

Ontario Cutting Residential Electricity Bills by X %

Wynne Government responding to concerns and takes decisive action to ensure fairness for electricity consumers

NEWS

March XX, 2017

Ontario is reducing electricity bills by X per cent on average for all residential consumers in the Province and will hold future rate increases at or below the rate of inflation for the next four years. Small business and farms would also benefit from the initiative, with additional relief for rural and low income ratepayers.

The province has heard that people do not understand why rates have gone up so much, why they have gone up so often and why their efforts to conserve haven't resulted in lower bills. In January, 2017 Ontario removed the provincial tax from bills, resulting in an 8 per cent decrease. However, this has not been enough.

As a result, Ontario is undertaking structural changes to the electricity system to make it fairer for consumers and provide substantial rate reductions and certainty about costs going forward.

Ontario's affordable hydro plan includes:

- **Refinancing the Global Adjustment (GA):** Over the past decade, Ontario has invested more than \$50 billion in modernizing, rebuilding, and cleaning up our electricity system. The cost of these investments were originally spread out over a 10 to 15 year period, resulting in prices rising sharply for current ratepayers. Recognizing that the electricity infrastructure that was built will last for many decades to come, the province is refinancing the Global Adjustment, akin to renegotiating a mortgage and setting a longer term. This shares the cost burden more evenly and appropriately.
- **Moving costs from the rate base to the tax base:** Ontario has long recognized the need to assist those in rural areas or on low incomes who are struggling with costs of electricity. Programs such as the Ontario Electricity Support Program and the Rural and Remote Rate Plan are in place to provide savings. Up until now, these programs were paid for by electricity rate payers alone. To ensure fairness, these programs will now be paid for through government funding.

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Ontario will also **enhance support programs** for rural and low income residents, providing more relief and ensuring rates stay consistent. This includes enabling automatic enrolment in the OESP, subject to approval by the federal government.

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Taken together, these changes represent the most significant restructuring of how Ontario families, farms and small businesses are billed for the electricity they consume, and represents the largest single rate cut in Ontario's history.

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

QUOTES

"We have heard from ratepayers across the province that we need to do more to help reduce costs. The government is committed to ensuring an affordable energy system for all Ontarians. These new measures will have a significant impact on your monthly bill and will help the most vulnerable."

— Glenn Thibeault, Minister of Energy

QUICK FACTS

- Ontario plans to 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).
- Ontario is investing \$200 million in the Affordability Fund. The Fund 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.
- GA financing will be available to families, farms and small businesses. Combined with other mitigation measures, it will save X% for the typical residential electricity consumer.
- Eligible customers with the highest-cost distribution rates have their costs harmonized at the lowest level among eligible distribution companies.
- On-reserve First Nations customers will receive a 100% credit of the delivery line on their monthly electricity bills. The expanded OESP will provide an additional \$180 to \$276 per year for households of eligible size and combined income.

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LEARN MORE

- **Estimate** how much you can save on your next bill
- Learn how Ontario is developing the next [Long-Term Energy Plan](#).

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