

Fixed 8.5 ¢/kWh pricing effective January 1, 2021

Your top questions - answered here.

What is this about?

To support Ontarians staying home during the rapidly evolving COVID-19 situation, the Ontario Government has taken steps to hold the price of electricity at 8.5 ¢/kWh, 24 hours a day. This fixed price applies to electricity used from January 1, 2021 until the end of the day on February 22, 2021.

The fixed 8.5 ¢/kWh price is equal to the off-peak price set by the Ontario Energy Board (OEB) on December 15, 2020 for January 1, 2021.

Which customers does this affect?

Residential, small business and farm customers that buy their electricity from their utility and are on the OEB's Regulated Price Plan (RPP) will pay the fixed 8.5 ¢/kWh price for all hours of the day, every day of the week. This fixed price applies whether the customer is on Time-of-Use (TOU) or Tiered pricing.

Which customers are not affected by this change?

Customers who purchase their electricity under contract from an energy retailer will continue to pay the price agreed to in the contract. The OEB does not set these prices.

The fixed 8.5 ¢/kWh price also does not apply to customers that have opted out of the RPP in favour of market-based pricing.

I am paying Tiered prices. Will I receive the fixed 8.5 ¢/kWh price, and does it apply even if I pass the winter Tier threshold?

Yes. The fixed 8.5 ¢/kWh price applies to all electricity consumed by customers on Tiered pricing, regardless of whether they pass the winter Tier threshold. The winter Tier threshold is 1,000 kWh per month for residential customers. The Tier threshold is 750 kWh per month for non-residential customers all year round.

I am a customer of a USMP. Will the fixed 8.5 ¢/kWh price apply to me?

Customers of USMPs that are in a building that buys electricity from its utility and pays RPP prices will also benefit from the fixed 8.5 ¢/kWh price.

I just switched from TOU pricing to Tiered pricing. How does that affect me?

The fixed 8.5 ¢/kWh price applies to all RPP customers, regardless of whether they are on TOU or Tiered pricing.

What happens after February 22, 2021?

When the fixed 8.5 ¢/kWh price expires at the end of the day on February 22, 2021, customers will start to pay the RPP prices that were set by the OEB on December 15, 2020. Those prices will be either TOU or Tiered pricing, depending on which price plan the customer is on.

Customers do still have the option to switch from TOU pricing to Tiered pricing, but the fixed 8.5 ¢/kWh price will be in place until the end of the day on February 22, 2021 for customers on both price plans. The Ontario Government decides whether to extend the lower fixed price.

How much will customers save with this change?

Because each customer consumes electricity differently, the bill impact of the fixed 8.5 ¢/kWh price will vary.

How much is the government spending on this initiative?

The Ontario Government has indicated that it plans to cover the financial impact of the price change through provincial revenues. That financial impact will therefore not be recovered from ratepayers on future electricity bills.

What is the impact of this initiative on electricity distributors?

The government has said the financial impact of the price change will be covered by the Province. Electricity distributors will not lose revenue as a result of this initiative.

The OEB recognizes that there may be costs to distributors associated with implementing the price change. The OEB is allowing distributors to track these costs, and other costs associated with the COVID-19 pandemic, in a deferral account. Distributors can later apply to the OEB for approval to recover the costs that they have tracked in the deferral account.

