Q&A Response – Canadian Federation of Independent Grocers
August 1, 2017

Q/ How will consumers of different sizes be impacted by Ontario's Fair Hydro Plan?

Ontario's Fair Hydro Plan has introduced new measures to lower electricity bills by 25 per cent on average for residential customers. As many as half a million small businesses and farms are also benefitting.

The reduction reflects a number of initiatives, including the refinancing of a portion of the Global Adjustment (GA), the shifting of cost recovery for electricity support programs from electricity bills to provincial revenues, and the 8 per cent rebate introduced in January 2017.

The government has aligned eligibility for GA refinancing with *the Ontario Rebate for Electricity Act, 2016* (ORECA), which provides for the 8 per cent rebate. This means that consumers who are eligible for the 8 per cent rebate are also eligible for GA refinancing.

To align eligibility, the *Fair Hydro Act, 2017* defines electricity consumers receiving GA refinancing as "specified consumers".

Consistent with ORECA, "specified consumers" includes:

- Electricity consumers with demand less than 50 kW;
- Electricity consumers with annual consumption less than 250,000 kWh;
- Farms and farming businesses; and
- Condominiums, multi-unit residential complexes, long-term care homes and housing cooperatives.

Consumers of all sizes will benefit from the shifting of cost recovery for OESP and the majority of RRRP from electricity bills to provincial revenues, lowering regulatory charges by approximately $3/MWh.

Ontario's Fair Hydro Plan also includes measures that target larger consumers. The Industrial Conservation Initiative (ICI) has been expanded to include smaller manufacturers and greenhouses between 500 kW and 1 MW, in addition to the consumers over 1 MW who are already eligible. ICI participants can lower electricity costs by one third on average by reducing consumption during peak hours.