

Ontario Passes Legislation to Lower Electricity Bills by 25 Per Cent

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To: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
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News Release

Ontario Passes Legislation to Lower Electricity Bills by 25 Per Cent

May 31, 2017

Meaningful Savings for All Residential Households Coming this Summer

Ontario passed legislation today that will 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 Act, 2017 reduces electricity bills for all residential consumers and as many as half a million small businesses and farms, starting this summer. Lower-income Ontarians and those living in eligible rural and northern communities will receive even greater reductions, as much as 40 to 50 per cent. As part of this plan, rate increases will be held to the rate of inflation for four years.

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 are delivering the largest reduction to electricity rates in Ontario's history. To facilitate these immediate savings, the legislation:

- Enables the Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) to work together to spread out the costs of Ontario's clean energy investments over a longer period of time, which ensures that the costs of these investments are allocated fairly among current and future ratepayers. This will be accomplished through refinancing a portion of the Global Adjustment (GA), resulting in significant and immediate rate reductions.
- Modifies and broadens the Ontario Electricity Support Program (OESP) to expand benefits and ensure it is funded by government instead of ratepayers, reducing bills for all.
- Enhances the Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief to a total of approximately 800,000 customers and shift costs from ratepayers to provincial revenues. The enhancement will benefit customers served by local distribution companies (LDCs) with the highest distribution rates. These savings will begin July 1, 2017.
- Provides on-reserve First Nations households serviced by licensed distributors with a 100 per cent credit of the delivery line on their monthly electricity bills, starting July 1, 2017.

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

QUICK FACTS

- Ontario's Fair Hydro Plan will improve energy sector efficiency and modernize the province's electricity market, building on the collaboration of IESO and 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 Ontario Energy Board (OEB) reduced electricity rates across the province, including a portion of the Fair Hydro Plan. The OEB will have 15 days after the legislation comes into force to update rates to reflect the full benefit of the Fair Hydro Plan – delivering the 25 per cent on average reduction for all households and half a million small business and farms. Royal Assent could be scheduled as early as June 1, 2017.
- 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.
- The province is also establishing an Affordability Fund that will be accessible to electricity distributors for customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance. This program is set to launch this summer.

BACKGROUND INFORMATION

- [Ontario's Fair Hydro Act, 2017](#)

ADDITIONAL RESOURCES

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

QUOTES

"The savings coming this summer will help make life more affordable, including additional relief for the most vulnerable. The Fair Hydro Plan significantly lowers rates now for all Ontario families that pay an electricity bill and will bring fairer rates in the future."

— *Glenn Thibeault, Minister of Energy*

CONTACTS

Colin Nekolaichuk
Minister's Office
416-325-2690
Colin.Nekolaichuk@ontario.ca

Natasha Demetriades
Communications Branch
416 327-3855
Natasha.Demetriades@ontario.ca

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