

Ontario Energy Board – Fixed Price for Time-of-Use (TOU) Electricity Customers

The Government of Ontario recently announced changes to the electricity price that Regulated Price Plan (RPP) customers on Time-Of-Use (TOU) pricing pay. Effective June 1 through to October 31, 2020, residential and small business customers on TOU pay a fixed price of 12.8 ¢/kWh for electricity consumed all hours of the day and every day of the week. Ontario made this temporary change to support consumers while Ontario plans for the safe and gradual reopening of the province. Having the same price apply all day is a more predictable way to pay for power at a time when Ontarians continue to stay at home and may find it difficult to shift their electricity use to lower priced periods.

The new price of 12.8 ¢/kWh is equivalent to the average cost to supply RPP customers with the electricity they are expected to use, as forecast by the OEB when it set TOU prices on November 1, 2019. This means that the new price is expected to recover the cost of supply over the 12-month period from November 2019 to October 2020*.

RPP customers who pay tiered prices are not affected. Under tiered pricing, the price does not change depending on the time when the customer uses electricity; instead, it changes depending on how much power the customer uses in a month. Residential tiered customers are benefitting from the OEB extension of the winter tier threshold of 1,000 kWh into the summer period, giving them an additional 400 kWh per month at the lower tier price.

Residential and small business customers are reminded that they are protected by the disconnection ban for non-payment, which has been extended until July 31, 2020.

For more information, please visit www.oeb.ca/tou-fixed

* Assumes that all of the forecast assumptions from November 1, 2019 remain the same.