ENERGY media calls

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Hi all,

Two requests to share today. Below you'll see a summary of the Toronto Sun request. We also sent the following to Alan Carter for his online piece. Let us know if you have any questions.

Encouraging technological advancements is one of the main topics we heard from Ontarians through extensive public consultations for the Long-Term Energy Plan. Giving electricity consumers greater choice through net metering, storage, and other vehicles was a strong theme of the 2017 LTEP.

Rooftop solar and storage systems work best in conjunction with a grid connection. While we know that our electricity system will continue the trend towards smaller, more distributed energy resources, for the foreseeable future it remains impractical to fully disconnect from the grid. It is not presently feasible to completely disconnect, as this would typically require an investment of capital far beyond the benefits that would be realized. The Independent Electricity System Operator is also looking at the potential effects of transportation electrification, and the rise in consumer interest in EVs, both of which could be major factors in shaping future electricity demand. Flexible generation planning allows for us to scale down if required, therefore ensuring we don't overbuild the system.

In terms of the Fair Hydro Plan, long-term planning has included numerous variables, such as interest rates and electricity demand and electricity costs, which will vary over the thirty year life of the Global Adjustment refinancing program. Cost estimates and impacts on consumer bills will continue to be revised to reflect these changing conditions.

It should be noted that the total estimated cost of the Fair Hydro Plan has already been revised downwards substantially to reflect revised inputs. We will continue to identify and implement initiatives to take costs out of the electricity system, which would reduce the cost of the Global Adjustment refinancing program, regardless of any demand changes to the electricity system.

Our government has been working hard to reduce costs for Ontario electricity consumers. Delivering clean, reliable, affordable electricity will continue to be top priority for the government.

Topic: Hydro One rate application

Reporter & Outlet: Antonella Artuso, Toronto Sun

Response type: Minister's spokesperson

Questions:

Hydro One has asked for an above inflation increase in its transmission rates next year. How does this impact the promised inflation rate increase in 2018? If it has no impact on bills, who covers that cost? How are Hydro One customers to know that

the money's not going to executive salaries or debt repayment on the purchase of a U.S. utility?

Response:

Regardless of the outcome of any rate application before the OEB, electricity bills would not be impacted beyond the rate of inflation, as per the Fair Hydro Plan. Depending on Hydro One's Draft Rate Order for transmission costs, it's estimated that the bill impact for 2017 would be an increase of 0.1%, and 0.2% for 2018.

It's important to remember that this is an application before the Ontario Energy Board. The OEB is an independent regulator with a mandate to protect the interests of ratepayers and to set just and reasonable rates. It also has a strong record of reviewing rate applications with the consumer in mind. For example, in 2010 Hydro One asked for a rate increase for distribution and actually received a 9% reduction on its distribution rates. And in 2012 Hydro One asked for a rate increase for transmission, and received a 3% reduction below its existing rates.
The Fair Hydro Plan has lowered bills by 25% on average for households and as many as half a million small businesses and farms this summer. Hydro One distribution customers are seeing even greater reductions – the latest figures have the average at 31 per cent.
The Fair Hydro Plan is the single largest rate reduction in the province's history, with rates also held to inflation for the next four years.

Sent from my BlackBerry 10 smartphone on the Rogers network.