

Reducing Rural or Remote Delivery Rates

While many Ontario electricity consumers are unaware, for the last X years the Rural or Remote Electricity Rate Protection (RRRP) program has reduced electricity delivery costs for customers located in rural or remote areas. The cost of providing electricity service for customers in these low density regions is higher than to customers in more urban or more dense communities.

For the majority of recipients, RRRP funding has been frozen at its current level for since XX. As a result, the impact of its assistance has reduced over time as electricity costs have increased to rebuild Ontario's electricity system and close coal-fired power plants.

Through legislation the government intends to introduce, funding for the program will increase by \$110 million, which would result in a reduced bill of approximately \$44 per month for affected customers when combined with impact the proposed 8% rebate.

The RRRP is paid to electricity distributors serving rural or remote customers to allow them to reduce the amount they would otherwise have to charge their customers to deliver electricity to them. For an average residential customer, the cost of supporting RRRP is roughly \$1 per month.

Today, RRRP is an approximately \$175-million program. Each year, the Ontario Energy Board (OEB) approves a RRRP benefit amount to be collected from all electricity distributors by the Independent Electricity System Operator (IESO). Electricity distributors in turn pass the small Board-approved retail RRRP charge on to their customers to recover the RRRP amount paid to IESO.

R2 Customers

[need explanation of why R2 customers, approx. 329K customers, etc.]

Commented [d1]: Need fact check here...the \$44 number is the total RRRP subsidy R2 will receive combined with rebate?

Commented [d2]: What is the exact number? Can we not say less than \$1?

Commented [d3]: Include maps on R2 customer numbers?

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