

MTO Request – RRRP messaging

Key Messages

- **Ontario is taking action to reduce electricity bills for families, farms, and businesses.**
- **We're doing this because we know that families need help with the cost of everyday living. Despite consistent economic growth since the global recession, many families aren't feeling Ontario's resurgence in their everyday lives.**
- **We also recognize that rebuilding and cleaning up Ontario's electricity system has come at a cost. Over the last decade we've rebuilt our transmission and distribution grid, we've invested in clean generation, and we've closed the last dirty coal-fired power plant. But we need to take the next step in ensuring that clean, reliable system is affordable.**
- **We're able to take action now because years of careful management is leading to a balanced budget in 2017-18; and we believe that Ontarians should be the first to benefit from the province's fiscal discipline.**
- **Recognizing this, we are introducing new measures that would take effect January 1, 2017, including:**
 - **Rebating provincial portion of the HST to reduce eligible residential, small business and farm electricity bills by 8% (\$130 annually)**
 - **Providing eligible rural ratepayers with additional relief, decreasing total electricity bills by an average of \$540 a year or \$45 each month (inclusive of the 8% rebate).**
 - **Empowering additional large electricity consumers to reduce bills by up to one third through the Industrial Conservation Initiative**
- **Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.**
- **This plan builds on our government's commitment to provide affordable access to energy, including providing support for low-income families, expanding natural gas to more communities, and grid-connecting remote First Nations communities.**

Q. What is Rural or Remote Rate Protection (RRRP)? How is RPPP being updated? What kind of relief will it provide to ratepayers that currently receive it?

The Rural or Remote Rate Protection (RRRP) is a program that provides a rate subsidy to rural and remote residential customers who are faced with higher distribution costs relative to urban areas.

Funding to support these rural customers has not been changed since the early 2000s, which has resulted in diminishing relief for customers over the years.

That's why we are going to increase the RRRP subsidy for eligible consumers by updating the RRRP.

This update would result in additional support for eligible customers.

Ontario intends to increase funding to the RRRP, which, combined with the eight per cent rebate, would result in electricity relief for eligible consumers of approximately \$45 per month or \$540 a year.

Q. I am hoping to learn if any details are yet available on the additional rural relief --- who would be "eligible" and how would this decrease total bills an average \$540 a year or \$45 each month?

Low density Hydro One customers (R2 rate class), representing approximately 330,000 electricity customers, who are resident full-time (at least 8 months a year) and are in dwellings occupied as residences, are eligible for additional rural relief under the Rural or Remote Rate Protection (RRRP) program.

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\$45/month is based on the savings an R2 customer, consuming 1000kWh/month, could expect to see from both the RRRP enhancement and the proposed 8% electricity cost rebate.

The criteria outlining eligibility for RRRP is established under O. Reg 442/01 and O. Reg 445/07.

Q. What else is the government doing to help Ontarians with the cost of electricity in Ontario?

The government understands the financial pressures that rising hydro costs are putting on some Ontarians.

Ontario also has several initiatives in place that are helping consumers to manage rising energy prices, including:

- The Ontario Electricity Support Program (OESP), which, provides an ongoing rate reduction directly on the bills of low-income electricity consumers who have applied and meet the eligibility requirements.

- Eliminating the Debt Retirement Charge for residential customers On January 1, 2016. This will save a typical residential electricity ratepayer who consumes 750 kWh per month about \$65 per year. The DRC will be removed from Commercial and Industrial bills starting April 1, 2018.
- The Northern Ontario Energy Credit (NOEC), which continues to provide targeted assistance to low- to moderate- income individuals and families living in northern Ontario who can be exposed to higher energy costs due to more severe winters and heavier reliance on more expensive home heating fuels.
- The Ontario Energy and Property Tax Credit (OEPTC), which provides low- to moderate-income individuals and families with relief on the sales tax they pay on energy and with their property taxes.

In addition, the Ontario Energy Board has also implemented a province-wide strategy through the Low-Income Energy Assistance Program (LEAP) that includes access to financial assistance, special rules and conservation programs to help qualifying low-income consumers in critical financial need.