

October 18, 2024

## Ontario Energy Board Announces Changes to Electricity Prices for Households, Small Businesses and Farms

On November 1, 2024, new Time-of-Use (TOU), Ultra-Low Overnight (ULO) and Tiered prices for residential and small business customers under the Ontario Energy Board's (OEB) Regulated Price Plan (RPP) will change, winter Time-of-Use (TOU) hours and the change in threshold for residential customers on Tiered pricing will take effect, and the Ontario government's Ontario Electricity Rebate (OER) will also change.

Residential, small business and farm customers can choose their price plan - [TOU, ULO or Tiered](#). Customers who do not want to switch their price plan do not need to do anything. They will stay on their current price plan. If a customer wishes to switch, they must notify their utility by completing and submitting an election form. Customers can contact their utility or visit their utility's website for an election form. The OEB has a webpage and bill calculator to help customers who may be considering a switch in their electricity price plan. For more information, see [oeb.ca/choice](http://oeb.ca/choice).

### About RPP Pricing (TOU, ULO and Tiered)

The RPP is designed to provide stable pricing, encourage conservation and ensure that the price customers pay for electricity reflects the price paid to generators that produce the electricity consumers use in their homes or small businesses.

The OEB sets RPP prices (TOU, ULO and Tiered) annually on November 1. Prices are set based on a forecast of how much it will cost to supply RPP customers with the electricity they are expected to use over the next 12 months. Any variance between forecast and actual costs from the prior period, whether a surplus or shortfall, is also factored into this price-setting.

TOU, ULO and Tiered prices are set so that all recover the same forecast average cost of supply for a typical residential customer<sup>[1]</sup> who uses 700 kWh/month.

This change in RPP pricing is mainly attributable to:

- A decrease in Global Adjustment payments to nuclear and natural gas generators

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<sup>[1]</sup> The total bill impact for individual customers across the province may vary depending on the customer's electricity usage and the utility that serves them.

- The projected \$249 million surplus in the Independent Electricity System Operator variance account being returned to RPP consumers over the RPP period.

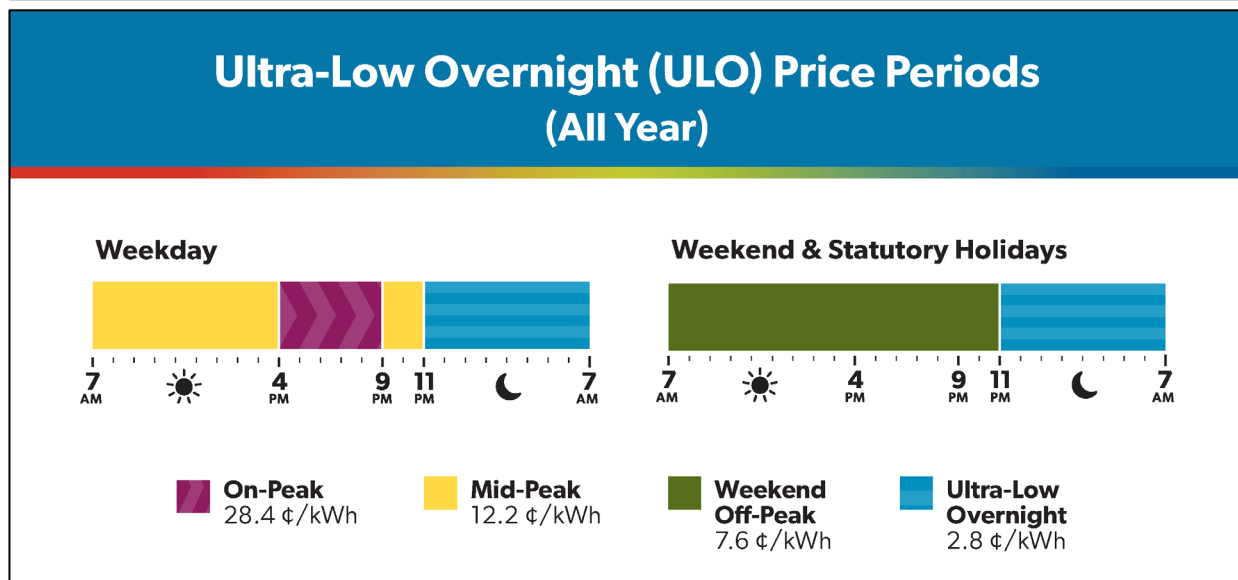
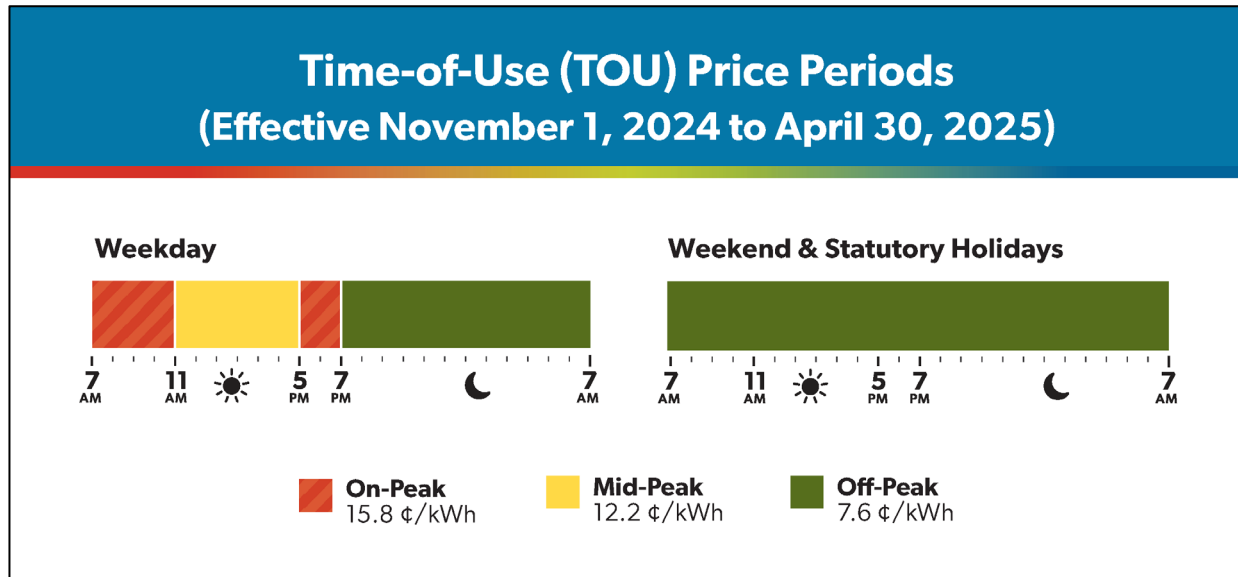
This surplus is due to lower-than-forecast supply cost over the previous RPP period. This led to an over-collection from RPP consumers in the November 2023 to October 2024 period.

For full details regarding the RPP price setting and the reasons for the changes, please refer to the [RPP Report](#).

There are three TOU periods – on-peak, mid-peak and off-peak. Prices are highest during on-peak, lower during mid-peak and lowest during off-peak. ULO has four price periods, one of which is a very low-priced overnight period.

With TOU and ULO pricing, the price depends on **when** customers use electricity. This means customers can help manage their electricity costs by shifting their usage to different times and lower price periods, when possible.

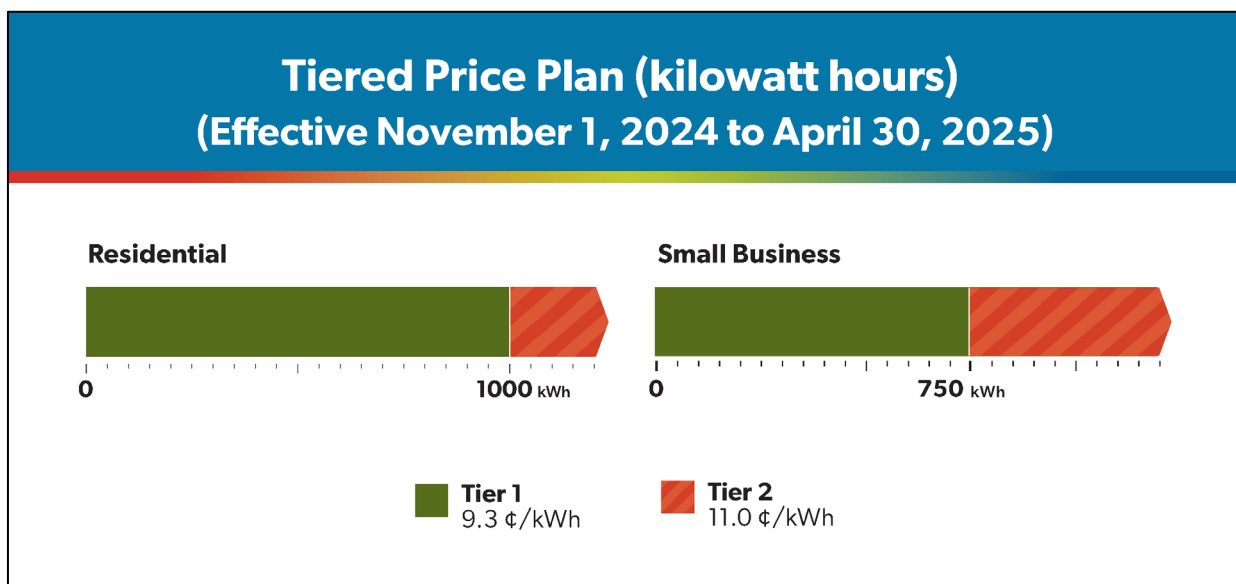
The following charts indicate the TOU and ULO price periods and prices effective November 1, 2024:



With Tiered pricing, a customer can use a certain amount of electricity each month at a lower price. A higher price applies to electricity used above that limit.

In the winter period (November 1 – April 30), the Tier threshold for residential customers is 1,000 kWh, so that during the heating season households can use more electricity at the lower price. In the summer period (May 1 – October 31), the Tier threshold for residential customers is 600 kWh. The Tier threshold for non-residential customers is 750 kWh all year round.

The following chart indicates the Tier thresholds and the prices effective November 1, 2024:



Winter TOU hours and the change in the Tier thresholds for residential customers on Tiered pricing will take effect November 1, 2024, and remain in place until April 30, 2025. ULO hours remain unchanged.

### About the Ontario Electricity Rebate

Effective November 1, 2024, the Ontario government's Ontario Electricity Rebate (OER) will change to 13.1%. The OER provides a rebate on the electricity bill subtotal for residential, small business and farm customers. It appears as a pre-tax credit at the bottom of electricity bills.

For a typical residential customer who uses 700 kWh of electricity per month, the OER will decrease bills by about \$17 each month.

For more information about the OER, please visit [ontario.ca/page/changes-your-electricity-bill](https://ontario.ca/page/changes-your-electricity-bill).

## Understanding Electricity Bills

Electricity prices are shown on the Electricity line of the bill. This is the cost of the electricity used in the customer's home or small business.

Electricity distributors deliver this power to their customers' homes and businesses. They are not allowed to earn any profit from the sale of electricity. Electricity distributors and transmitters recover their costs and an appropriate level of return through rates that are approved by the OEB and reflected on the Delivery line of customer bills.

Visit the OEB's [Understanding Your Electricity Bill](#) page on OEB.ca for a more detailed explanation of the different line items on electricity bills.

## Contact Us

You can find all [reports and documents](#) related to RPP prices at oeb.ca or you can call us (toll-free) 1-877-632-2727.

## For More Information

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### Consumer Inquiries

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