

Ontario Energy Board

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For Immediate Release

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OEB Sets New Summer Electricity Prices for Households and Small Businesses

Toronto, ON - Today, the Ontario Energy Board (OEB) announced new time-of-use (TOU) electricity prices for households and small businesses starting May 1. The price is increasing by approximately \$5.71 per month on the “Electricity” line, and about 4.6% on the total bill, for a household that consumes 800 kWh per month.

Increased costs from Ontario Power Generation’s (OPG) nuclear and hydro-electric power plants make up about half of this increase. Costs from new generation sources are another driver, representing about one-third of the increase.

The OEB is also introducing a new 2:1 ratio between on- and off-peak prices that will benefit customers who shift their use to the cheapest time period. The new off-peak price is half the cost of the on-peak price.

This means customers who shift use to evenings and weekends will see a greater reward for doing so. Through recent OEB consumer research, Ontarians have signaled a need for pricing that provides greater incentives to conserve. Giving customers incentives and opportunities to reduce their bills by shifting their time of electricity use is a key objective of the OEB’s price plan.

This ratio shift was also recommended by Ontario’s Environmental Commissioner who called on the OEB to significantly widen the peak to off-peak price differential in his 2014 Annual energy conservation report, *Planning to Conserve*. The 2014 Annual Report of the Office of the Auditor General of Ontario also noted that the former ratio may not be sufficient to encourage ratepayers to shift their electricity use behaviour.

New summer TOU hours will also take effect May 1. This chart outlines TOU prices and the times they are effective as of May 1, 2015:

Category	Time(s) – Summer (May 1-Oct 31)	Price	Change
Off-peak	Weekdays 7p.m.-7a.m. All day weekends and holidays	8.0¢/kWh	(↑0.3¢)
Mid-peak	Weekdays 7-11a.m. and 5-7p.m.	12.2¢/kWh	(↑0.8¢)
On-Peak	Weekdays 11a.m.-5p.m.	16.1¢/kWh	(↑2.1¢)

The OEB reviews electricity prices twice each year based on updated cost forecasts and they are designed to recover the actual cost of electricity. The forecast includes a number of variables, like estimated changes in the total cost of power from Ontario's diverse mix of generating stations. Key elements of the Independent Electricity System Operator's outlook for the power system over the next 18 months, such as forecasts of electricity demand and of new generation sources coming online, are also factored in.

Quick facts

- Time-of-use prices vary based on when electricity is used. They encourage consumers to use power when electricity market prices are lower.
- These price changes only affect households and small businesses that buy their electricity from their local utility and have a smart, or interval, meter. Customers who have signed a contract with an energy company do not pay these rates.
- Regulated Price Plan TOU prices for May 1 have been set so that they collectively recover the forecast cost of power, including today's increases.
- For those customers who remain on "Tiered Pricing", summer rate information for these customers is available in the OEB's backgrounder.
- The typical Ontario TOU household uses about two-thirds of its power during off-peak hours, and the remainder in near equal amounts during mid-peak and on-peak times.

The Ontario Energy Board is an independent and impartial public regulatory agency. We make decisions that serve the public interest. Our goal is to promote a sustainable and efficient energy sector that provides consumers with reliable energy services at a reasonable cost.

Social and Resources:

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Graphic of Time-of-use Price chart:

http://www.ontarioenergyboard.ca/OEB/ Documents/For+Consumers/TOU_prices_Summer.pdf

Electricity Prices Explained video:

<http://youtu.be/zVdm5BI4gU8>

Time-of-use video:

<http://youtu.be/bJ04SSArI6c>

Backgrounder:

http://www.ontarioenergyboard.ca/oeb/ Documents/Press+Releases/BG_RPP_20150420.pdf

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