

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tel.: 416-327-6758
Fax: 416-327-6754

Ministère de l'Énergie

Bureau du ministre

4^e étage, édifice Hearst
900, rue Bay
Toronto ON M7A 2E1
Tél. : 416 327-6758
Télec. : 416 327-6754



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(Date)

Joint letter (ENERGY, MOF and OMAFRA) to Business Organizations (Heads of OCC, CME, AMPCO, anyone else?)

Dear XX:

We are writing to share information about Ontario's actions to provide further relief on your members' electricity bills.

In 2017, the government launched Ontario's Fair Hydro Plan (OFHP), which has reduced electricity bills for residential consumers by an average of 25 per cent and will hold increases to the rate of inflation for four years. After this period, Ontario's 2017 Long-Term Energy Plan lays out a path for predictable, affordable electricity prices. As many as half a million small businesses and farms are also benefiting from OFHP.

As of April 1, 2018, the electricity Debt Retirement Charge (DRC) will be ending, benefiting all businesses, including Ontario's commercial and industrial consumers that are not in the Regulated Price Plan (RPP) or the Industrial Conservation Initiative (ICI). These and other businesses will see their electricity cost reduced by \$7 per megawatt-hour from the removal of the DRC.

In addition, under OFHP, the cost of certain electricity support programs are now being funded by the Province rather than by ratepayers. Combined with the removal of the DRC, this represents an estimated 6.5 per cent reduction in the electricity bill of a typical non-RPP, mid-sized business. For a typical large industrial consumer, the shifting of support programs and DRC removal represent a savings of about 12 per cent on electricity.

As part of OFHP, we also expanded the ICI, which allows large electricity consumers to lower their electricity costs by reducing their demand during peak hours. The ICI now includes smaller manufacturers and greenhouses. There are now 1,100 ICI participants, who are saving an average of 33 per cent on their electricity bills compared to non-ICI participants.

The government understands the pressures on businesses and will continue to work collaboratively to reduce costs and lower bills for all electricity consumers. Over the past year, Ontario has partnered with the Ontario Chamber of Commerce and the Canadian Manufacturers & Exporters to raise awareness of energy conservation and cost-saving programs available to the business community.

Going forward, the Ministry of Energy will work with its agencies to further encourage electricity distributors to pursue energy efficiency measures on their systems to achieve cost savings for customers. It will also explore how to further integrate conservation and low-carbon technology programs for both electricity and fuels.

We trust you will welcome this positive news and share it with your members.

Sincerely,

Glenn Thibeault
Minister of Energy

Charles Sousa
Minister of Finance

Jeff Leal
Minister of Agriculture, Food and Rural Affairs