

Ontario Cutting Electricity Bills by X %

System Restructure Delivers Lasting Relief to All Residential, Small Business & Farms

NEWS

March XX, 2017

Ontario is lowering electricity bills by X per cent for all residential consumers, small businesses and farms as part of an important system restructuring that will address longstanding policy challenges and ensure greater fairness.

As part of this plan, all households will receive this X per cent cut for at least four years with bills rising only by the rate of inflation. People with low-incomes and those living in rural communities will benefit from even greater reductions to their electricity bills.

These measures build on previously announced initiatives to deliver broad-based rate relief including the removal of the eight per cent provincial portion of HST from all electricity bills.

Taken together, these changes will deliver the largest single reduction to electricity rates in Ontario history.

Over the last few years, electricity rates have risen for two key reasons:

- **Decades of under-investment in the electricity system by governments of all stripes** resulted in demand for enormous new construction and refurbishment. At least \$50 billion in new, upgraded and modern system assets have been created over the past decade including new dams, rebuilt hydro towers, improved grid infrastructure and refurbished nuclear power plants.
- **The cost of important policy decisions** such as eliminating Ontario's use of coal, creating clean, renewable power and providing targeted support to rural and low-income customers.

The cost of financing these system improvements and funding these key programs has unfairly fallen almost entirely on the shoulders of today's ratepayers. To relieve that burden on hydro ratepayers and share costs more fairly, two system fixes are being undertaken.

Ontario will refinance capital investments in the province's electricity infrastructure that will benefit ratepayers for many decades to come, to ensure that the burden of paying for them is no longer borne so heavily by the current generation alone. In addition, a number of important programs such as the Ontario Electricity Support Program (OESP) will now be funded from general revenues instead of solely by ratepayers.

These new measures will cost the government an estimated \$1.8 billion over the next three years. The province is still projecting a balanced budget for 2017 and 2018, however, hydro rate relief costs could create challenges in reaching this target should economic growth slow. The province will provide a full update on its fiscal plan this spring in the 2017 Budget.

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 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.

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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