

Media Call Summary: December 5, 2017

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Minister's Office : 1 inquiry ***updated with response***

Topic: Fair Hydro Plan/delivery charges for on-reserve First Nations customers

Reporter & Outlet: Chris Pimentel, Turtle Island News

Response type: Minister's spokesperson

Questions:

The Elected Council, specifically, Elected Chief Ava Hill brought up in a Council meeting on Tuesday night that she is trying to lobby to get the delivery charges removed from Band (government run) buildings on Six Nations not just residential houses.

1. Is that something the Ministry of Energy is willing to add on to the Fair Hydro Act?
2. If so, would they be willing to expand it to businesses as well?
3. Was it ever discussed to remove the charges completely from all residents on Six Nations?
4. What happens if a person runs a business from their home? Do they currently still have to pay delivery charges?

Response s :

Is that something the Ministry of Energy is willing to add on to the Fair Hydro Act?

Through the Fair Hydro Plan, Ontario has made several changes to improve the affordability of First Nation customers living on reserve.

First - Ontario has made changes to the Rural or Remote Electricity Rate Protection (RRRP) program to lower delivery charges for about 800,000 rural and remote consumers who currently face some of the highest rates.

The cost of distributing power to lower-density rural and remote areas is much higher than for urban and higher density areas.

To help offset the higher costs to distribute electricity to Ontario residents who live in rural or remote locations, eligible customers receive a credit off their bills under the Rural or Remote Rate Protection (RRRP) framework.

Second - the Ontario's Fair Hydro Plan eliminates the delivery charge for all on-reserve First Nations residential consumers, resulting in an average savings of \$85 per month.

The First Nations Delivery Credit helps address some of the unique challenges that on-reserve First Nations customers face, and to recognize First Nations' contribution to the provincial electricity system.

The proposal to remove delivery charges from band-owned buildings has been raised by First Nations leadership. The ministry agreed to work with the Chief's Committee on Energy to further consider this idea.

Third – The Fair Hydro Plan increased the Ontario Electricity Support Program by 50 per cent, meaning that single, low-income consumers who receive the lowest credit amount would get an increase from \$30 to \$45 per month (\$540 per year, an increase of \$180), and the lowest credit for the enhanced scale would increase from \$45 to \$68 (\$816 per year, an increase of \$276). Ontario is exploring automatic qualification for customers who are enrolled in other provincial low income social programs.

If so, would they be willing to expand it to businesses as well?

We recognize the importance of electricity prices for business. Maintaining competitiveness with respect to energy costs is a top government priority.

Ontario's Fair Hydro Plan will lower electricity bills by 25 per cent for average residential customers and as many as half a million small businesses and farms will also benefit. This plan will also hold increases to the rate of inflation for four years.

We have also expanded the Industrial Conservation Initiative (ICI), which lowers electricity costs for eligible large consumers that reduce consumption during peak times. To allow more businesses to benefit from ICI, effective January 1st, we lowered the threshold from 3 megawatts (MW) to 1 MW. Newly eligible consumers that opt-in to ICI saw the impact on their bill beginning in July 2017.

As part of Ontario's Fair Hydro Plan, we further expanded ICI to include smaller manufacturers and greenhouses (i.e., NAICs codes commencing "31", "32", "33" and "1114") with average peak demand greater than 500 kW and less than 1 MW. The expansion to 500 kW will also be effective in July 2017.

Consumers of all sizes have benefited from the shifting of cost recovery for electricity

support programs from electricity bills to provincial revenues, lowering regulatory charges for everyone by approximately \$3/MWh or 2-4 per cent.

Ontario has a number of additional measures in place to help businesses manage the cost of electricity, including the Northern Industrial Electricity Rate Program (NIERP), the Industrial Accelerator Program (IAP), saveONenergy for Business conservation programs, and industrial consumers.

Was it ever discussed to remove the charges completely from all residents on Six Nations?

In June 2016, the Minister of Energy asked the Ontario Energy Board to examine and provide advice on options for rate assistance for on-reserve First Nations electricity consumers. As Part of this work, the Board undertook outreach and engagement with First Nations communities to ensure that an understanding of the unique electricity issues facing all reserve community members was examined.

Following the recommendation from the Board, Ontario, as part of Ontario's Fair Hydro Plan, made a decision to introduce the First Nation Delivery Credit to benefit all on-reserve First Nations residential customers.

We are also removing the monthly service charge for customers of licensed distributors that charge a bundled rate. The Board estimates this will provide residential customers an average monthly benefit of \$85 (or \$1,020 per year)

This automatically qualifies on-reserve First Nations residential customers — about 21,500 in total.

What happens if a person runs a business from their home? Do they currently still have to pay delivery charges?

All on-reserve residential consumers are eligible. First Nation on-reserve residential customers that are currently registered with their Local Distribution Company for the HST exemption will be automatically eligible and enrolled to receive the First Nation Delivery Credit.

First Nations on-reserve residential customers that are not currently registered with their Local Distribution Company and who receive the HST exemption are encouraged to register as soon as possible.

Ministry: 0 inquiries

Agencies : 0 inquiries