

Ontario Cutting Electricity Bills by 25 Per Cent

System Restructuring Would Deliver Lasting Relief to Households in Durham Region

NEWS

March 3, 2017

Ontario is lowering 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.

Starting this summer, Ontario's Fair Hydro Plan would provide households with this 25 per cent break. Many small businesses and farms, from Scarborough to Durham, would also benefit from the initiative. People with low incomes and those living in eligible rural communities would receive even greater reductions to their electricity bills. As part of this plan, rate increases over the next four years would be held to the rate of inflation for everyone.

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 will deliver the single-largest reduction to electricity rates in Ontario's history.

Recently, electricity rates have risen for two key reasons:

- Decades of under-investment in the electricity system by governments of all stripes resulted in the need to invest more than \$50 billion in generation, transmission and distribution assets to ensure the system is clean and reliable
- The decision to eliminate Ontario's use of coal and produce clean, renewable power, as well as policies put in place to provide targeted support to rural and low-income customers, have created additional costs.

The burden 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 and share costs more fairly, two system fixes are being undertaken.

Recognizing that the electricity infrastructure that has been built will last for many decades to come, the province would refinance those capital investments to ensure that system costs are more equitably distributed over time. In addition, a number of important programs, such as the Ontario Electricity Support Program (OESP), will now be funded by the government instead of by ratepayers.

The province will also launch a new Affordability Fund, enhance the existing OESP and Rural or Remote Rate Protection (RRRP) program and provide on-reserve First Nations households with a delivery credit. These new measures will cost the government up to \$2.5 billion over the next three years.

Notwithstanding that hydro rate relief costs will add significant pressure on the fiscal framework, the province continues to project a balanced budget for 2017-18, and will provide a full update on its fiscal plan in the spring budget.

Reducing electricity costs in Durham Region is part of Ontario's plan to create jobs, grow our economy and help people in their everyday lives.

QUOTES

"Electricity costs rose sharply and residents and business owners in Durham Region spoke out. They told us the government needed to do more to reduce the costs and make hydro more affordable. By fixing problems in the system, Ontario is lowering electricity bills by 25 per cent on average for all residential customers and ensuring rates are fairer in the future."

— Brad Duguid, Member of Provincial Parliament, Scarborough Centre

"Many of my constituents have reached out to me expressing the hardships they have been facing with respect to their energy bills. While investments that have driven up bills, such as the investment to refurbish Darlington Nuclear, were necessary and will benefit Durham and Ontario in the long run, we understand the challenges Ontarians have been facing. I have fought hard to ensure that these challenges would be addressed, and I am happy to announce that with the new Fair Hydro Plan, Ontarians can expect more manageable energy bills moving forward.

—Granville Anderson, Member of Provincial Parliament, Durham

"I am delighted that our government, led by Premier Wynne, has come up with a positive workable solution to reduce the burden on energy ratepayers across the province. The proposed 25 per cent total reduction in energy bills will provide welcome relief to those struggling with monthly hydro payments and positively impact my residents in Ajax-Pickering. "

—Joe Dickson, Member of Provincial Parliament, Ajax-Pickering

The Fair Hydro Plan is our acknowledgement that we have been listening to the community and is our promise for the future. Our hydro system is now clean, reliable and fair for the residents of Pickering-Scarborough East.

—Tracy MacCharles, MPP Pickering-Scarborough East

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).
- The Province will expand the RRRP to provide distribution charge relief to additional customers served by LDCs with the highest rates. About 800,000 customers would benefit from the enhanced RRRP program.
- The Affordability Fund would be accessible to Local Distribution Companies (LDCs) for customers who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance.
- On-reserve First Nations customers will receive a 100 per cent 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.

- Ontario is expanding the Industrial Conservation Initiative (ICI) program by reducing the threshold from 1 mW to 500 kW and targeting more small manufacturing and industrial consumers.

LEARN MORE

- Learn how Ontario is developing the next [Long-Term Energy Plan](#).

For media inquiries only call:

Daniel Bitonti
Contact : 647-963-9928

ontario.ca/energy-news