

October 30, 2017

Q. What is the government doing to help businesses and residents with the high electricity prices?

Our government recognizes the importance of electricity prices for Ontario households and businesses. Keeping electricity affordable is part of our plan to create jobs, grow the economy and help people in their everyday lives.

Over the last decade the government has rebuilt our transmission and distribution grid, invested in clean generation, and closed the last coal-fired power plant. Prices have increased because our energy system is being transformed – nearly \$70 billion has been invested to modernize the electricity system.

The government has heard from Ontarians across the province that the costs of these new investments have grown too quickly, which is why we are implementing a plan to ensure costs are shared more evenly over the years ahead.

Ontario's Fair Hydro Plan has lowered electricity bills by 25 per cent on average for residential consumers and will hold increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting from the reduction.

The plan includes the 8 per cent rebate introduced in January 2017 and builds on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

Ontario's Fair Hydro Plan includes:

- Refinancing the Global Adjustment (GA) over a longer time period. Electricity consumers that are eligible for the 8 per cent rebate are also eligible for GA refinancing, including all residential consumers, farms, most small businesses, long-term care homes and condominiums.
- Helping vulnerable electricity consumers by enhancing electricity support programs. Eligible consumers will receive additional funding through assistance programs including:
 - A new Affordability Fund which will provide energy efficiency measures to Ontarians who are not eligible for the [Home Assistance Program](#), and who need support to improve the energy efficiency of their homes. Broadening Rural or Remote Rate Protection (RRRP) to provide distribution charge relief for the customers of the local distribution companies (LDC's) with the highest distribution charges.
 - Expanding the Ontario Electricity Support Program (OESP) by increasing the monthly on-bill credit amounts by 50 per cent and broadening eligibility so more people can participate.
 - Establishing a new On-Reserve First Nations Delivery Credit.
- Expanding the Industrial Conservation (ICI) to include smaller manufacturers and greenhouses between 500 kW and 1 MW, in addition to the large consumers over 1 MW who are already eligible.

- Shifting cost recovery for OESP and the majority of RRRP from electricity bills to provincial revenues, lowering regulatory charges for everyone by approximately \$3/MWh.
- Improving sector efficiency and modernizing Ontario's electricity market, working in collaboration with the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).

Ontario also has a number of additional programs already in place to help households and businesses manage their electricity costs. Programs that provide support to Ontario families include:

- The Ontario Energy and Property Tax Credit saves qualifying individuals up to \$1,023 per year, with a maximum of \$1,165 per year for qualifying seniors.
- The Low-Income Energy Assistance Program provides emergency financial support of up to \$600 for families and individuals having trouble paying their bills.

Additional programs for businesses include:

- Industrial Accelerator Program (IAP), which assists eligible transmission-connected companies to fast track capital investment in major energy conservation projects;
- SaveONenergy for Business Program; which offers a variety of financial incentives to distribution-connected business and industrial customers to increase energy efficiency and save money on their bills, and
- Demand Response auctions, which provide payments to successful participants that commit to reducing their consumption when called upon to do so.

Ontario is also continuing to look for new ways to support businesses in managing their electricity costs, including providing electricity rate assistance to consumers that are too large to be eligible for the Ontario Energy Board (OEB)'s Regulated Price Plan (RPP) and too small to be eligible for ICI.

We have also been working hard to reduce electricity system costs to put downward pressure on everyone's bills, including through amendments to the Green Energy Investment Agreement, reducing Feed-in Tariff prices, introducing a competitive process for procuring power from large renewable energy projects and deferring the construction of new nuclear units.

Moving forward, Ontario's 2017 Long-Term Energy Plan (2017 LTEP) focusses on continuing to take costs out of the electricity system. For example, IESO's Market Renewal initiative will result in a more efficient marketplace with competitive and transparent mechanisms to meet system needs at lowest cost. The project is expected to save up to \$5.2 billion over a 10-year period and forms a key component of Ontario's plan to ensure the affordability of electricity in the longer term.