Ministry of Energy & the Fair Hydro Plan
March 14, 2017 meeting with LDCs, OEB & IESO

The Ministry distributed a deck describing key elements of the plan prior to the meeting.

Issues of interest to the IESO that arose during the meeting include:

- LDCs will pay the lower electricity costs resulting from the Fair Hydro plan to the IESO with OPG paying the remainder, the IESO will be kept whole
- Industrial Conservation Initiative – this will be expanded to include small manufacturers, those with average monthly peak demand over 500 KWs
    - The Ministry stated that the IESO has held a session for LDCs on this. Speaking with Emily Somerville in communications it was confirmed that:
        - The IESO held a webinar for LDCs on February 23rd but this was prior to the proposed regulation being posted on the provincial registry and was on the current ICI regulation requirements
        - The IESO has responded to a few enquiries from LDCs on the proposed change to the regulation since it was posted
        - The IESO is reviewing holding another session for LDCs after the regulation is in effect
    - the proposed regulation change was posted on the registry on March 9th: http://www.ontariocanada.com/registry/view.do?postingId=23851&language=en
- A new Affordability Fund will be established which will assist customers who are not eligible for low-income conservation programs make energy efficiency improvements. The IESO is expected to be involved, though no details were provided. This will be funded through an independent trust established by Hydro One and financed through provincial revenues
- The Ministry stated that the impacts of the resulting changes to CDM programs will be examined in the IESO's mid-term review. The first meeting of the mid-term review advisory group was in April with the next on March 23rd: http://www.ieso.ca/sector-participants/engagement-initiatives/engagements/conservation-framework-mid-term-review
- The Ministry discussed using the IESO's OREC (Ontario Rebate for Electricity Consumers) portal for the restructured RRSP and OESP and asked the LDCs for their opinions as to how this has worked and to let them know of any issues. No one responded and Sunita Chander asked that any comments be sent to her. The portal is used to manage the 8% rebate currently in place.

Key elements of the plan as described at the meeting

The intention is to have the legislation in place to affect the RPP by May 1st, 2017

- There will be a 25% bill reduction, which includes the 8% rebate currently in place
    - The 25% is based on an average Toronto Hydro customer bill (750 KWH/month and paying Toronto Hydro's distribution charges)
    - Actual impacts will vary with consumption and with each LDCs distribution charges.
    - High volume customers will likely see a reduction of greater than 25%
- RPP customers electricity bills will rise at the rate of inflation for four years

    - This will be achieved by moving costs associated with long term generation contracts financed through the Global Adjustment off of customers' bills and financing it over 30 years
    - After four years, 2021, customers will see increases above inflation in order to pay down these costs
- All RPP eligible customers will be eligible
    - This will also include long term care homes, university residences and a few others

RRRP (Rural or Remote Electricity Rate Protection)

- will be funded from provincial revenues and will be expanded to approximately $500 M/year from the current $290M/year. It will also be provided to a larger base of LDC's and to Hydro One's R1 class customers which has at least 15 customers for every kilometer of power line used to supply energy to the zone. (Note: RRRP was previously only available to Hydro One's R2 class, which has fewer than 7 customers per KM)