

The True Cost of Electricity



Ontario electricity users, especially those who use electricity for home heating, are in for a shock. Rate changes effective November 1, 2023 have been approved by the Ontario Energy Board and announced in news releases on October 19.

On one hand the price of electricity itself is rising under the province's Regulated Price Plan (RPP) which applies to over 90 percent of residential and small business consumers. The rates vary depending on time of day and day of the week periods (Time-of-Use); or monthly volumes (Tiered) and will now average of 11.1 cents per kilowatt hour, up nearly 20 percent from last year's 9.3 cents/kwh.

To balance that increase the OEB has increased the Ontario Energy Rebate from 11.7% to 19.3% of total pre-tax bills. This additional support will offset much of the price increase under the Regulated Price Plan for mid-volume users (500-900 kwh a month), but not high-volume users (3,000 - 4,000 kwh hours), where the cost of electricity supply makes up the largest portion of total bills when compared to fixed costs like the monthly local utility service charge.

Time of Use Rates

	Nov 1, 2022 to Oct 31, 2023	Nov 1, 2023 to Oct 31, 2024
Off Peak	7.4 cents	8.7 cents
Mid-Peak	10.2 cents	12.2 cents
On-Peak	15.1 cents	18.2 cents

For mid-volume users there will be a modest increase of \$1-\$2 a month. This would generally apply to someone in a small home, condominium or apartment and using electricity for lighting and some appliances.

For high-volume users who use electricity for home heating and major appliances, the increase will be in range of \$40-\$50 a month. The monthly increase will be much higher for those customers using over 4,000 kwh monthly.

Cost Comparisons Using OEB Calculator

For 700 kwh monthly

Local Distributor	(Dec, 2022)	(Nov, 2023)	(\$ Increase)	(%increase)
Synergy North (Kenora)	\$119.97	\$121.92	\$1.95	1.625%
Hydro One R2 (Permanent)	\$132.76	\$134.03	\$1.27	0.955%

For 4,000 kwh monthly (primarily electric heat and appliance users)

Synergy North (Kenora)	\$494.24	\$545.64	\$51.40	10.400%
Hydro One R2 (Permanent)	\$552.39	\$590.37	\$37.98	6.875%

To determine how the changes will impact your personal electricity bills, take a monthly bill from the past year – either winter, spring or summer – go to the OEB bill calculator website - <https://www.oeb.ca/html/calculator/en/electricity/res/> – enter your utility company name and other details including the kwh billed on the monthly bill you are comparing. Then compare the new bill amount with your past bill, the difference will be the increase you'll face for the same month in 2024 unless your usage changes.

Further information is available by clicking on the link below:

<https://www.newswire.ca/news-releases/ontario-energy-board-announces-changes-to-electricity-prices-for-households-small-business-and-farms-835522666.html>