Good Afternoon:

I'm pleased to be here today as we take this critical next step in the implementation of Ontario's Fair Hydro Plan. I'd like to acknowledge and welcome Ontario Power Generation CEO Jeff Lyash with me here today.

Today the Government has tabled the *Fair Hydro Act, 2017* – which would, if passed, create the lasting legislative architecture to fulfill our Government's announced commitment to lower electricity bills for the typical residential electricity consumer by 25%, on average.

This legislation is composed of two important schedules.

The first would enact the *Ontario Fair Hydro Plan Act, 2017* that will establish and govern the borrowing platform our Government announced back in March.

The second would make related amendments to the *Ontario Energy Board Act, 1998* to shift important social programs from the rate-base to the tax-base.

I'd like to address each of these parts in turn.

Global Adjustment Refinancing

As announced by the Premier back in March, in developing Ontario's Fair Hydro Plan, our Government consulted widely with industry experts, utilities, as well as customer groups and every-day Ontarians.

That review lead us to the conclusion that today's electricity ratepayers are bearing the costs of significant up-front capital investment that had been driven largely by clean energy initiatives which eliminated the use of Coal as a means of electricity generation and virtually eliminated smog days in Ontario.

Our scan of other jurisdictions, notably multiple US examples, provided a framework for spreading out the costs of these clean energy initiatives more equitably over time.

The refinancing of the Global Adjustment is the result of that undertaking.

Importing this US model has meant careful and coordinated Legislative drafting.

In preparing this section of the legislation our Government has worked with financial, accounting and legal experts to bring forward a framework that works for the Canadian marketplace.

We found that we had to make modifications as we imported the approaches used in US jurisdictions to apply in Ontario.

Our Legislation will enable the refinancing of the Global Adjustment today, and establish the borrowing platform regime for the next thirty years.

To that end, I want to highlight three elements of the legislation that I want to ensure are not misunderstood.

Increases Held To Inflation

The Fair Hydro Act, 2017, would allow future increases to hydro bills to be set by regulation.

This enables the government's commitment to hold increases, for four years, to the rate of inflation.

By including this measure in regulation, it offers the Province flexibility to respond to potential fluctuations in inflation rates in any given year.

Clean Energy Adjustment

In the early years, it is intended that a portion of the costs covered by the GA would be refinanced to lower hydro bills for today's electricity ratepayers.

In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment. Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Initial analysis indicates that this would occur in the mid-to-late 2020s.

Provincial Guarantees

The legislation will enable the Province to provide guarantees to investors to protect investors from risks that cannot otherwise be mitigated.

For example, guarantees will address the risk to investors that future governments may undermine their investment by impairing the recovery of
Clean Energy Adjustments.

These clauses have been carefully crafted to both achieve our rate relief objectives and also create a borrowing platform that can obtain the highest possible credit worthiness, in an effort to manage the interest costs that will accrue as part of the Global Adjustment refinancing.

Our government has always been clear: like the mortgage on your house, this regime will cost more, as we refinance costs over a longer period of time. But this is a more equitable and fair approach, when we consider the life-span of the clean energy investments – generating stations across the Province.

The Ontario Energy Board (OEB) has already taken a portion of the GA refinancing into account when they re-set time-of-use rates at the time of their standard spring re-set.

As you know, this decision by the OEB meant that rates were already reduced by 17% beginning on May 1st.

Included in this legislation is a requirement that the OEB update time-of-use rates no later than 15 days after the proposed legislation receives Royal Assent.

Tax-Basing of Social Programs

The second section of this Legislation will enable the enhancement and expansion of vital social programs that have previously been paid for by all electricity rate-payers.

The Rural, Remote Rate Protection (RRRP) program provides a rate subsidy to customers in the hardest to serve parts of the Province. Our government is expanding this benefit to help about 800,000 residential customers via meaningful reductions in the distribution charges on their hydro bills.

The Ontario Electricity Support Program (OESP), already in market for over a year is being increased by 50%, expanding eligibility for low-income consumers via reductions to their total bill each and every month.

A new First Nations On-Reserve Delivery Credit recognizes the unique socio-economic considerations of Ontario's indigenous communities and will eliminate the delivery charge for on-reserve households.

By moving these costs to the tax-base, we are helping to relieve all ratepayers: residential, commercial and industrial of billions of dollars that would otherwise have appeared on all of our hydro bills.

These measures will cost the Provincial Treasury about $2.5-billion over the next three years.

In a very real sense, Ontario's electricity consumers are among the first beneficiaries of our Government's balanced budget.

Now, I want to address the political backdrop of the day.

We are about a year away from the next Provincial General Election, and we are in the last few weeks of the Spring Legislative Session.

And it is the role of the Opposition Parties to review and question the Government's Legislative initiatives.

I know this role very well from my time on Parliament Hill.

That's part of the beauty of our Parliamentary democracy.

But since Premier Wynne introduced the Ontario Fair Hydro Plan on March 2nd, neither Opposition Party has raised substantive concerns with any of these specific measures.

Many of you (in the media) have asked when this Legislation would be introduced.

As I have just outlines, we are proposing to establish a legislative framework that will govern a borrowing platform for the next 30 years.

And we took the time we needed to get this right.

In the year 2030 – Ontario ratepayers won't be asking why we took a few extra weeks to ensure this bill was appropriately crafted.

In the days ahead, the House will debate this legislative framework and I'm calling on both Patrick Brown and Andrea Horwath to support the *Fair Hydro Plan Act, 2017* to ensure that Ontario families can see the full 25% rate relief in time for Canada Day.

As we have recently seen in the House, the Opposition can seek to delay or undermine passage of important pieces of Legislation.

Our Government is not playing games.

And I hope that in this instance both Opposition Parties will do the same and support real, meaningful relief for Ontarians' hydro bills.

To conclude, I want to thank Jeff Lyash for his help in getting us to where we are today. As you will recall from the technical briefing back in March, the refinancing of the Global Adjustment will be managed by OPG.

As an organization, they are best placed to manage this borrowing platform because they have an established relationship with bond markets and already manage a multi-billion dollar segregated fund for the eventual decommissioning of Ontario's nuclear fleet.

As a Chief Executive, Jeff has experience with the form of refinancing platform that we are enabling via this legislation today.

And with that, we'd be pleased to take your questions.