RE: Fari Hydro Act and Farms

From: "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>
To: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, Giancarlo Drennan <giancarlo@mapleleafstrategies.com>
Date: Mon, 15 May 2017 11:22:01 -0400

Hi Giancarlo,

I'm happy to speak today. I'm available except for 2-3pm, so let me know if you'd like a call.

In the meantime, I've included some bullets below that shed a bit of light on eligibility for farms. Happy to speak to anything that still isn't fully clear.

Cheers,
Craig

There are a number of measures that will benefit nearly all farms:

- Farms holding a valid *Farming Registration* number receive the 8% Provincial Rebate, equal to the provincial portion of the Harmonized Sales Tax (HST). This benefit applies to the whole bill, with no cap on consumption, and also allows farms and businesses to claim the full HST input tax credit they are eligible for.
- Farms will also benefit from refinancing the Global Adjustment (GA). The Ontario Energy Board has announced lower time-of-use and tiered pricing rates as of May 1st, delivering early action with a portion of this reduction.
  - For all eligible customers (including larger farms not on time-of-use rates), the full volumetric reduction is expected to be in place this summer after legislation, if passed, receives Royal Assent.
- Shifting the funding of the RRRP program and the Ontario Electricity Support Program to the tax base will result in a volumetric savings of about $3 per megawatt-hour for all consumers. This will cut the Regulatory line on hydro bills nearly in half.
- Together, these measures add up to an average 25% off hydro bills for farms and households. Rates will also increase by only the rate of inflation for the next four years.

There are further measures that will benefit some farming customers:

- The expansion of the Industrial Conservation Initiative means that farms with peak demand over 1MW, and greenhouses and food processors with peak demand over 500kW, will be eligible to participate and save up to one-third off their electricity costs.
- The expansion of the Rural or Remote Rate Protection (RRRP) program will, if legislation is passed, benefit Hydro One R1 and R2 customers (together, approximately 75,000 farms) by providing relief on high delivery charges.
  - The enhanced RRRP would set a maximum on distribution charges, while transmission charges will continue to be volumetric. This means that the higher a customer's consumption, the greater the benefit they would receive.
  - Hydro One General Service Demand and General Service Energy customers are not eligible for RRRP, but will receive the 25% reduction.
  - RRRP would also be expanded to include residential customers of Northern

Ontario Wires, Lakeland Parry Sound, Chapleau PUC, Sioux Lookout Hydro, InnPower, Atikokan Hydro, and Algoma Power.

- The Ontario Electricity Support Program (OESP) is being expanded as of May 1st, with benefits increasing by 50% and making more low-income consumers eligible.

As part of our long-term plan to keep rates predictable and affordable in the future, the Independent Electricity System Operator (IESO) and its stakeholders have begun a market renewal project to enhance the efficiency and performance of the wholesale electricity market. Changes related to the IESO's market renewal initiatives are estimated to save at least $200 million per year, starting in 2021.

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From: Whittington, Matt (ENERGY)
Sent: May-15-17 10:55 AM
To: Giancarlo Drennan
Cc: Ruttan, Craig (ENERGY)
Subject: RE: Fari Hydro Act and Farms

Hi Giancarlo

Copying Craig who can help you out with this.

Hope all is well.

Thanks,
Matt

From: Giancarlo Drennan [mailto:giancarlo@mapleleafstrategies.com]
Sent: May-15-17 10:53 AM
To: Whittington, Matt (ENERGY)
Subject: Fari Hydro Act and Farms

Hey Matt, hope all is well

As per my voicemail I'm just trying to make sense of a portion of Bill 132. Its the piece that applies to farms.

Would you be the best one to speak to or is there one of your staff that's best?

Thanks

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