Ontario

NEWS

Ministry of Energy

Minister of Energy Addresses Empire Club of Canada

Average Electricity Prices in Ontario are Tracking 9 per cent Below Forecasts

NEWS

November 28, 2016

Today the Minister of Energy provided an update on the government's action to reduce electricity costs for Ontarians and outlined several new ideas he will begin working with the Independent Electricity System Operator to implement. Ontario is currently reviewing its Long Term Energy Plan. New ideas to rethink procurement practices, undertake wholesale market reform, and better empower electricity consumers will help inform the government's revised long term plan and ongoing efforts to reduce electricity system costs and consumer bills.

Following years of action to remove electricity system costs, Minister Thibeault also announced thatOntario has revised the forecast monthly electricity bill for 2016 downwards by 9 per cent. The 2013 LTEP forecasted that a typical residential electricity consumer was projected to pay about $167 per month in 2016. The Ministry now projects that a typical residential consumer is paying $155 per month.

Since 2003, Ontario has invested more than $35 billion to modernize and clean-up the province's electricity grid. Over the time, Ontario has closed all coal-fired electricity generating facilities and constructed more than 15,000 kilometers of transmission infrastructure. The cost of these investments has put upward pressure on electricity costs. 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:

- An agreement to trade electricity, capacity and energy storage with Quebec, which will reduce Ontario's electricity system costs by about $70 million, when compared to forecasts in the 2013 Ontario Long-Term Energy Plan (2013 LTEP).

- On October 19, 2016, the Ontario Energy Board (OEB) announced that Regulated Price Plan (RPP) rates would not increase for Ontario's five million residential, farm and small business customers.

- 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).

- Removing the Debt Retirement Charge (DRC) for all residential customers, saving the typical ratepayer $5.25 per month.

- Renegotiating the Green Energy Investment Agreement (GEIA) with Samsung, reducing contract costs by $3.7 billion.

- Deferring the construction of two new nuclear reactors at Darlington, avoiding an estimated $15 billion in new construction costs.

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

Helping Ontarians with the cost of everyday living and helping businesses compete is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

QUOTES

"Our government is focused on doing everything we can to reduce electricity costs for Ontarians. "
- 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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