

Ontario Lowering Electricity Bills by 25 Per Cent

Province Introducing Legislation to Provide Lasting Relief for All Households

NEWS

May 11, 2017 (TBC)

Ontario has introduced new legislation that would, if passed, lower electricity bills by 25 per cent on average for all residential customers as part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness.

The Fair Hydro Plan Act, 2017, would deliver measures to lower electricity bills by 25 per cent on average 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 communities would receive even greater reductions, as much as a 40 to 50 per cent reduction. As part of this plan, rate increases for four years would be held to the rate of inflation.

These initiatives 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 the Global Adjustment (GA) over a longer period of time. By refinancing a portion of the GA, the legislation would provide significant and immediate rate relief by spreading the cost of the past decade's electricity investments over the expected lifecycle of the electricity infrastructure.
- Modify the Ontario Electricity Support Program (OESP) to a government-funded program, now that the OESP charge will be removed from customer bills starting on May 1.
- Enhance the Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief to customers served by the LDCs with the highest rates.
- Provide on-reserve First Nations customers with a 100 per cent credit of the delivery line on their monthly electricity bills.
- Reduce the threshold for the Industrial Conservation Initiative (ICI) program from 1 megawatt (MW) to 500 kilowatts (kW) – targeting smaller manufacturing and industrial consumers, along with greenhouses.

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 Ontarians 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).
- On May 1, 2017, the OEB reduced electricity rates across the province for all Regulated Price Plan (RPP) eligible customers, which included a portion of the proposed Fair Hydro Plan legislation. If passed, the OEB would have 15 days to update RPP rates to reflect all relevant measures in the proposed Fair Hydro Plan Act.
- The expanded OESP provides an additional 50 per cent on monthly credits for current and future program participants, effective May 1, 2017.
- About 800,000 customers would benefit from the enhanced Rural or Remote Rate Protection Program.
- The province will also launch an Affordability Fund that would 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.

LEARN MORE

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

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