

Q&A Response

Q. Do Industrial Electricity Incentive (IEI) participants benefit from Ontario's Fair Hydro Plan (FHP)?

First launched in 2012, IEI provides a reduced price for industrial electricity consumers in Ontario that were willing to expand their existing facility or build a new facility.

In return for a contracted commitment to increase consumption, IEI participants are rebated the following charges over a defined time period for their incremental consumption:

- Global Adjustment (GA);
- Variable Transmission Charge;
- IESO Administration Fee;
- Renewable Generation Connection Rate Protection Charge;
- Rural or Remote Rate Protection (RRRP) Charge; and
- Debt Retirement Charge (DRC).

In March 2017, the province proposed new measures to lower electricity bills through Ontario's Fair Hydro Plan. Under the proposed plan, the cost of the Ontario Electricity Support Program (OESP) and RRRP program would be shifted from being paid through electricity bills to being paid through provincial revenues. Funding OESP and RRRP from the taxbase would reduce costs for all electricity consumers, including IEI participants.

This means that IEI participants will receive the benefit of the removal of OESP from the ratebase on all of their consumption (i.e., IEI eligible and non-IEI eligible) and the benefit of the removal of RRRP from their baseline (i.e., non-IEI eligible consumption).