

Statement from the Minister of Energy on the Ontario Energy Board's New Regulated Price Plan (RPP) Electricity Rate Announcement

Today, Glenn Thibeault, Ontario's Minister of Energy, issued the following statement:

We welcome the Ontario Energy Board's (OEB's) decision to reduce electricity rates starting May 1, 2017 by an average of 17 per cent across the province for all residential households and as many as half a million small businesses and farms.

The OEB's decision to include a portion of the estimated reductions from the Fair Hydro Plan, in keeping with its standard practice, means Ontarians will see real savings sooner than expected. This is an important first step to deliver on our government's commitment to lower rates by a total of 25 per cent on average by this summer with rates also held to inflation for the next four years. The Plan will bring the largest rate cut in Ontario history.

Today's OEB Retail Price Plan (RPP) announcement includes the 8 per cent reduction announced in January, shifting the Ontario Electricity Support Program (OESP) to the tax base and a portion of the electricity rate reductions Ontarians will see through the Fair Hydro Plan.

Our government intends to introduce legislation this session with time for debate and public hearings at committee, to provide real relief for Ontarians and greater fairness in our electricity system this summer. If passed, the OEB would lower rates again this summer to fulfill our pledge to cut electricity bills by 25 per cent on average and reduce rates for families in rural or remote areas of the province up to 40 to 50 per cent.

On March 2, Premier Wynne committed to providing significant and real relief on electricity bills for Ontarians, and our government will be delivering on this pledge this summer.

Caucus Blast:

Subject line | Fair Hydro Plan and today's Ontario Energy Board Regulated Price Plan (RPP) electricity rate announcement

The Ontario Energy Board (OEB), an independent, quasi-judicial body, sets Regulated Price Plan (RPP) electricity rates every six months, so residential, small business and farm customers know what to expect when it comes to their electricity costs. By keeping rates constant for six-month stretches, the OEB allows Ontarians to rely on stable prices. This protects electricity customers from the daily swings of province's open electricity market, where prices change every five minutes.

Updates to the RPP happen twice each year, on May 1 and November 1. The OEB bases rates on an estimate of how much it will cost to supply the province with electricity for the next year. Many factors go into the estimate.

Earlier this afternoon, the OEB announced that starting May 1, 2017, it would be taking an important **first step** in bringing immediate relief that the Fair Hydro Plan will offer to all residential households and as many as half a million small businesses and farms.

As part of the announcement, electricity prices for a typical household that uses 750 kWh per month will be lower by \$XX per month (or YY per cent) compared to the last announcement of RPP prices in [May 2016/November 2016].

Please see below chart as an example of Time-of-Use savings, effective May 1, 2017:

And if Fair Hydro Plan legislation is passed this legislative session as planned, the OEB would review RPP prices again this summer and adjust them as required to fulfill our government's commitment to deliver the 25 per cent on average reduction – the largest rate cut in Ontario history with rates also held to inflation for the next four years.

Below is Minister Thibeault's statement and attached are Qs&As for your reference.

Qs & As OEB May 2017 Regulated Price Plan announcement

Ontario Energy Board (OEB) Regulated Price Plan (RPPP) announcement and the Fair Hydro Plan:

Q1. You promised reductions of 25 per cent on average as part of the Fair Hydro Plan. Where are the savings you committed to March 2?

We committed to significant relief on electricity bills by the summer and we will be delivering on this pledge.

The OEB's announcement is an important first step in reducing electricity rates by 25 per cent on average for all residential households and as many as half a million small businesses and farms.

Legislation will be introduced this session, with time for debate and public hearings at committee, ensuring real relief for Ontarians and a way to ensure greater fairness in our electricity system.

If passed, the OEB is committed to reducing electricity rates to reflect the full 25 per cent on average rate reduction through our Fair Hydro Plan and to support the largest cut in electricity rates in Ontario history.

Q2. How did the OEB decide they could move forward with electricity price reductions without Fair Hydro Plan legislation passed or introduced at the least?

For OEB to address.

If pressed: It is standard practice for the OEB to reflect any upcoming significant changes in its Retail Price Plan (RPP) rate updates.

On April 10, the Minister of Energy wrote a letter to the OEB detailing the Fair Hydro Plan's measures and our intent to introduce legislation this session. In updating Time of Use rates the OEB takes into account suspected supply, demand, cost outlooks and significant government initiatives, such as our Fair Hydro Plan.

If passed, the OEB is committed to reducing electricity rates to reflect the full 25 per cent on average rate reduction through our Fair Hydro Plan and to support the largest cut in electricity rates in Ontario history.

Q3. Why doesn't the OEB forecast for all of the measures in the Fair Hydro Plan instead of just a few?

The OEB's announcement is a strong first step in bringing significant relief to all residential customers and as many as half a million small businesses and farms.

Legislation will be introduced this session, with time for debate and public hearings at committee, ensuring real relief for Ontarians and a way to ensure greater fairness in our electricity system.

If passed, the OEB is committed to reducing electricity rates to reflect the full 25 per cent on average rate reduction through our Fair Hydro Plan and to support the largest cut in electricity rates in Ontario history with rates also held to inflation for the next four years.

Q4. Rates are increasing 3 per cent since the last Regulated Price Plan (RPP) announcement and the 8 per cent rebate was already introduced at the start of this year. Is this just a 14 per cent reduction at the end of the day, far from the 25 per cent on average committed to?

We welcome the OEB's decision to reduce electricity rates starting in May by an average of 17 per cent across the province, in anticipation of the meaningful measures contained in Ontario's Fair Hydro Plan.

The OEB's announcement is a strong first step in bringing immediate relief to all residential households and as many as half a million small businesses and farms.

Q5. To clarify, is this a 25 per cent reduction on current rates or is this a cut on increases announced as part of this RPP update?

The OEB is delivering a 17 per cent on average reduction effective May 1.

And if Fair Hydro Plan legislation is passed this legislative session as planned, the OEB would review RPP prices again this summer and adjust them as required to fulfill our government's commitment to deliver the 25 per cent on average reduction – the largest rate cut in Ontario history with rates also held to inflation for the next four years.

Q6. Is this just proof that Ontario's Fair Hydro Plan is a 17 per cent reduction and not a 25 per cent cut?

The OEB's announcement is a strong first step in bringing immediate relief to all residential households and as many as half a million small businesses and farms by reducing electricity rates starting May 1, 2017 by an average of [17 per cent TBC].

This reduction includes the 8 per cent reduction announced in January, shifting the Ontario Electricity Support Program (OESP) to the tax base and a portion of the electricity rate reductions Ontarians will see through our Fair Hydro Plan.

Our government intends to introduce legislation this session with time for debate and public hearings at committee, ensuring real relief for Ontarians and a way to ensure greater fairness in our electricity system this summer. If passed, the OEB has committed to lowering rates again to fulfill our pledge to cut electricity bills by 25 per cent on average and reduce rates for families in rural or remote areas of the province up to 40 to 50 per cent.

On March 2, Premier Wynne committed to providing real and significant relief on electricity bills for Ontarians and our government will be delivering on this pledge this summer.

Q7. How does this impact those eligible for the 8 per cent reduction, but not on Time-of-Use Pricing/RPP-eligible?

General Questions:

Q8. Does the government play any role in determining how the OEB sets electricity prices?

The Ontario Energy Board (OEB) is an independent, quasi-judicial body that regulates the energy sector in the public interest. The Ministry of Energy is not involved in the OEB's rate-setting process.