Ontario

BACKGROUNDER

Ministry of Energy

Actions to Mitigate Costs

Ontario has taken action to reduce ratepayer impacts and remove system costs in the interest of maintaining an affordable, clean and reliable electricity system. The following outlines the key rate mitigation initiatives to bend the cost curve, which have been implemented:

- 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.

- Maximizing the value of our existing nuclear fleet by starting Bruce refurbishments in 2020, instead of 2016, thus helping to achieve $1.7 billion in savings relative to the 2013 Long-Term Energy Plan (2013 LTEP) forecast and by continuing to operate Pickering up to 2024, pending regulatory approvals, which could save ratepayers as much as $600 million.

- Reducing Feed-In Tariff (FIT) prices through annual price reviews, saving ratepayers at least $1.9 billion.

- Introducing strong competition between developers of large renewable projects through the Large Renewable Procurement (LRP) process to drive down price and secure clean, reliable generation for the province. As a result of lower prices and revised procurement schedules, LRP I costs were approximately $1.5 billion lower than the 2013 LTEP forecast.

- Suspending LRP II and the Energy-from-Waste Standard Offer Program is expected to save up to $3.8 billion in costs relative to the LTEP 2013 forecast. This would save the typical residential electricity consumer an average of approximately $2.45 per month on their electricity bill.

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