Actions to Mitigate Costs Since 2013

Ontario has taken action to reduce ratepayer impacts and remove system costs in the interest of maintaining an affordable, clean and reliable electricity system. The following outlines the key rate mitigation initiatives to bend the cost curve, which have been implemented since 2013:

- Renegotiating the Green Energy Investment Agreement (GEIA) with Samsung, reducing contract costs by $3.7 billion. **The revised agreement also included:**
    - Protecting the agreement's job commitments and adding a commitment to solar manufacturing jobs in 2016;
    - Reducing the agreement's total commitment for renewable energy projects from 2,500 megawatts (MW) to 1,369 MW;
    - Requiring Samsung to obtain municipal council support resolutions for new renewable energy projects before moving forward.

- Deferring the construction of two new nuclear reactors at Darlington, avoiding an estimated $15 billion in new construction costs;
    - Approving Ontario Power Generation's plans to seek the necessary regulatory approvals from the Ontario Energy Board (OEB) and the Canadian Nuclear Safety Commission (CNSC) to enable the ongoing operation of Pickering up to 2024, which is expected to save ratepayers as much as $600 million.

- Mandating annual reviews of Feed-In Tariff (FIT) prices which have led to a significant reduction in the price we pay for renewables. For instance, FIT and microFIT prices for new solar projects have been reduced between 50 and 75% since 2009.

- Reducing overall costs associated with the FIT and microFIT programs by about $800 million, as a result of lower prices and reduced procurement capacity relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast. This represents an approximate reduction of about $0.32 per month on a typical residential electricity bill over the forecast period.

- The LRP I process introduced strong competition between developers of large renewable projects, to drive down price and secure clean, reliable generation for the province..

- Suspending the LRP II Process is expected to remove $3.6 billion in costs relative to the LTEP 2013 forecast, saving the typical residential electricity consumer an average of approximately $2.10 per month on their electricity bill over the forecast period.

Commented [TC1]: This initiative does not impact rates. Recommend removing pending upcoming announcement.

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