

Ministry of Energy

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[Letter to MPPs – OFHP legislation]

[Name]
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[Address]
[City] ON [Postal Code]

Dear [Name]:

I am writing to you regarding the legislation associated with Ontario's Fair Hydro Plan introduced today. As I wrote in my letter of April 6, 2017, this legislation would, if passed, create the appropriate and lasting structures to sustain Ontario's Fair Hydro Plan for the years ahead.

As you know, if the legislation passes, starting this summer Ontario's Fair Hydro Plan will reduce electricity bills by 25 per cent for a typical residential customer. Up to half a million small businesses and farms are also expected to benefit. Furthermore, any increases over four years would be held to the rate of inflation. These measures include the eight per cent rebate introduced in January and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

The actions taken by the Government of Ontario to achieve a clean, modern and reliable electricity system have resulted in significant costs. The burden of financing the electricity system improvements and funding key programs has unfairly fallen on the shoulders of today's consumers. The Government of Ontario is committed to ensuring that the costs of financing these investments are allocated fairly among present and future generations of consumers.

I am pleased to highlight significant progress that has been made since the announcement of Ontario's Fair Hydro Plan, on March 2, 2017, on a number of non-legislative measures. These include:

- Expansion of the Industrial Conservation Initiative (ICI) to allow eligible electricity consumers in the manufacturing and greenhouse sectors (i.e., those sectors with North American Industry Classification Standard codes commencing with the digits "31", "32", "33", and "1114") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW to opt in to ICI;
- Expansion of eligibility and increasing the credit amounts for the Ontario Electricity Support Program (OESP); and
- The March 23, 2017 Ontario Energy Board (OEB) Decision and Order to remove the OESP charge from customer bills.

On April 20, 2017, the OEB announced new Regulated Price Plan (RPP) rates effective May 1 that include a portion of the bill reduction proposed under Ontario's Fair Hydro Plan.

This means that Ontarians are already seeing significant and real relief on their electricity bills as promised by Premier Wynne this March.

If the introduced legislation is passed, the OEB is expected to make a further rate adjustment no later than 15 business days after the legislation receives Royal Assent for RPP consumers to achieve the full 25 per cent for a typical residential consumer.

I look forward to debate on the Bill as it is considered by the Legislative Assembly, and will continue to update you about the implementation of our government's Fair Hydro Plan.

Please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister