

Ontario Cutting Electricity Bills by 25 Per Cent

Province Introduces Legislation to Provide Lasting Relief for Households Across Province

NEWS

May 11, 2017

Ontario has introduced legislation that would, if passed, lower electricity bills by 25 per cent on average for all residential customers to provide significant rate relief and ensure greater fairness.

The Fair Hydro Plan Act, 2017, would deliver measures to lower electricity bills by 25 per cent on average for residential consumers this summer. As many as half a million small businesses and farms would also benefit from this bill cut. Lower-income Ontarians and those living in eligible rural communities would receive even greater reductions, as much as a 40 to 50 per cent cut. As part of this plan, rate increases over the next four years would be held to the rate of inflation for everyone.

These measures include the [eight per cent rebate introduced in January](#) and build on previously announced initiatives to deliver broad-based rate relief on all electricity bills. Taken together, these changes would deliver the single-largest reduction to electricity rates in the province's history.

If passed, the legislation would:

- Enable the Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) to work together to refinance a portion of the Global Adjustment (GA) over a longer period of time. Refinancing a portion of the GA would provide significant and immediate rate relief by spreading the cost of Ontario's electricity investments over the expected lifecycle of the infrastructure.
- Modify the Ontario Electricity Support Program (OESP) to ensure it is funded by government instead of ratepayers, reducing bills.
- Enhance the Rural or Remote Rate Protection (RRRP) program to provide delivery charge relief to customers served by local distribution companies (LDCs) with the highest rates.
- Provide on-reserve First Nations households with a 100 per cent credit of the delivery line on their monthly electricity bills.

Reducing electricity costs is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

QUOTES

"We listened to people about the need to do more to lower electricity costs. The significant measures proposed in the Fair Hydro Plan Act would help further reduce costs, including

additional relief for the most vulnerable. Under our proposed legislation, electricity rates would come down, stay down and make life more affordable for families and businesses across the province.”

— Glenn Thibeault, Minister of Energy (TBC)

QUICK FACTS

- [Ontario's Fair Hydro Plan](#) would improve sector efficiency and modernize the province's electricity market, working in collaboration with the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).
- In April 2017, the Industrial Conservation Initiative (ICI) was expanded to include electricity consumers in the manufacturing and greenhouse sectors with an average monthly peak demand of greater than 500 kW and less than 1 MW.
- On May 1, 2017, the OEB reduced electricity rates across the province, which included a portion of the proposed Fair Hydro Plan legislation. If passed, the OEB would have 15 days to update rates to reflect the full benefit of the proposed Fair Hydro Plan – delivering the 25 per cent on average reduction for all households and half a million small business and farms.
- The province has expanded the OESP, providing 50 per cent more support in the form of monthly credits for people with low incomes and increasing eligibility, effective May 1, 2017.
- About 800,000 customers would benefit from the enhanced Rural or Remote Rate Protection Program.
- The province is also establishing an Affordability Fund that will be accessible to LDCs for customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance.

Commented [BB(1)]: Hyperlink to Minister's statement on this.

LEARN MORE

- Learn about [Ontario's Fair Hydro Plan](#)
- Read Premier Wynne's [statement](#) announcing Ontario's Fair Hydro Plan

Colin Nikolaichuk, Minister's Office, Ministry of Energy,
Colin.Nikolaichuk@ontario.ca, 416-327-3551

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Natasha Demetriades, Ministry of Energy,
Natasha.Demetriades@ontario.ca, 416- 327-3855