

Active Shell

General Information		
Name of Shell/File	Cost mitigation programs (Subject = Ontario Electricity Support Program)	
Prepared by WSU Writer	Chris Millson	Date: March 6, 2017
Reference Case Number	Lead ministry is ENG	
Approvals		
Policy Specialist		Date:
PO	Adam Hochberg	Date: March xx, 2017
Personal Signature		Date:

Additional Background: Aspect of March 2, 2017 announcement.
--

Thank you for your correspondence regarding Ontario's Fair Hydro Plan. I appreciate hearing from you.

On March 2, we announced that starting this summer, electricity bills will be reduced by 25 per cent on average for households across Ontario. And this is relief that is designed to last. Your bill won't increase beyond the rate of inflation for at least 4 years. It is the single largest cut to electricity rates in the history of Ontario.

These structural changes were necessary because, for too long, governments of all stripes had neglected the electricity system. And by the early 2000s, it caught up with us. Brownouts, blackouts and dirty coal plants endangered our economy and our health.

The project of rebuilding the system began about 15 years ago. And our government has invested in rebuilding and modernizing infrastructure to ensure that the power you need gets to your home or business. A total of \$50 billion of investment has made our system safe and reliable.

But the terms we set to finance these necessary renovations weren't fair. We asked one generation – today's generation – to unfairly shoulder the burden of nearly all of those costs. So we're refinancing the system and setting a new term that stretches over a longer period, more in line with the lifespan of the energy assets themselves. The burden will now be shared more evenly and more appropriately.

The other structural change we're making has to do with the way we finance programs that help low-income families afford hydro and that subsidize the high cost of delivering electricity to rural and remote customers.

Hydro is a necessity. The province, not ratepayers, should ensure everyone can afford to access to it. So, we're moving those programs off your bill and accounting for them in the provincial budget. We're also expanding the programs.

The Ontario Electricity Support Program (OESP) lowers electricity costs for the most vulnerable consumers, providing a rebate directly on bills. Ontario's Fair Hydro Plan will increase the OESP by 50 per cent, meaning that single, low-income consumers who receive the lowest credit amount would see their rebate increase from \$30 to \$45 per month. We are also exploring automatic qualification for customers who are already enrolled in other provincial low-income social programs.

In addition, an Affordability Fund will be established to provide needed assistance to electricity customers who cannot qualify for low-income conservation programs.

Of course, these substantial and lasting structural fixes aren't free. It will cost us all a little more over the long-term. But this is absolutely the fairer way forward. We can afford this because our economy is the fastest growing in Canada, which is helping us eliminate the deficit this spring. I can think of no better way to use the province's newfound fiscal strength than giving everyone the break they need on their hydro bill.

This is just the right thing to do — policy wise and for families across the province.

For more information on Ontario's Fair Hydro Plan, please visit:
<https://www.ontario.ca/page/ontarios-fair-hydro-plan>

Thank you again for writing to me. Please accept my best wishes.

Kathleen Wynne
Premier of Ontario