

Is my hydro bill going to go up with Ontario's new 'recovery rate'?

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DURHAM — The province recently [announced a COVID-19 “recovery rate”](#) for electricity, putting a flat price of 12.8 cents per kilowatt hour in effect 24 hours a day, seven days a week until Oct. 31.

It's [an increase from the 10.1 cents per kilowatt hour](#) that was set from March 24 to May 31.

Durhamregion.com readers were quick to question the move, asking whether it will mean higher bills.

The flat rates are a departure from “time of use” pricing that was previously in place, which allowed users to pay a lower rate for using electricity during off-peak times.

The new fixed price is higher than the previous 10.1 cents per kilowatt hour — however, it is lower than the winter mid-peak price of 14.4 cents per kilowatt hour and high-peak prices that can be as high as 20.8 cents per kilowatt hour.

That means the new rate will likely result in higher bills for people who were vigilant about doing laundry or running the dishwasher during off-peak times only, while those who are used to paying 14 or 20 cents per kilowatt hour for those tasks, will see their bill drop.

The government says the change provides “greater stability and predictability” for customers.

Liberal energy critic Mitzie Hunter argues the loss of an off-peak option will be tough on people who are out of work or on fixed incomes.

Experts stress that your bill isn't the only measure of how much electricity is costing you.

“The price that we're paying is not the cost of the electricity by any stretch of the imagination. We're paying roughly half the cost,” says Dr. Dan Hoornweg, an associate professor and associate dean in the Faculty of Energy Systems and Nuclear Science at [Ontario Tech University](#) in Oshawa.

He notes the actual cost in Ontario is, on average, between 20 and 24 cents per kilowatt hour.

“We're paying the remaining share in our taxes as a subsidy. A hidden price,” he says.

Hoornweg points to Germany as a comparison, where electricity is about 35 cents per kilowatt hour, or the United States where the average is about 15 cents.

“Right now the government of Ontario is subsidizing electricity somewhere between

five and six billion dollars a year,” he says. “The price of electricity in Ontario has become highly political and nobody knows either the true cost or the true value.”

The Financial Accountability Office of Ontario says the suspension of time-of-use pricing and switch to a 10.1 cent flat rate from March 24 to May 31, [cost the province \\$175 million](#).