

Ontario's Fair Hydro Plan

OUR STORY

- Electricity is essential, and people needed help
- Our plan delivers:
 - Substantial relief – 25% on average
 - It will last – increases no more than inflation for 4 years
 - It is built on structural change to the system
- We rebuilt our system; \$50B invested, eliminated coal
 - But asked one generation to pay for it all
- This Plan is a fairer way to pay for our system
- We have introduced legislation to deliver on this Plan – will the opposition support real relief for families?

OPPO CONTRAST

- PCs won't support our plan to lower bills, and have no plan to replace it
 - Their biggest idea – ripping up contracts – would actually increase bills (through penalties, lawsuits)
 - The PCs repeat the myth that ownership of Hydro One affects rates
 - Toronto Star: "As for the PCs and Brown, their response to the real hardship many Ontarians have suffered from their bills is just sad." (Mar 1 editorial)
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- NDP won't support our plan to lower bills, and have no realistic plan to replace it
 - Want to spend \$4B buying back Hydro One shares, which won't take 1 cent off hydro bills
 - Low-income Ontarians are asked to "wait and see," and First Nations aren't even mentioned.

- These groups should be a pillar of any plan, not an afterthought

EXTRA INFO

Legislation

- We have introduced legislation to make our system more fair, and deliver real relief – will the opposition support it?
- Consulted with legal and technical experts to build a strong framework

4-Year Promise

- Regulations offer the flexibility to respond to potential fluctuations in inflation rates in any given year.
- This will help ensure rate increases do not exceed inflation as laid out in the Fair Hydro Plan.

Details on the Plan

- Some households will see more than the 25% reduction, depending on other programs
 - Bills can be reduced as much as 40-50%
- GA refinancing – new “mortgage”
- Relief for those with the highest distribution rates (RRRP)
- Support for low-income
 - Expanded OESP (increase credits by 50%, expand eligibility)
 - A new affordability fund (\$200M to help for retrofits for those who don't qualify for other support)
- Support for First Nations (eliminating delivery charge for on-reserve – average \$85/month savings)
- Expanding ICI to help medium-sized manufacturing (reducing threshold from 1MW to 50kW)

Financial Cost

- Moving social programs to the taxbase – estimated \$2.5B over next three years
 - This is in addition to the cost of the 8% rebate
- GA financing estimated to cost \$25B over thirty years

Non-Residential Beneficiaries

- Every single household will receive the 25%
- But so will many others
 - Hundreds of thousands of small businesses
 - The vast majority of farms
 - Small offices of all kinds (non-profits, charities)
 - Retirement homes
 - Long-term care homes
 - Housing co-ops
 - Community agencies
 - Those on retail contracts or with sub-meters
- If you receive a bill with Time-of-Use prices, you get the reduction

MUSH sector, other ratepayers

- Will receive benefit of tax-basing social programs - \$3/MWh, or about a 2-4% reduction
- Eligible for incentives and rebates for energy efficiency

Advertising

- The government has a responsibility to raise awareness about programs and services that affect Ontarians
- This includes informing them of changes to their electricity bills so that they can plan for the future
- Using a variety of channels to encourage people to visit the website dedicated to informing Ontarians
- We strengthened the legislation around this issue – and we are following it here

Positive Quotes

- Hamilton Mayor Fred Eisenberger: The 25% reduction “is a very positive step for the city’s hydro customers.”
 - Credited our government with listening, and implementing what he called “dramatic” reductions
- The Plan has been praised by consumer groups, poverty advocates, municipalities, labour representatives, environmental organizations...
 - I don’t know why the opposition won’t get on board!

DRAFT

Response to Ontario's Fair Hydro Plan

The changes announced today will provide significant relief, particularly for those who need it the most – our fixed-income, rural and Northern customers and small businesses, Ontario households and small businesses could start to see their bills drop by an average of 31 per cent each month as early as this summer."

- **Mayo Schmidt, CEO, Hydro One, March 2nd, 2017**

"The changes announced by the government today represent significant bill savings for Alectra customers and we are looking forward to implementing these initiatives."

- **Brian Bentz, President and CEO, Alectra, March 2nd, 2017**

"We were pleased to see that the provincial government heard our call and adopted several of our recommendations – specifically to free electricity customers from carrying the burden of social programs, such as the Ontario Electricity Support Program and the Rural or Remote Rate Protection program, on their electricity bill, and moving these costs to the tax base."

- **Electricity Distributors Association, March 2nd, 2017**

"The EDA believes that the measures announced today by the government, together with LDC-delivered conservation programs, are a step in the right direction and should be applied equitably across the province. We encourage the government to continue working collaboratively with utilities to find additional efficiencies that benefit all customers."

- **Teresa Sarkesian, Electricity Distributors Association, March 2nd, 2017**

"We are pleased that today's announcement preserves the integrity of Ontario's electricity market and acknowledges that the investments Ontario has made in generation can continue to provide good value to the electricity system well into the future."

- **David Butters, Association of Power Producers of Ontario, March 2nd, 2017**

"We would like to commend the Minister of Energy, Glenn Thibeault and the provincial government for announcing today that they will lower electricity bills by 25 percent on average this summer for all residential customers. We are pleased that electricity ratepayers will see the positive benefits of this announcement in the near future and for the commitment that rates will not increase beyond the rate of inflation for the next four years."

- **Alan Spacek, President of FONOM and Mayor of Kapuskasing, March 2nd. 2017**

"The Fair Hydro Plan is a positive step forward to bring cost sustainability to Ontario's electricity system. Energy Storage Canada supports this initiative as well as future measures to optimize existing assets and investments in the system."

- **Patricia Phillips, Executive Director of Energy Storage Canada, March 2nd, 2017**

"This is substantial action from the government that will reduce people's energy bills."

- **Giordan Zian, PUC Communication Supervisor (SSM Utility), March 2nd, 2017**

"This shows Kathleen Wynne's government is listening to people. With these positive changes, our rural community will now truly benefit from the low cost power it produces..."

- **Francesca Dobbyn, Executive Director, United Way of Bruce-Grey, March 2nd, 2017**

"These measures, together with the current low-income rate mitigation programs will make a substantial difference in the lives of vulnerable Ontarians."

- **Theresa McClenaghan, Executive Director of the Canadian Environmental Law Association**

**and member of the Low-Income Energy
Network steering committee, March 2nd, 2017**

“The elimination of the delivery charge will assist our citizens by reducing energy poverty in our communities. It also represents recognition for the use of the land in the development and expansion of the provincial energy grid. Today’s commitment by the Ontario government is commendable and allows a path forward for greater quality of life for First Nations in Ontario.”

- **Isadore Day, Ontario Regional Chief, March 2nd, 2017**

“Each one of our community members will benefit from *Ontario’s Fair Hydro Plan*. This is a step towards reconciliation and recognition of our inherent rights as Treaty Holders. I am grateful that Premier Wynne and Minister Thibeault listened to our concerns and took action.”

- **Ava Hill, Grand River Chief, March 2nd, 2017**

“We acknowledge Premier Wynne and her cabinet for such a bold and humane decision. This demonstrates that the Wynne government is dedicated to reconciliation through meaningful action.”

- **Gord Peters, Grand Chief, Association of Iroquois and Allied Indians, March 2nd, 2017**

“The best way to reduce energy bills is to help people reduce their energy use. We applaud the \$200 million Affordability Fund to help lower-income households participate in conservation savings programs. This program will help people who can’t finance home energy retrofits on their own do just that. With 18,000MW of renewable power online or contracted, Ontario is a green energy leader. And by closing Ontario’s coal plants, this province reduced emissions from the electricity sector by 80 per cent. The province should be congratulated for that.

- **Keith Brooks, Program Director,
Environmental Defence, March 2nd, 2017**

“The Ontario Energy Association (OEA) commends the Government of Ontario’s new policy to enhance the Ontario Energy Support Program (OESP) program. The OESP program is an income-tested application based program that provides electricity bill reductions for Ontario’s lowest income and most vulnerable households. The increase in the level of assistance, the increase in the income thresholds to allow more households to qualify, and moving the burden of this social cost from electricity ratepayers to the income tax base are all welcome changes.”

- **Ontario Energy Association, March 3rd, 2017**

"I applaud the Wynne Liberal government for the 25% reduction in hydro bills for Ontarians, including the 14,700 members of IUOE local 793 and their families. Every investment in hydro generation and transmission whether it be nuclear, or renewable energy has strengthened the economy of Ontario by creating thousands of jobs. By eliminating coal and transitioning to renewable we have improved our air quality and addressed global warming ahead of most developed countries. The government has our support in both addressing the affordability and at the same time not sacrificing the obvious need to invest in energy generation and transmission."

- **Mike Gallagher, International Union of Operating Engineers Local 793, March 2nd, 2017**

"The thousands of hard working Ontario families represented by the Labourers' International Union of North America support this plan because it brings needed relief to ratepayers and will ensure our energy infrastructure remains capable of meeting current and future demand."

- **Joseph Mancinelli. International Vice President & Regional Manager, Laborers' International Union of North America, March 2nd, 2017**