

Affordable Electricity Act, 2018

EXPLANATORY NOTE

The *Affordable Electricity Act, 2018* is enacted. The Act imposes a duty on the Minister of Energy to ensure that residents and small businesses in Ontario have access to clean electricity at the lowest possible cost, and sets out several requirements that must be met by December 31, 2018, in order for that duty to be fulfilled.

An Act respecting affordable electricity

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Duties of the Minister of Energy

1. (1) The Minister of Energy shall ensure that residents and small businesses in Ontario have access to clean electricity at the lowest possible cost.

Same

(2) In order to fulfil the duty under subsection (1), the Minister shall, by December 31, 2018,

- (a) ensure that all regulations and policies that relate to the generation, transmission, distribution and sale of electricity in Ontario are amended to place the highest priority on minimizing the cost of electricity to customers, including by,
 - (i) requiring publicly owned water-powered and nuclear-powered generating stations to be used to maximum advantage,
 - (ii) ensuring that electricity that is distributed through the electricity distribution grid is supplied on the basis of competitive bids from all potential suppliers,
 - (iii) establishing full transparency in the electricity regulation process to ensure that all decisions that affect electricity pricing are open to public scrutiny and to ensure that electricity pricing is not subject to hidden interference by any government entity or any private party, and
 - (iv) requiring all pricing arrangements and payments between electric utilities and electricity suppliers to be made available to the public, including all cost agreements that relate to the funding of electricity suppliers for remaining on stand by and for refraining from putting electricity into the electricity distribution grid at times of surplus supply;

- (b) eliminate all preferential treatment for new wind and solar electricity generation projects and terminate all existing subsidies for wind and solar electricity generation projects at the earliest possible opportunity;
- (c) cancel all conservation program subsidies paid by the Independent Electricity System Operator;
- (d) establish procedures to ensure that the electricity distribution grid is regulated in a way that provides maximum benefit to electricity customers in Ontario by,
 - (i) requiring the grid to be maintained in an efficient state to serve all customers,
 - (ii) ensuring that the costs for maintaining and operating the grid are reduced to levels that are comparable with costs in the most cost-effective private operations,
 - (iii) requiring all costs associated with operating the grid to be open to public scrutiny,
 - (iv) ensuring that electricity customers receive the full benefit of cost savings that arise from more cost-effective management of the grid,
 - (v) removing every restriction that limits the ability of a potential supplier of electricity to use the grid to transport electricity to any willing customer, and
 - (vi) ensuring that the cost that is charged for the use of the grid is proportional to the actual cost of providing the service;
- (e) prohibit any measure that results in electricity prices being artificially lowered by borrowing money today that must be paid back in the future;
- (f) require all electricity bills to itemize the amount of deferred costs that customers will have to pay in the future as a result of the *Ontario Fair Hydro Plan Act, 2017* and all other Ontario Acts, regulations or policies;
- (g) require all electricity bills to itemize the portion of the bill that deals with the repayment of sunk costs and to identify the Act that requires such repayment and the year the requirement came into force; and
- (h) ensure that surplus electricity generated in Ontario is made available to Ontario customers on a first priority basis, and that customers in Ontario can purchase that surplus electricity at the lowest rate at which it is being offered to customers in neighbouring provinces or neighbouring states of the United States of America, by,

- (i) modifying metering systems to allow electricity customers to take advantage of the actual costs of production at any particular instant, including at times when users are paid to take surplus electricity out of the grid,
- (ii) conducting a study to identify other ways to allow Ontario residents to benefit immediately from more efficient use of the electricity system, and
- (iii) implementing regulatory and policy changes to ensure that customers benefit from reduced costs that result from more efficient use of the electricity system.

Commencement

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. The short title of this Act is the *Affordable Electricity Act, 2018*.