

Ontario Fair Hydro Plan

5 Things You Need to Know

- 1. Broad relief:** Our plan will lower bills for Ontario families, farms and small businesses by an average of 25% and will limit increases to 2% per year for the next four years. Changing the way we pay Global Adjustment costs is the largest restructuring of Ontario's electricity system in 20 years.
- 2. Relief for Ontarians with the Highest Distribution Charges:** Our plan expands and enhances the Rural or Remote Rate Protection Plan (RRRP) to provide distribution charge relief for Hydro One's Medium and Low Density Customers, and customers of the 7 other highest cost utilities (Algoma Power, Atikokan Hydro, Innpower, Chapleau PUC, Sioux Lookout, Parry Sound, Northern Ontario) benefitting 800,000 Ontarians.
- 3. Relief for Low-Income Ontarians:** Our plan expands eligibility for the Ontario Electricity Support Program (OESP), while increasing the credits by 50%. At the same time, we are making changes to ensure program uptake is as close to 100% as possible by streamlining the application process, and exploring automatic qualifications for Ontarians already enrolled in other low-income support programs.
- 4. Fixing the Foundation of Ontario's Electricity System:** The Ontario Energy Board will identify opportunities to lower the cost of electricity over the long-term by finding cost efficiencies in Ontario Local Distribution Companies. The Independent Electricity System Operator's Market Renewal Initiative will enhance the efficiency and performance of the wholesale electricity market, helping to fix underlying issues in our system and saving an estimated \$200 million per year.
- 5. A Prudent Approach to Managing the Electricity System:** Ontario's previous approach to allocating Global Adjustment costs has front-loaded the impacts of our electricity sector investments, burdening

today's ratepayers. Spreading a portion of these costs over a longer time period better reflects the useful lifespan of Ontario's generation assets and is a fairer approach to distributing those costs.

Relief Measure	Who Benefits?	Where does benefit show up on bills?
Moving OESP & RRRP to tax-base	All electricity customers (residential, business, commercial, industrial)	"Regulatory" line on bills is lower
GA Refinancing	RPP customers (residential, small business)	Time-of-Use rates decrease = "Electricity" line on bills is lower
Enhanced RRRP	R1 and R2 customers and customers of 7 other high distribution cost LDCs	"Delivery" line on bills is lower
OESP	Low-Income customers	"OESP Credit" increased by 50% on bill
Affordability Fund	Struggling customers who don't meet definition of "low-income"	Increased access to conservation programs
First Nation Rate	On-Reserve First Nations customers	Elimination of "Delivery" line
Expanded ICI Program	Class B Energy Intensive Consumers (manufacturing, mining, greenhouses etc.)	"Global Adjustment" line on bills can be lowered