

Ontario Cutting Electricity Bills by 25 Per Cent

Province Introduces Legislation to Provide Lasting Relief for Households Across Province

NEWS

May 11, 2017

Ontario has introduced legislation that would, if passed, lower electricity bills by 25 per cent on average for all residential customers to provide significant rate relief and ensure greater fairness.

The proposed *Fair Hydro Act, 2017* would result in lower 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 communities would receive even greater reductions, as much as 40 to 50 per cent. As part of this plan, rate increases for four years would be held to the rate of inflation.

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 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 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 would be accomplished through refinancing a portion of the Global Adjustment (GA), resulting in significant and immediate rate reductions.
- Modify the Ontario Electricity Support Program (OESP) to ensure it is funded by government instead of ratepayers, reducing bills for all.
- Enhance the Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief to about 800,000 customers and shift costs from ratepayers to provincial revenues. This would include customers served by local distribution companies (LDCs) with the highest rates.
- Provide on-reserve First Nations households with a 100 per cent credit of the delivery line on their monthly electricity bills.

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 people about the need to do more to lower electricity costs. The significant measures proposed in the Fair Hydro 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

QUICK FACTS

- Ontario's Fair Hydro Plan would also improve energy sector efficiency and modernize the province's electricity market, building on the collaboration of the Independent Electricity System Operator (IESO) and the Ontario Energy Board (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 OEB reduced electricity rates across the province, including a portion of the proposed Fair Hydro Plan. If passed, the OEB would have 15 days after the legislation comes into force to update rates to reflect the full benefit of the Fair Hydro Plan – delivering a 25 per cent on average reduction for all households and half a million small business and farms.
- 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 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
- Background on the Fair Hydro Act, 2017.

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