



Electricity pricing in Ontario

A guide for small businesses and residential housing providers

Is my business considered small, medium or large?

The first step in determining your electricity pricing is understanding your rate class, as defined by the Ontario Energy Board (OEB) and the Independent Electricity System Operator (IESO):

- Small business is defined as <50 kW peak demand: Eligible for regulated rate plans with stable pricing.
- Medium and large businesses are > 50 kW peak demand: Subject to market-based pricing that fluctuates with market conditions.

How are rates set and updated?

Electricity rates in Ontario are regulated by the OEB to ensure fairness and consumer protection. Rates are updated annually on November 1 and apply across the province.

The OEB plays a crucial role in safeguarding consumers by overseeing electricity pricing, promoting transparency and providing rate options that help manage costs effectively.

For more details, visit the [OEB website](#).

What are my electricity pricing options?

Residential and small business customers can **choose from various electricity rate pricing options** regulated by the OEB or **sign an energy contract with a retailer** for alternative plans. These options offer flexibility based on energy use patterns. Selecting the right plan can help businesses and homeowners **manage their electricity costs** by shifting usage to lower demand periods.

1. Time-of-use (TOU) pricing

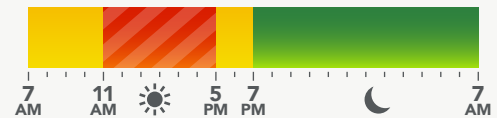
TOU pricing varies based on the time of day electricity is used. Rates are divided into three periods:

- Off-peak typically occurs during evenings, weekends and holidays and has the lowest rates.
- Mid-peak has moderate rates and falls during daytime hours.
- On-peak periods happen when electricity demand is at its highest. These periods vary by season and have the highest rates.

Best for: Businesses that can shift energy use to off-peak hours or operate on variable schedules.

Current 2025 Rates

Weekday Summer
(May 1 to October 31)



Weekday & Statutory Holidays
(All year)



Weekday Winter
(November 1 to April 30)



TOU Off-Peak
7.6¢/kWh

TOU Mid-Peak
12.2¢/kWh

TOU On-Peak
15.8¢/kWh

Rates are subject to annual review

2. Tiered pricing

Tiered pricing provides a fixed amount of electricity at a lower rate. Once energy use exceeds a defined threshold, higher rates apply.

- Small businesses: Year-round threshold of 750 kWh per month.
- Residential customers: Seasonal thresholds:
 - Winter: 1,000 kWh per month.
 - Summer: 600 kWh per month.

Best for: Businesses with steady electricity consumption or those unable to shift their energy use to lower-rate periods.

Current 2025 Rates

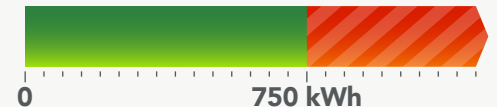
Residential Summer
(May 1 to October 31)



Residential Winter
(November 1 to April 30)



Small Business
(All year)



Tier 1
9.3¢/kWh

Tier 2
11.0¢/kWh

Rates are subject to annual review

3. Ultra-low overnight (ULO) pricing

ULO pricing offers significantly reduced rates during overnight hours, when electricity demand is at its lowest.

- Ultra-low overnight: Lowest rates, available late at night.
- Off-peak: Low rates, in effect on weekends and holidays.
- Mid-peak: Moderate rates applicable during daytime and late evening hours.
- On-peak: Highest rates, applicable in the late afternoon to early evening hours.

Best for: Businesses with high overnight electricity use, such as bakeries, manufacturing facilities or those charging electric vehicles.

Current 2025 Rates

Weekday (All year)



Weekends & Statutory Holidays (All year)




 **TOU Ultra-low overnight**


2.8¢/kWh

 **TOU Weekend off-peak**

7.6¢/kWh

 **TOU Mid-Peak**

12.2¢/kWh

 **TOU On-Peak**

28.4¢/kWh

Rates are subject to annual review

How do third-party retailers work?

Third-party energy retailers are companies that sell electricity directly to customers. Although the OEB licenses energy retailers, they don't regulate their rates. Energy retailer rates vary based on market conditions and contract terms. When you sign a contract with a retailer, you commit to the rates and terms outlined in your service agreement.

What's included in my bill?

If you sign an energy contract with a retailer, your bill—similar to an electric utility invoice—will typically include:

Electricity charge: The cost of electricity consumed. If you've signed an energy contract with a retailer, this reflects the rate in your contract. Otherwise, you're billed at the regulated rate set by the OEB.

Global Adjustment (GA): The cost of electricity infrastructure, conservation programs and regulated generation contracts. For customers on a regulated plan, GA is included in the electricity rate; for retail contract holders, GA appears as a separate line item.

Delivery charge: The cost of transmitting and distributing electricity to your location, including grid maintenance. These charges apply to all customers, regardless of their energy provider.

Regulatory charge: The cost of maintaining Ontario's electricity system and market. These fees are standard for all customers.

Together these elements make up the total of your electricity charges. Understanding your bill can help you compare retailer contracts with regulated rate options and make informed decisions about your electricity costs.

How do I choose the right rate?

Choosing the best electricity pricing option depends on your energy use patterns. Here are two tools that can guide your decision:

Green Button

Green Button, a tool operated through third-party applications and monitored for compliance by the OEB, can help you track your use, compare pricing plans and find ways to improve energy efficiency. Check with your electricity provider or visit [Green Button](#) to learn more.

The OEB Bill Calculator

With the [OEB Bill Calculator](#), you can input your electricity use information and compare rate options to find the plan that works best for your home or business.



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