

Ministry of Energy

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[Name]
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Dear [Name]:

On March 2, 2017, the government announced Ontario's Fair Hydro Plan, which proposes new measures to lower electricity bills by 25 per cent on average for residential consumers and initiatives to reduce costs for small businesses and manufacturers.

People with low incomes and those living in eligible rural communities would receive even greater reductions to their electricity bills. In addition, any electricity rate increases over the next four years will be held to the rate of inflation.

Building on previously announced initiatives to deliver broad-based rate relief, these measures will deliver the single-largest reduction to electricity rates in Ontario history.

In recent years, electricity prices have increased because of much-needed investments to modernize the system and to ensure it is clean and reliable. Ontario's Fair Hydro Plan will help relieve the burden of financing these system improvements on today's ratepayers by significantly restructuring the system to address long-standing policy challenges and ensure greater fairness.

The plan reflects a number of initiatives, including refinancing a portion of Global Adjustment; extra relief for people with low incomes through expansion of the Ontario Electricity Support Program (OESP); broadening the Rural or Remote Rate Protection (RRRP) to provide distribution charge relief to additional customers served by local distribution companies with the highest rates; establishing an Affordability Fund for customers who do not qualify for low income conservation programs; and the existing 8 per cent rebate.

As part of the plan, we are proposing to shift the cost of the OESP and RRRP programs from being paid for through electricity bills to being paid for through provincial revenues. This will reduce bills for everyone and ensure these programs continue to serve those in need.

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We are also proposing to enhance support for the industrial sector by expanding the Industrial Conservation Initiative (ICI), which allows large consumers to reduce electricity costs by reducing consumption during peak hours. This would allow small manufacturers between 500 kW and 1 MW to benefit from the program, in addition to the large consumers over 1 MW who are already eligible.

The government is working hard to put these rate relief measures into place as soon as possible. I trust you receive this as good news for your constituents and will share the message about the benefits of the Fair Hydro Plan with them.

For more information on Ontario's Fair Hydro Plan, I encourage you to visit the webpage at ontario.ca/fairhydroplan.

Please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister