



Ontario
Home Builders'
Association

Member Update

February 23, 2024

Minister of Energy Introduces Bill to Reverse OEB Decision

Today, the Honourable Todd Smith, Minister of Energy, introduced *Bill 165, Keeping Energy Costs Down Act*, that, if passed, would reverse a December 2023 decision by the Ontario Energy Board (OEB).

[Ontario Newsroom Release | Ontario Keeping Energy and Housing Costs Down](#)
[Ontario Newsroom Backgrounder | The Keeping Energy Costs Down Act](#)

“The OEB decision had province wide application affecting all OHBA members – small and large, urban and rural communities across Ontario. OHBA applauds the Ford government for introducing legislation to revoke the Ontario Energy Board’s December 21, 2023, decision. Securing energy choices for Ontario’s communities is vital to support economic development, energy access and reliability while we take a measured step toward energy transition. In an unprecedented housing and affordability crisis, now is not the time for the OEB to place additional costs on builders or home buyers. Minister Smith delivered on his promise to act swiftly and support housing affordability,” said Neil Rodgers, interim CEO.

Background

In December 2023, the Ontario Energy Board (OEB) issued a split decision which would increase the upfront cost to consumers of installing natural gas connections for new homes and small businesses.

During the review process, the OEB made the decision that for small volume customer connections, such as homebuilders/renovators, the revenue horizon over which gas utilities use to calculate the upfront cost of new connections for customers would be reduced from forty (40) years to zero (0), effective January 1, 2025. As a result, new connections would have to pay 100% of the cost upfront, costs that would have otherwise been paid over forty (40) years.

This change could increase the cost of new homes in the province by tens of thousands of dollars, particularly in rural areas, and OHBA members would effectively have been forced to pay for all gas servicing installation costs at the start of the design of the project. Subject to the size of the project, there may be tens of thousands to multi-millions of dollars of upfront and carrying costs for years in advance of any sales or occupancies. The OEB decision was not in the best interests of housing affordability nor promoting customer heating choices in Ontario.

The proposed legislation would give the government time-limited authority to set the revenue horizon for residential, small commercial and small farm customers – effectively reversing the OEB’s December 2023 decision. If passed, the government intends to immediately introduce regulations to reset the revenue horizon for natural gas connection costs to 40 years.

OHBA Will be seeking an opportunity to present to the legislative committee once that has been determined and will continue to work diligently with Enbridge and like-minded association stakeholders to ensure this legislation is passed swiftly.