

Q/A Response – OMAFRA

Q1. How would Ontario's Fair Hydro Plan impact OMAFRA stakeholders, including farms, greenhouses and food processors?

Farms

Farms, as defined in the *Farm Registration and Farm Organizations Funding Act*, would receive a reduction of about 25% and rate increases over the next four years would be held in line with the rate of inflation. This figure includes the eight per cent rebate introduced in January and builds on previously announced initiatives to deliver broad-based rate relief on all electricity bills.

As part of Ontario's Fair Hydro Plan (OFHP), a number of programs whose costs are currently reflected in regulatory charges on bills, such as the Ontario Electricity Support Program (OESP), would be funded by the government instead of by ratepayers. This would result in a savings for all consumers of about \$3/MWh, or about 2% of bills, and is included in the 25% savings figure.

Residential dwellings on farms that are located in eligible rural communities would receive even greater reductions to their electricity bills beyond the 25%.

As well, as announced in the September 2016 Speech from the Throne, larger farming operations with average monthly peak demand above one megawatt are able to opt-in to the Industrial Conservation Initiative (ICI) program. Consumers participating in ICI are charged Global Adjustment (GA) on the basis of their share of the total system demand during the highest five peak hours of the year. This provides savings to participating consumers of up to one-third of total electricity costs.

Greenhouses

As part of the Ontario's Fair Hydro Plan (OFHP), a number of support programs whose costs are currently reflected in regulatory charges on bills, such as the Ontario Electricity Support Program (OESP), would instead be funded through provincial revenues. This would result in a savings for all consumers, including greenhouses, of about \$3/MWh, or about 2% of bills.

As well, as announced in the September 2016 Speech from the Throne, greenhouses can opt-in to the Industrial Conservation Initiative (ICI) if their average monthly peak demand exceeds one megawatt. Consumers participating in ICI are charged Global Adjustment (GA) on the basis of their share of the total system demand during the highest five peak hours of the year. This provides savings to participating consumers of up to one-third of total electricity costs.

Food Processors

As part of Ontario's Fair Hydro Plan, a number of programs whose costs are currently reflected in regulatory charges on bills, such as the Ontario Electricity Support Program (OESP), would be funded by the government instead of by ratepayers. This would result in a savings for all consumers, including food processors, of about \$3/MWh, or about 2% of bills.

As manufacturers, food processors would be able to opt-in to the Industrial Conservation Initiative (ICI) if their average monthly peak demand exceeds 500 kilowatts, down from the current one megawatt threshold. Consumers participating in ICI are charged Global Adjustment (GA) on the basis of their share of the total system demand during the highest five peak hours of the year. This provides savings to participating consumers of up to one-third of total electricity costs.