

Ministry of Energy

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Dear Mr. Anderson,

On March 2, 2017, our government announced Ontario's Fair Hydro Plan, which proposes new measures to lower electricity bills by 25 per cent on average for all residential customers as well as initiatives to reduce costs for industrial consumers.

As part of the plan, the government has committed to removing the Rural or Remote Rate Protection (RRRP) charge and the Ontario Electricity Support Program (OESP) charge from all consumer bills and instead funding these programs from provincial revenues. This action would provide a benefit of approximately \$3/MWh for all consumers and is expected to offset the price increase resulting from cap and trade for an average Class A electricity consumer over the first compliance period of the program.

Ontario's commitment to lowering electricity costs over the longer term for consumers includes working with the province's agencies to identify opportunities to drive efficiency and increase productivity in the electricity sector.

We are also proposing to expand the Industrial Conservation Initiative (ICI) to include smaller manufacturers (i.e., North American Industry Classification System codes commencing "31", "32" and "33") with average peak demand greater than 500 kW and less than 1 megawatt.

I have heard from large industrials that the ICI and other existing government programs such as the Northern Industrial Electricity Rate Program (NIERP) have played a significant role in maintaining competitive electricity costs in Ontario.

I have also heard, through meetings with large consumers and your Long-Term Energy Plan (LTEP) submission, of ideas to provide further support and incentives to industrial consumers. I have asked my staff to continue working with AMPCO and other partners in government, including the Ministry of Economic Development and Growth, to explore your proposals in further detail.

For more information on Ontario's Fair Hydro Plan, I encourage you to visit the webpage at ontario.ca/fairhydroplan.

Please accept my best wishes.

Sincerely,

Glenn Thibeault
Minister