

Ontario's Electricity System – Key Legislation (1998 to the present)

Energy Consumer Protection Act, 2010 (Bill 235) was created to impose additional protection for energy consumers and allow for greater energy conservation through suite metering. The legislation is designed to protect consumers from hidden contract costs, excessive cancellation fees, and negative-option contract renewals. The Act aims to achieve greater fairness and transparency for consumers through rate comparisons and contract disclosure, and enhanced rights to cancel contracts. The Act also enables individual suite metering in apartment buildings, which gives tenants more control over energy costs and gives the Ontario Energy Board more authority to set rates of sub-metering companies.

Green Energy and Green Economy Act, 2009 (GEA) (Bill 150) is seen as groundbreaking legislation designed to boost investment in renewable energy (including a Feed-in Tariff program), increase conservation efforts, create green jobs and provide the framework for sustainable economic growth in Ontario. The legislation fundamentally expands the roles and responsibilities of local distribution companies (LDCs) in the development and connection of renewable generation, a greater role in conservation and demand management, and as key players in the creation of a smart grid. The Act also lays out significant new responsibilities for the Ontario Energy Board in promoting electricity conservation, creating a smart grid, and facilitating renewable energy sources. In addition, the GEA creates a new Renewable Energy Facilitation Office within the Ministry of Energy and Infrastructure.

Energy Conservation Responsibility Act, 2006 (Bill 21) provides the framework for the government's commitment to install 800,000 smart meters in Ontario homes by 2007, and in all other homes and businesses by 2010. Under the bill, ministries, agencies and broader public sector organizations will be required to prepare energy conservation strategies on a regular basis, and report on energy consumption, proposed conservation measures, and progress on achieving results.

Electricity Restructuring Act, 2004 (Bill 100) created the Ontario Power Authority to engage in long-term planning for Ontario's electricity system by, among other things, entering into contracts for new supply. The Act also strengthened the independence of rule-making in the electricity market by giving the Ontario Energy Board (OEB) ultimate authority over this area. Most importantly for Ontario's consumers, the OEB was assigned the responsibility to develop the stable, tiered pricing system that was alluded to the previous year in Bill 4.

Ontario Energy Board (Electricity Pricing) Act, 2003 (Bill 4) - enacted in December 2003, this law set the stage for changes to the price of electricity, the price of distribution of that electricity, and the creation of conservation programs.

Ontario Energy Board Consumer Protection and Governance Act, 2003 (Bill 23) established a new set of guiding principles for the Ontario Energy Board. Most notably, this Act established the OEB as a standalone crown agency and created a stakeholder advisory committee that reviews annually the OEB's performance standards. The Act also calls for an annual regulatory calendar with a statement of priorities to increase the OEB's accountability and ensure stringent timelines for decisions are established.

Electricity Pricing, Conservation and Supply Act, 2002 (Bill 210) - most significantly, this legislation froze the price of electricity at 4.3 cents per kWh for small volume (e.g. residential) and designated consumers (such as hospitals). This law was a response to the wildly fluctuating spot market electricity prices that consumers were subjected to in mid-2002. Bill 4 and Bill 100 mark the final departures away from this unsustainable regime to one based more on long-term supply contracts, which provide stable prices for consumers.

Reliable Energy and Consumer Protection Act, 2002 (Bill 58) - this Act amended the Electricity Act by, among other things, creating an “Energy Consumer’s Bill of Rights”, which sought to protect consumers from the unscrupulous business practices of some retailers

Energy Competition Act, 1998 (Bill 35), enacted the Electricity Act and the Ontario Energy Board Act. This legislation set the legal framework for restructuring the old Ontario Hydro into successor companies, commercialization of the distribution industry, and the opening of the competitive wholesale market in electricity.