

YOUR HOME ELECTRICITY BILL

A study on the costs in Ontario



environmental
defence



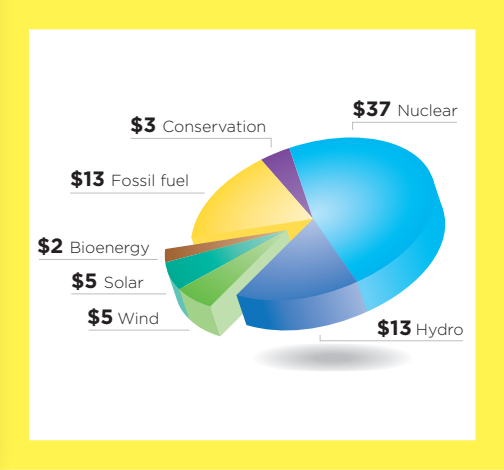


The colder-than-normal winter and news reports about rising electricity prices have made energy costs a top of mind issue in the province. **People want to know why their bills are rising** and what governments can do to help. Renewable energy, as the relative new kid on the block in Ontario's energy supply, has shouldered much of the blame in the public debate over electricity costs.

Environmental Defence commissioned independent research that breaks down the role that renewable energy plays in home electricity bills, today and in the future.

Example of an average residential monthly electricity bill in 2014 (based on 800 kWh/month)*

Ontario Residential Monthly Bill Statement	
Account Number	123 456 789 101 2345 0
Meter Number	1234567
Your Electricity Charges	
Electricity	\$78.00
Delivery	\$46.00
Regulatory Charge	\$5.00
Debt Retirement Charge	\$6.00
H.S.T.	\$17.00
Ontario Clean Energy Benefit <small>10 per cent off applicable electricity charges and taxes</small>	\$(15.00)
Total	\$137



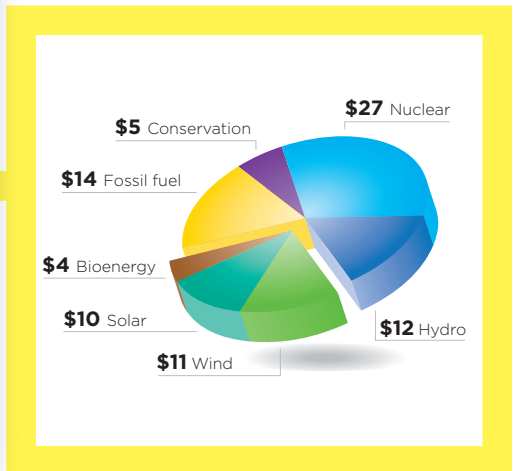
* 800 KWh/month is the average household electricity use that the Ontario Power Authority uses in its calculations.

KEY FINDINGS

- This year, wind, solar and bioenergy will be \$5, \$5 and \$2 respectively on the average bill, or 9 per cent of the total.
- In 10 years, wind, solar and bioenergy will be \$11, \$10 and \$4 respectively on the average bill, or 16 per cent of the total. By 2032, renewable energy's relative contribution declines to 12 per cent.
- Residential electricity costs in Toronto and Ottawa rank in the middle of major North American cities, and are cheaper than cities in Alberta, Saskatchewan and Nova Scotia.
- Between now and 2024, the average bill – based on a constant amount of electricity use of 800 kWh/household – will increase by approximately 15 per cent (in real 2014 dollars.) This is largely due to the end of a rebate introduced to offset the cost of HST.
- If a household reduced electricity use by 20 per cent, the average bill will be \$140 in 2024 (in real 2014 dollars), compared to \$137 this year. This shows that energy conservation and energy efficiency can largely offset increases in electricity costs.

Example of an average residential monthly electricity bill in 2024 (based on 800 kWh/month)*

Ontario Residential Monthly Bill Statement	
Account Number	123 456 789 101 2345 0
Meter Number	1234567
Your Electricity Charges	
Electricity	\$83.00
Delivery	\$51.00
Regulatory Charge	\$5.00
Debt Retirement Charge	\$0.00
H.S.T.	\$18.00
Total	\$157



* 800 kWh/month is the average household electricity use that the Ontario Power Authority uses in its calculations.

CONCLUSION AND RECOMMENDATIONS

Getting rid of polluting coal electricity and making the much-needed investments in the electricity grid were both necessary and meant money needed to be spent. Renewable energy is the best option for our environment, and with the costs of it dropping fairly quickly, it's becoming more and more appealing for the pocketbook too. The Ontario Power Authority predicts that the cost of new solar and wind energy will decrease by 42 per cent and 28 per cent respectively by 2032, while nuclear energy costs will rise.

While there's no silver bullet to reduce electricity prices, there are steps that governments can take now to make electricity as affordable as possible while maintaining a sustainable and reliable electricity system.

1 Helping homes to become more energy efficient:

Municipal and provincial governments can help Ontario residents retrofit their homes to be more energy efficient – saving electricity and gas costs – with programs like on-bill financing, retrofit grants or allowing costs to be paid back over time through property taxes. Utilities also have an important role to play to encourage home retrofits.

2 Adopting North American leading efficiency standards:

Ontario can adopt North America's most stringent electricity codes and standards for items like household appliances. That way, we know we're getting the most efficient option on the market when we buy new products.

3 Establishing mandatory home energy audits:

Requiring that houses for sale provide a review of their energy efficiency (or lack thereof) allows buyers to know what they're getting into in terms of energy costs, and provides an added incentive for sellers to upgrade their homes.

4 Establishing a rate assistance program for low-income households: This program would set a threshold for electricity bills above which the cost is simply unmanageable for low-income households, and provide financial support if bills reach that level.

Read the full study at
environmentaldefence.ca/electricitybill

