

House Statement from Minister Thibeault on Ontario's Proposed Fair Hydro Plan

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Mr. Speaker today marks an important occasion: the introduction of the Fair Hydro Act.

As a province, our commitment to maintain a clean, reliable and affordable electricity system is resolute. That's why since 2003, more than \$50 billion was invested in electricity generation and grid infrastructure across the province.

We also made history as the first jurisdiction in North America to end the use of coal-fired electricity generation. In addition, we had the foresight and fortitude in choosing to produce more clean power.

This much-needed, long-overdue rebuilding of an aging and unreliable electricity system – while necessary – came at a cost: rapidly rising electricity rates for many Ontarians.

As a government, we recognize that rates rose too much and too quickly.

People, in turn, were right to demand substantial relief from high electricity bills.

Well Mr. Speaker, we listened.

And today we're taking appropriate action to provide substantial relief that is fair and balanced.

Starting this summer, Mr. Speaker, Ontario's Fair Hydro Plan would, on average, reduce electricity bills by 25 per cent for eligible households. Approximately 500,000 small businesses and farms would also benefit from this initiative.

Our plan would also cap rate increases to inflation for four years.

I should add: this 25 per cent reduction includes the eight per cent rebate on electricity bills equal to the provincial portion of the Harmonized Sales Tax, effective as of January 1, 2017.

Mr. Speaker, Ontario's Fair Hydro Plan would also help vulnerable electricity consumers in a multitude of ways.

Let me explain.

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.

Francesca Dobbyn, Executive Director of Bruce Grey's United Way, hailed this measure as "good news" for rural and low-income Ontarians.ⁱ

Secondly, the Ontario Electricity Support Program, which lowers electricity costs for the most vulnerable through a rebate on their monthly bills, increases these credits by 50 per cent, and expands eligibility. These changes are effective as of May 1, 2017.

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.

According to Ontario Regional Chief Isadore Day, this will effectively "reduce energy poverty" in First Nations communities, and allows for a path forward for greater quality life in those same communities.ⁱⁱ

Fourthly, an Affordability Fund would be 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.

Developing this fund has been a real team effort, with electricity distributors and other stakeholders providing invaluable input.

Collectively, these proposed changes represent the single-largest reduction to electricity rates in Ontario's history.

Mr. Speaker, our proposed plan would also change how these new measures would be funded.

Previously, the cost was disproportionately placed on the shoulder of today's electricity ratepayers. Under our proposed plan, the electricity support programs I just outlined would be funded by the tax base.

Our ambitious proposed Fair Hydro Plan doesn't end there.

As part of our continued efforts to lower electricity costs for Ontario businesses – important drivers of our economy – we have further expanded the Industrial Conservation Initiative program. More specifically, we reduced the eligibility threshold from one megawatt to 500 kilowatts for consumers in the manufacturing and greenhouse sectors.

This business-friendly program helps consumers reduce their electricity bills by providing an incentive to reduce consumption in the highest demand hours, thereby reducing the need for expensive peaking generation over the long-term.

Now, Mr. Speaker, following last month's balanced budget – the first since the 2008-09 global recession – I'd like to briefly explain how the Fair Hydro Plan will work.

Essentially, we would re-finance a portion of the Global Adjustment to spread the cost of electricity investments over a longer period of time to better reflect our energy assets' lifespan.

It's not fair that a senior in Sudbury on a fixed income pays a premium today, so that 20 years later a family pays less.

In an ideal world, we would all pay our fair share to keep the lights on.

And for this reason, in the short-term, a portion of the costs covered by the GA would be financed to reduce pressure on today's electricity consumers.

In later years, the cost of financing would be recovered from consumers.

Mr. Speaker, I'm confident that if passed, the proposed Fair Hydro Act will ensure electricity rates come down, stay down for the near future, and most importantly, benefit families and small businesses across the province.

Equally important, Mr. Speaker, providing real, long-lasting relief our plan is without a doubt the right thing to do.

And it's never too late to do the right thing.

Thank you, Mr. Speaker.

ⁱ United Way Director Praises Hydro Bill Cut, March 2, Claire McCormack, Bayshore Broadcasting:
http://www.mix1065.ca/news_item.php?NewsID=91513

ⁱⁱ Page 23, Ontario Budget 2017