Affordability Fund

The Province will contribute $xx million to an affordability fund, administered by an independent trust, to be set up by Hydro One. The affordability fund will provide financial assistance to customers who are struggling to pay their bills, but cannot under existing programs qualify for low income assistance to access conservation programs and upgrade their homes. Over time, this assistance would help customers in need to reduce consumption, save on disconnection costs and help struggling customers get back on track. The affordability fund is not intended to subsidise the forgiveness of electricity arrears, but to provide long-term solutions for customers to reduce their dependence on electricity.

The fund will be accessible by residential customers throughout the Province, and support is not limited to Hydro One customers. Administration of the fund will be managed in a consolidated manner to reduce costs.

The trust deed will outline the element of discretion that trustees have, the purpose of the affordability fund and will include a list of prohibited activities. However, it is important to note that within the guidelines of the trust deed, the trustees will have full discretion to disburse the funds to the beneficiaries, being the residential electricity customers of LDC's in Ontario. No funds will be returned to the Province of Ontario at any time.

The trustees will include representative(s) from Hydro One, but the trust will include sufficient independent trustees such that Hydro One representatives will not control voting decisions of the trust. All trustees will be independent of the Province of Ontario, and the Province will not have the power to appoint or remove trustees, or dissolve the trust at any time. Hydro One will provide an opinion from its auditors, KPMG that the trust structure qualifies for non-consolidation in the books and accounts of Hydro One. The Province will have no control or significant input into the appointment of trustees or members of the trust. The Province may have input prior to the establishment of the trust regarding the goals of the affordability fund, but the trustees will have discretion as to how to achieve such goals.

The Province will have no ongoing access to the assets of the trust, will have no ability to direct the ongoing use of those assets, and will have no responsibility for losses or obligations incurred by the trust.