

Ontario's Fair Hydro Plan

Delivering the Largest Single Reduction to Electricity Rates In Ontario's History

Electricity is an essential part of people's daily lives. Following years of underinvestment, the system was due for major upgrades. Since 2003, almost \$70 billion has been invested in electricity infrastructure across the province to ensure people and businesses benefit from a cleaner, more modern and more reliable system.

The much-needed rebuilding of an aging electricity system resulted in rapidly rising rates for many people across Ontario. The government recognized that present-day consumers should not be burdened with paying a disproportionate share of investments that can provide benefits for decades to come.

That is why the government announced Ontario's Fair Hydro Plan in March 2017. A portion of the Global Adjustment (GA), which helps pay for investments in electricity supply and conservation, is being refinanced to spread the cost of electricity investments over a longer period of time. This refinancing, reflecting the expected longer life cycle of existing facilities, provides significant and immediate rate relief and helps ensure intergenerational fairness.

The average 25 per cent electricity bill reduction also reflects a number of other components, which are government funded: providing the eight per cent rebate on electricity bills, equal to the provincial portion of the Harmonized Sales Tax, which was effective January 1, 2017; and moving the costs of the Ontario Electricity Support Program and most of the Rural or Remote Rate Protection program to be funded by the government instead of by ratepayers.

As of July 1, 2017, electricity bills were reduced by 25 per cent on average, or about \$41 per month, for eligible households. Up to half a million eligible small businesses and farms also receive a benefit. As part of this plan, rate increases over four years will be held to the rate of inflation.

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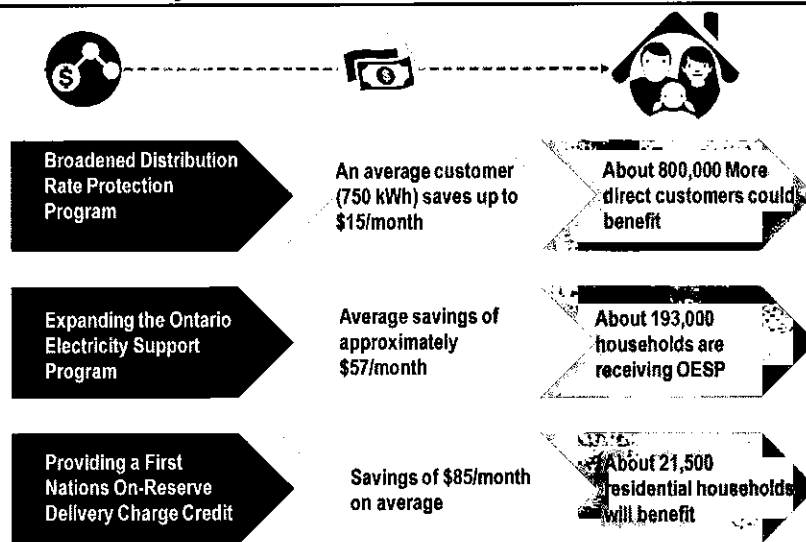
Providing Additional Support through Ontario's Fair Hydro Plan

People with low incomes and those living in eligible rural or remote communities will receive even greater reductions, as much as 40 to 50 per cent. On-reserve First Nation residential customers of licensed distributors will get a 50 per cent credit on the delivery line of their bills.

Also, in October 2017, the Province announced the launch of the \$100 million Affordability Fund, designed to help people who do not qualify for low-income conservation programs and who are unable to undertake energy-efficiency improvements without support.

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Additional Support through Ontario's Fair Hydro Plan



Source: Ontario Ministry of Energy.

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