Minister's Statement Regarding the Fair Hydro Trust's First Offering

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Minister of Energy's Draft Statement
February 9, 2018

Today, Glenn Thibeault, Minister of Energy, issued the following statement on the Fair Hydro Trust's recent issuance of secured debt in relation to Ontario's Fair Hydro Plan:

"I would like to thank the Fair Hydro Trust, and by extension Ontario Power Generation (OPG), for successfully executing this transaction. I would also like to thank the other entities involved, including the Ministry of Finance, the Treasury Board Secretariat, the Ontario Financing Authority and the Independent Electricity System Operator.

This successful transaction further demonstrates OPG's proven track record in supporting Ontario's best interests in the capital markets. From its Corporate Debt platform and private placement of insurance-linked bonds, to its participation in securitization programs and successful debt issuances on the recent hydroelectric developments, OPG has extensive financial and commercial-related experience. This experience will be invaluable as we continue to implement the refinancing of a portion of the Global Adjustment, a key component of the Fair Hydro Plan.

Ontario's Fair Hydro Plan is the single largest electricity rate reduction in our province's history. By refinancing the Global Adjustment and other measures, we have lowered electricity rates by an average of 25 per cent for all residential consumers, while holding any increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting from the rate reduction. Lower-income Ontarians and those living in the most rural and Northern communities are receiving even greater reductions, as much as 40 to 50 per cent.

We have invested approximately $70 billion to transform our electricity system, which had fallen into disrepair, into a clean, green, reliable system that meets the energy needs of families and businesses every minute of every day. While those investments were absolutely necessary, they came at a cost, which was being unfairly placed on one generation of electricity customers. By spreading out these costs over a longer period of time, they will be shared more evenly by the customers who will benefit from the investments. It is a fairer way to pay for our electricity investments.

I would like to thank the Fair Hydro Trust and Ontario Power Generation, once again, for providing the expertise and support necessary to implement Ontario's Fair Hydro Plan."

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