

Average Electricity Prices in Ontario are Tracking Below Forecast

Province continues to make efforts to mitigate rate increases

NEWS

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Investments necessary to ensure a clean, reliable, and affordable electricity system for all Ontarians has put upward pressure on electricity prices. However, the current price of electricity is below the level previously forecasted in the 2013 Long-Term Energy Plan (2013 LTEP).

The 2013 LTEP forecasted that a typical residential electricity consumer would pay about \$167 per month in 2016. This year, in 2016, that same residential consumer pays about \$152 per month. Similarly, electricity prices for industrial consumers are lower than expected. An average large industrial electricity consumer was projected to pay about \$96 per megawatt-hour (MWh). Currently, large industrial consumers are estimated to pay about \$85 per MWh on average, a reduction of 11% from the forecast.

At the same time, the government is working hard to minimize the impact of these investments and help Ontarians manage their electricity costs.

Recent actions undertaken by Ontario to reduce electricity costs include:

- Suspending the second round of the Large Renewable Procurement (LRP II) process and the Energy-from-Waste Standard Offer Program to save up to \$3.8 billion in electricity system costs relative to 2013 LTEP;
- Reducing residential electricity bills by 8 per cent on the amount before tax, an average savings of about \$130 annually or \$11 each month;
- Providing eligible rural ratepayers with additional relief by updating the Rural or Remote Rate Protection Program (RRRP), decreasing total electricity bills by an average of \$540 a year or \$45 each month when combined with the 8 per cent rebate; and
- Empowering more businesses to reduce their bill by up one-third through the expansion of the Industrial Conservation Initiative (ICI).

About five million residential consumers, farms and small businesses, along with more than one thousand industrial customers will be positively impacted by these changes.

Ontario is currently reviewing its LTEP, including the largest, most open and comprehensive province-wide consultation and engagement in Ministry of Energy history. The development of the next LTEP will balance the principles of affordability, reliability, clean energy, community and Indigenous engagement, as well as conservation and demand management.

Helping Ontarians with the cost of everyday living and helping businesses compete are part of the government's economic plan to build Ontario up and deliver on its number-one priority to grow the economy and create jobs. The four-part plan includes helping more people get and create the jobs of the future by expanding access to high-quality college and university education. The plan is making the largest investment in hospitals, schools, roads, bridges and transit in Ontario's history and is investing in a low-carbon economy driven by innovative, high-growth, export-oriented businesses. The plan is also helping working Ontarians achieve a more secure retirement.

QUOTES

“xyz”

- Glenn Thibeault, Minister of Energy

QUICK FACTS

- Since 2003, Ontario has invested more than \$35 billion in over 16,000 megawatts (MW) of new and refurbished clean generation, including nuclear, natural gas and renewables – this represents about 40 per cent of our current supply.
- Ontario eliminated coal-fired electricity generation, replacing it with cleaner sources of energy, which has decreased electricity sector emissions by approximately 80 per cent since 2003.
- As part of the package of rate mitigation initiatives announced in the 2016 Throne Speech, the government intends to use a portion of the cap and trade auction proceeds to keep electricity rates affordable for commercial and industrial electricity consumers.
- To help reduce electricity costs, Ontario has already removed the Debt Retirement Charge (DRC) from residential electricity bills and introduced the Ontario Electricity Support Program (OESP) to provide a monthly credit to low-income households who have applied and meet the eligibility requirements.
- The Industrial Conservation Initiative (ICI) provides a strong incentive for large electricity consumers to shift their electricity consumption to off-peak hours to reduce their bills by up to one-third. Expanding ICI would reduce cost pressures on the electricity system by enabling more consumers to lower their electricity demand during peak periods.
- Ontario's next LTEP will be guided by a number of strategic themes including greenhouse gas reductions, innovation, grid modernization, conservation and energy efficiency, renewable energy, distributed energy and continued focus on energy affordability for homes and businesses.
- The recently released discussion guide, entitled Planning Ontario's Energy Future, as well as the Independent Electricity System Operator's Ontario Planning Outlook and a Fuels Technical Report will help inform the LTEP consultations.

LEARN MORE

- Backgrounder on Existing Programs To Reduce Electricity Costs for Consumers and Businesses
- Backgrounder on Electricity Rate Relief for Ontario Consumers
- Read [Ontario's Long-Term Energy Plan](#)

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