<u>Ministers' Speaking Points – Ontario's Fair Hydro Plan</u>

- Ontario's Fair Hydro Plan (OFHP) is delivering the single-largest reduction in electricity rates in the province's history.

- Since 2003, nearly $70 billion has been invested in the electricity system, including more than $37 billion in electricity generation to ensure the system is clean and reliable.

- The majority of the province's electricity generators operate under 20-year contracts.

- Third-party experts have confirmed that many of these generators will be able to continue to operate beyond their contract lives.

- Refinancing the Global Adjustment (GA), which pays for the bulk of the recent investments in the electricity system, provides significant and immediate rate relief by matching the cost of electricity investments with the expected useful life of the generation that has been built.

- The GA refinancing design most effectively achieves the goals of the refinancing program and ensures that the deferred costs are borne by the rate-base, as the beneficiaries of the electricity system, and not the tax-base.

- In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.