

Ontario Investigating Options for New Ultra-Low Overnight Electricity Rate

New electricity price plan could reduce electricity bills, benefit shift workers and support electric vehicle adoption

NEWS

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MISSISSAUGA – Ontario’s Energy Minister Todd Smith has asked the Ontario Energy Board (OEB) to provide him with options to implement a new ultra-low overnight Time-of-Use electricity price plan as the province continues to provide Ontario families with more ways to save money and take more control of their energy bills. The new ultra-low overnight rate could help shift workers and residential consumers that use more electricity at night save money while supporting electric vehicle (EV) adoption, by reducing overnight EV charging costs when province-wide electricity demand is lower. Today, Ontario also launched a public consultation on the proposal.

“Our government has reversed the trend of skyrocketing electricity prices and given families and businesses more control when it comes to their energy bills,” said Todd Smith, Minister of Energy. “Introduction of a new ultra-low overnight price plan that would benefit shift workers and support EV adoption is our next step as we focus on helping electricity customers save money and take more control of their energy bills.”

Since the Ontario Government introduced [Customer Choice](#) in 2020, many residential and small business consumers have benefitted from switching their electricity pricing plan to one that best suits their lifestyle or business – either Time-of-Use or Tiered. The introduction of a third electricity price plan would give even more control to families and small businesses to find savings and reduce their electricity costs.

Delivery of a new ultra-low overnight price is possible as Ontario continues to have excess electricity during overnight hours. Shifting electricity use to these hours would make better use of Ontario’s clean electricity supply when province-wide demand is low, increasing grid efficiency and generating value for all Ontario ratepayers. An ultra-low overnight rate could also further support decarbonization by using more nighttime electricity, which is typically generated from non-emitting resources. Supporting EV adoption through lowering overnight charging costs also supports objectives in the government’s [Made-in-Ontario Environment Plan](#) and [Driving Prosperity automotive sector strategy](#).

“Since taking office, our government has introduced significant initiatives to help Ontario families and businesses save money,” said Vic Fedeli, Minister of Economic Development, Job Creation and Trade. “As outlined in our Driving Prosperity auto plan, Ontario is uniquely positioned to be a North American hub for developing and building the car of the future and this new ultra-low overnight electricity price plan is an example of the new initiatives we’re implementing to secure long-term success and growth for the benefit of Ontario’s auto workers and the communities that depend on it.”

Minister Smith’s [letter to the OEB](#) requests the OEB to examine and report back by April 2022 on potential designs for a new optional Time-of-Use price plan featuring an ultra-low overnight rate.

The government will consider the OEB's report along with stakeholder feedback received through the public consultation on the Environmental Registry of Ontario with the intention of making the new price plan available to customers by April 2023.

"Electric vehicles are a powerful tool in the fight against climate change and a critical way to reduce emissions," said David Piccini, Minister of the Environment, Conservation and Parks. "Making EVs more affordable and building them in Ontario are just some of the ways we are empowering Ontarians to do their part to create a cleaner, greener future for our province."

"Helping Ontarians keep more money in their pockets is a priority for our government. This new initiative will help electric vehicle owners save on costs, while also supporting the use of these environmentally-friendly vehicles across the province," said Caroline Mulroney, Minister of Transportation. "As we build Ontario's transportation network for the future, we continue to invest in low-carbon travel options that reduce greenhouse gas emissions and get people where they need to go."

QUICK FACTS

- The Independent Electricity System Operator's [2021 Annual Planning Outlook](#) projected an annual growth rate of 22 per cent in electric vehicle electricity demand by 2042. Ontario generates electricity at a lower cost, while emitting less carbon in its generation during overnight hours.
- As of November 1, 2020, most families, small businesses, and farms now have a choice between electricity rate plans: a Time-of-Use rate or Tiered rate plan.
- The Auditor General advised in 2014 that a more significant difference between on-peak and off-peak electricity pricing would have a more tangible impact on consumption patterns.
- This work builds on pilots commissioned by the [OEB to test new pricing structures](#), including one led by Alectra Utilities where participants opted into being charged a higher on-peak electricity price in exchange for an ultra-low overnight price.

QUOTES

"Today's announcement recognizes that electricity is an essential fuel for the province's economic recovery and electrification is key to economic growth. It is also supported by the EDA's own research that shows a new rate model would make Ontarians more likely to buy an electric vehicle. Ontario's local hydro utilities are ready and able to assist, operate, and own charging infrastructure services to plug in the growing demand for private and public electrified transportation."

- Teresa Sarkesian, President and CEO, Electricity Distributors Association

"We know that about 80% of electric vehicle (EV) drivers plug their cars in at home at night. An ultra-low off peak rate makes so much sense as it does two important things - it makes driving an EV even more affordable and at the same time helps the province by making using the surplus power available off peak. It's a win-win!"

- Cara Clairman, President and CEO, Plug'n Drive

"I am extremely pleased that Alectra's pilot has helped create an opportunity for another electricity rate plan option for Ontarians. This new rate will attract and reward electric vehicle users, incent consumption behaviours that help us better manage the electricity grid, and provide our customers with the choice that they value."

- Brian Bentz, President and CEO, Alectra Inc.

“Our government understands the past two years have been incredibly challenging. The new ultra-low overnight time-of-use electricity price plan is just another example of the many ways we are helping families and businesses across the province save money and take control of their energy bills.”

- Nina Tangri, MPP for Mississauga–Streetsville

ADDITIONAL RESOURCES

[Electricity Price Plans](#)

Learn about the different types of electricity price plans you can choose from.

[Find programs to reduce your electricity bill](#)

Learn about programs and credits to reduce your electricity bill.

[Made-In-Ontario Environment Plan](#)

Learn about Ontario’s plan to address climate change and protect our air, land and water.

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