricity generation, choosing instead to produce cleaner and renewable power.

The much-needed rebuilding of an aging and unreliable electricity system that depended on expensive electricity imports and dirty coal resulted in rapidly rising rates for many customers. Many of these new generating investments are expected to operate past their current 20-year contract term, benefiting future ratepayers by reducing the need to finance the development of additional generating assets. However, the cost of these investments – funded in part through the Global Adjustment (GA), which is part of the commodity cost on the electricity bills of all consumers – has fallen disproportionately and unfairly on the shoulders of today's electricity ratepayers.

In consultations across the province, relief from high electricity bills was identified as a priority concern by Ontarians and that this relief must be long-lasting and built on real changes to the electricity system. That is why the government continues to take action to relieve the burden and share costs more fairly.

In March, the government announced Ontario's Fair Hydro Plan, which would include the following components:

- Lowering electricity bills by 25 per cent on average for all residential customers, including the eight per cent rebate introduced in January. Many small businesses and farms would also benefit from the initiative.
- Expanding the rural or remote rate protection program to provide distribution charge relief to customers of local distribution companies with the highest rates. About 800,000 customers would benefit from the enhanced program. The costs of this program would also be moved to the tax base.
- Increasing the Ontario Electricity Support Program by 50 percent, and moving the costs of this program to the tax base.
- Establishing a new Affordability Fund, accessible to electricity distributors, to help customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance.
- Expanding the Industrial Conservation Initiative program, targeting more small manufacturing and industrial consumers.
- Improving sector efficiency and modernizing the province's electricity market.

As part of this plan, rate increases for residential consumers over the next four years would be held to the rate of inflation. Taken together, these changes would deliver the largest reduction to electricity rates in Ontario's history.

Commented [HS(1]: Assume this is text is being used in another section of the document?

Commented [MB2]: Edits to reflect content in the March 2nd news release.

Commented [MB3]: CRED

Commented [GH4]: Can Energy provide fact check on this?

Commented [MB5]: Confirmed.

Commented [GH6]: Can Energy provide supporting data to fact check on this?

Commented [MB7]: Previous government action to mitigate price increases consisted of price freezes, as opposed to reductions, in 1993 and 2002.
Prices trended downward from about 1910 (12 c/kWh) to 1960 (1 c/kWh). There may have been instances in that timeframe when prices fell by 25% year-over-year. We don't have price data for every year prior to about 1965.

Building on the steps announced last September, including an eight per cent rebate on electricity bills equal to the provincial portion of the Harmonized Sales Tax, Ontario's Fair Hydro Plan would reduce electricity bills by 25 per cent on average for all residential ratepayers. Many small businesses and farms would also benefit.

As part of the plan to relieve the current burden on ratepayers and share costs more fairly, a portion of the GA would be 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 reduction in the GA charge would be about $2.5billion on average per year on average over the first 10 years.

Commented [MB8]: From the March 2nd backgrounder.

Commented [GH9]: Can Energy provide fact check on this?

Also, by funding certain electricity support programs by the Province rather than by ratepayers, regulatory charges for all Ontario electricity customers would be reduced.

Support for Ontario's Fair Hydro Plan:

"We are pleased that electricity ratepayers will see the positive benefits of [Ontario's Fair Hydro Plan] in the near future and for the commitment that rates will not increase beyond the rate of inflation for the next four years."

Alan Spacek, President of the Federation of Northern Ontario Municipalities (FONOM) and Mayor of Kapuskasing, March 2, 2017

The Province is proposing to introduce legislation that, if passed, would enable a First Nations On-Reserve Delivery Credit that could save eligible residential customers an average of about $1,020 per year.

Support for Ontario's Fair Hydro Plan

"The elimination of the delivery charge will assist our citizens by reducing energy poverty in our communities. It also represents recognition for the use of the land in the development and expansion of the provincial energy grid... Today's commitment by the Ontario government is commendable and allows a path forward for greater quality of life for First Nations in Ontario."

Isadore Day, Ontario Regional Chief, March 2, 2017

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

The Province is proposing to expand the RRRP to provide distribution delivery charge relief to a total of about 800,000 customers served by local distribution companies (LDCs) with the highest rates, including Hydro One R2 and R1 rate classes (residential low and medium density areas, respectively), Northern Ontario Wires Inc., Lakeland Power Distribution Ltd. (Parry Sound service territory), Chapleau Public Utilities Corporation, Sioux Lookout Hydro Electric Inc., InnPower Corporation, Atikokan Hydro Inc. and Algoma Power Inc.

The Ontario Electricity Support Program (OESP) is an income-tested, application-based program that lowers electricity costs for the most vulnerable consumers, providing a rebate directly on bills. The Province is proposing to increase the OESP monthly benefit amounts by 50 per cent, which will significantly enhance the benefit eligible consumers receive.

The OESP would also become available to more Ontarians by introducing new eligibility categories (see the red text in the tables below):

Basic OESP Credits

Household Income (After Tax)	Household Size (Number of people living in household)						
	1	2	3	4	5	6	7+
< $28,000	$45	$45	$51	$57	$63	$75	$75
$28,001 - $39,000		$40	$45	$51	$57	$63	$75
$39,001 - $48,000			$35	$40	$45	$51	$57
$48,001 - $52,000					$35	$40	$45

Commented [SB(10]: This tables mimic what is currently on the OEB website and will likely be used to replace those tables.

Enhanced OESP Credits (for Indigenous customers and those with electric heating or certain electrically intensive medical devices)

Household Income (After Tax)	Household Size (Number of people living in household)						
	1	2	3	4	5	6	7+
< $28,000	$68	$68	$75	$83	$90	$113	$113
$28,001 - $39,000		$60	$68	$75	$83	$90	$113
$39,001 - $48,000			$52	$60	$68	$75	$83
$48,001 - $52,000					$52	$60	$68

Commented [CH(11]: SNAP content

To facilitate OESP-eligible Ontarians to receive their credits, the government is exploring automatic qualification for customers who are enrolled in other provincial low-income social programs

Commented [GH12]: Energy to verify if there would be a separate application in this case or not.

Commented [CH(13]: SNAP: This has not yet been determined – work between ENERGY, OEB, and MCSS is still ongoing. At this stage, we must remain non-specific

The Province is establishing an Affordability Fund which will provide energy efficiency measures to Ontarians who are not eligible for low-income conservation programs, and who otherwise would be unable to make energy efficiency improvements without financial assistance. The Affordability Fund is being developed with input from electricity distributors, and others knowledgeable about low-income conservation and support programs.

Ontarians in need who do not qualify for existing low-income conservation programs may qualify to receive energy efficiency improvements in their home. It is expected that these measures will be provided at no or low cost to the customer. Energy efficiency improvements can help customers get on a more sustainable path with their electricity bills.

The government is continuing to lower electricity costs for businesses to maintain a competitive business environment. Ontario is proposing to further expand the Industrial Conservation Initiative (ICI) program by reducing the eligibility threshold from one megawatt (MW) to 500 kilowatts (kW) for targeted manufacturing and industrial sectors.

Commented [TC14]: Depending on Budget date, the reg may have passed.

This proposed change is in addition to the Province's existing actions to reduce electricity costs for businesses, such as providing ongoing support to qualifying large industrial facilities in northern Ontario and ending the debt retirement charge (DRC) for commercial, industrial and all other electricity users as of April 1, 2018.

Commented [MB15]: Ok

Ontario's commitment to lowering energy costs for ratepayers would include working with provincial agencies to identify opportunities to drive efficiency and productivity improvements.

- The Ontario Energy Board (OEB) regulates and licenses more than 70 LDCs and will identify opportunities to further drive transmitter and LDC efficiencies and productivity improvements, including the use of innovative technologies and business processes.
- The Independent Electricity System Operator (IESO) plans for the province's electricity needs, balances supply and demand in real time, and administers conservation programs. Changes related to the IESO's market renewal initiatives are estimated to save at least $200 million per year, starting in 2021.