Topic: Energy Update

Chapter 2 – Helping You and Your Family

Pages 4-8 – Delivering the Largest Single Reduction to Electricity Rates in Ontario's History

Ontario is delivering the largest single reduction to electricity rates in the province's history.

What's New:

- Ontario's Fair Hydro Plan (FHP), announced March 2017
  - Starting this summer, FHP would reduce electricity bills by 25% on average for eligible households and approximately 500,000 small businesses and farms.
    - Ontario would refinance the cost of capital investments in electricity infrastructure, to ensure that system costs are more equitably distributed over time.
    - Rate increases over the next four years would be held to the rate of inflation.
    - This includes the eight per cent rebate, effective January 1, 2017.
  - A number of important electricity support programs will also now be funded by the government rather than by ratepayers, which would reduce electricity costs for all consumers.
    - This will cost up to $2.5B over the next three years.
    - **Rural or Remote Electricity Rate Protection (RRRP) program** – Expanding RRRP to lower distribution delivery charges for about 800,000 customers served by 8 LDCs with highest rates:
      - Hydro One R2 and R1 rate classes (residential low and medium density areas, respectively)
      - Northen Ontario Wires Inc.
      - Lakeland Power Distribution Ltd. (Parry Sound service territory)
      - Chapleau Public Utilities Corporation
      - Sioux Lookout Hydro Inc.
      - InnPower Corporation
      - Atikokan Hydro Inc.

            - Algoma Power Inc.
        - **Ontario Electricity Support Program (OESP)** – Increasing the monthly benefit by 50%, and pursuing automatic qualification for those enrolled in other social assistance programs.
        - **Affordability Fund** – Helping people who do not qualify for low-income conservation programs so that they can adopt energy efficiency home improvements to help reduce their future electricity bills.
        - **First Nations On-Reserve Delivery Credit** – Eliminating delivery charges for eligible households, saving them an average of about $1,020 per year.
    - Reducing electricity costs for businesses
        - Further expanding the Industrial Conservation Initiative (ICI) program by reducing the eligibility threshold from 1MW to 500kW for targeted manufacturing and industrial sectors, including greenhouses.
        - This is in addition to the ongoing $120M Northern Industrial Electricity Rate Program, and ending the debt retirement charge for commercial, industrial and all other electricity users as of April 1, 2018.
    - Working with the Ontario Energy Board (OEB) and the Independent Electricity System Operator (IESO) to identify opportunities to drive efficiency and productivity improvements.
        - More details on these and other measures will be included in the Province's upcoming Long-Term Energy Plan, which is expected to be released in spring 2017.

Political Considerations:

- **Patrick Brown** doesn't have a plan
- **Andrea Horwath** is proposing to buy back more than $4B in Hydro One shares, scrap Time of Use pricing, and equalize delivery charges

- The **Coalition of Concerned Manufacturers** has been critical of the FHP, saying that it does not go far enough for Class B consumers
    - Participating in the expanded ICI program (and opting to be treated as a Class A consumer) is a strategic business decision
    - Class B consumers will save 2-4% off their bills (a couple hundred dollars per month) from tax basing electricity support programs

Main points to hit home in talking about this topic:

- We are lowering electricity bills 25 per cent on average for families, farms and small businesses across the province.
- We are distributing costs more fairly — and giving people savings on their bills.