

Re: Question: Liberals reveal relief package for electricity customers

From: "Whittington, Matt (ENERGY)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=whittington, matt (energy)cce">
To: "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Cc: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Tresise, Landon (ENERGY)" <landon.tresise@ontario.ca>
Date: Fri, 03 Mar 2017 18:56:14 -0500

LTCs and retirement homes included!

Hospitals not included.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Teliszewsky, Andrew (ENERGY)
Sent: Friday, March 3, 2017 6:21 PM
To: Whittington, Matt (ENERGY)
Cc: Nekolaichuk, Colin (ENERGY); Tresise, Landon (ENERGY)
Subject: FW: Question: Liberals reveal relief package for electricity customers

Status?

From: Araneda, Derrick (MOHLTC)
Sent: March-03-17 4:14 PM
To: Teliszewsky, Andrew (ENERGY)
Subject: FW: Question: Liberals reveal relief package for electricity customers

It didn't sound like LTC's were covered at this morning Chief's announcement – please see the chain below. Could you confirm?

Thanks

From: Chesney, Ian (MOHLTC)
Sent: March-03-17 4:05 PM
To: Araneda, Derrick (MOHLTC); Rowe, Alyson (MOHLTC); Burke, Holly (MOHLTC)
Subject: FW: Question: Liberals reveal relief package for electricity customers

FYI – heard anything on hospitals? I assume he heard this from their MO

From: Adrian Kupesic [<mailto:AKupesic@oltca.com>]
Sent: March-03-17 4:03 PM
To: Chesney, Ian (MOHLTC)
Subject: RE: Question: Liberals reveal relief package for electricity customers

So I heard from Energy that LTC will be included. Big win. Very big.

Adrian Kupesic | Director, Public Affairs & Governance
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From: Adrian Kupesic
Sent: March 2, 2017 9:40 AM
To: 'Chesney, Ian (MOHLTC)' <lan.Chesney@ontario.ca>
Subject: Question: Liberals reveal relief package for electricity customers

Hey Sir,

Wondering if LTC homes will receive this as well? Do let me know as we have our Board meeting next week and this would be a BIG win.

Liberals reveal relief package for electricity customers

The Liberal government delivered its long-promised relief package for beleaguered electricity customers Thursday morning, boasting they will immediately ease the pain on all consumers by delaying some costs and hitting up taxpayers to shoulder more of the load.

The proposed changes, which the Liberals have named "Ontario's Fair Hydro Plan," aim to lower electricity bills by an average of 25 per cent by this summer, capping rate hikes at the rate of inflation over four years. The plan includes the government's existing 8-per-cent rebate, and comes with about \$1.83 billion in upfront costs this year, plus interest, with more expenses to come down the line.

After months of increasing anger from voters over the rising hydro rates, the government says its new plan won't stop it from tabling balanced budget this year. The Liberals claim it will produce these hydro savings by deferring costs tied to generating electricity and by pumping tax dollars into new and existing assistance programs.

"For too long, governments – my own included – have made mistakes in the way we've structured Ontario's electricity system," said Premier **Kathleen Wynne**, according to a copy of her remarks. "That has resulted in rates that are unfairly high. It's time to fix those mistakes. In ways that work for today – and for the future."

As part of its plan, the government is proposing to "refinance" investments made in the electricity grid, kicking some expenses down the road, but shaving costs for consumers right now. It will do so by delaying a portion of the global adjustment charge all electricity customers currently pay.

The government says \$50 billion has been spent on the electricity system between 2005 and 2015, \$35 billion of which was on the generation side of the business, including 20-year contracts with certain power plant owners. These generation costs are paid for in part by the global adjustment fee, which cost approximately \$10 billion in 2015, about half the total annual cost to the system and ratepayers.

Noting that some electricity infrastructure can be used for longer than initially anticipated, the government intends to spread out the global adjustment in a way that would reduce the expense by an average of about \$2.5 billion annually over the first 10 years, with the refinancing expected to last about 30 years. Interest payments on those deferred costs are to be held at \$1.4 billion a year, starting this year, to be managed by Ontario Power Generation in a new holding company of sorts. The Liberals are looking to have the changes to the global adjustment charge take effect this summer.

The other plank of the government's plan is shifting a slate of assistance programs off the backs of ratepayers and on to the more numerous backs of taxpayers. The cost will be \$2.5 billion over the next three years, or about \$830 million annually.

The province's Rural or Remote Rate Protection program, which subsidizes bills in those areas, would be boosted. So would the Ontario Electricity Support Program, which gives low-income customers a monthly credit on their bills. The government is also creating a special rate for on-reserve First Nations electricity customers, who would have their delivery charge eliminated entirely.

A new "affordability fund" would be created as well, for customers who can't qualify for other low-income conservation programs.

Electricity prices have become the preeminent issue in Ontario politics, and the Liberals have been especially vocal about providing consumers with more assistance since the Grits' loss in last summer's Scarborough-Rouge River byelection.

The Liberals already instituted an 8-per-cent rebate for electricity customers that started January 1, at an annual cost of about \$1 billion. They had also beefed up an assistance program for rural and remote electricity customers, which was also announced in last September's throne speech.

Even so, Premier Wynne had said her government would do more. The Grits may have been feeling some added pressure this week, as the NDP unveiled an electricity assistance package on Monday that proposed repurchasing Hydro One shares and capping profits for private power producers. The NDP say their plan could be worth as much as 30 per cent in savings for customers, but the Liberals immediately attacked it, alleging a Hydro One share buy-back wouldn't reduce electricity costs.

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