Ontario

BACKGROUNDER

Ministry of Energy

Actions to Reduce Energy Costs

September 27, 2016

Ontario has taken action to reduce electricity costs for families, farms and businesses, while continuing to ensure they have a clean, reliable supply of electricity. Actions taken so far include:

- Renegotiating the Green Energy Investment Agreement (GEIA) with Samsung, reducing contract costs by $3.7 billion.
- Deferring the construction of two new nuclear reactors at Darlington, avoiding an estimated $15 billion in new construction costs.
- Maximizing the value of our existing nuclear fleet by starting Bruce refurbishments in 2020, instead of 2016, thus helping to achieve $1.7 billion in savings relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast and by continuing to operate Pickering up to 2024, pending regulatory approvals, which could save ratepayers as much as $600 million.
- Reducing Feed-In Tariff (FIT) prices through annual price reviews, saving ratepayers at least $1.9 billion.
- Introducing legislation that would, if passed, reduce electricity bills in Ontario by 8 per cent, an amount equal to the provincial portion of the Harmonized Sales Tax, beginning January 1, 2017.
- Providing more savings through the Rural or Remote Electricity Rate Protection program. Together, the 8 per cent rebate and the enhanced RRRP will provide eligible rural customers with a monthly savings of about 20 per cent, or $45 per month.
- Introducing strong competition between developers of large renewable projects through the Large Renewable Procurement (LRP) process to drive down price and secure clean, reliable generation for the province. As a result of lower prices and revised procurement schedules, LRP I costs were approximately $1.5 billion lower than the 2013 LTEP forecast. This would save the typical residential electricity consumer an average of approximately $0.56 per month on their electricity bill, relative to previous forecasts.
- Suspending the second round of the Large Renewable Procurement (LRP II) process and the Energy-from-Waste Standard Offer Program is expected to save up to $3.8 billion in costs relative to the LTEP 2013 forecast. This would save the typical residential electricity consumer an average of approximately $2.45 per month on their electricity bill, relative to previous forecasts. As the cost of renewable energy is anticipated to continue to decline, suspending the LRP II procurement would allow for further cost reductions when renewable energy is procured.

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