



Tip Sheet for Tenants

INDIVIDUAL METERING OF ELECTRICITY SERVICE IN APARTMENT BUILDINGS

Prepared by the Tenant Duty Counsel Program and funded by Legal Aid Ontario

This publication contains general information intended to assist the public at large. It is not legal advice about your situation. You should consult a lawyer or legal worker for advice on your particular situation.

ELECTRICITY IS INCLUDED IN MY MONTHLY RENT. CAN MY LANDLORD ASK ME TO PAY SEPARATELY FOR THE ELECTRICITY SERVICE?

Yes, the landlord can ask you to make this change. But you do not have to agree to your landlord's request to take on the payment for your electricity service.

If you do not agree, the landlord will continue to be responsible for providing and paying for your electricity.

If you do agree, your landlord must:

- Get your consent in writing using the Landlord and Tenant Board's (LTB) approved form titled **Tenant Agreement to Pay Directly for Electricity**
- Tell you how much your rent will be reduced and show you how the rent reduction is calculated before you sign your consent (**NOTE:** Non-profit housing landlords are exempt from rent reduction requirements)
- Give you information about the company that will be sending you your electricity bill (e.g. contact information, security deposit policies, administration and other fees)

If your landlord has provided the refrigerator in your apartment, you must be given information about the age and energy efficiency of that appliance. Fridges must be manufactured on or after **January 1, 1994**. If your landlord replaces your fridge, it must be replaced with one manufactured on or after **December 31, 2002**.

Your landlord must also give you information about the Ontario Energy Board which oversees Ontario's electricity market. For more details about the requirements your landlord must meet, please see the links to the LTB forms and information brochures at the end of this tip sheet.

SHOULD I AGREE TO PAY DIRECTLY FOR ELECTRICITY SERVICE IN MY APARTMENT?

You should carefully consider whether you will benefit if you agree to take over the responsibility from your landlord for paying for the electricity service. You may also adopt a "wait and see" approach, investigating the impact on other tenants in the building who do agree.

Having electricity service included in the rent is a valuable term in a lease agreement. It means that:

- You have vital services protections under the law that prohibit the landlord from disconnecting electricity to their apartment
- Annual increases in your total housing costs are predictable and governed by rent rules in the *Residential Tenancies Act*
- The impact of rising electricity costs on you is "smoothed out"

The value of the rent reduction you receive if you agree to pay the electricity bill will likely be less over time as electricity costs rise.

The Ontario government has estimated that electricity bills will increase 7.9 per cent each year for the next five years and by an average of 3.5 per cent each year over the next 20 years. In comparison, the annual rent increase guidelines under the *Residential Tenancies Act* (based on the Ontario Consumer Price Index) have been 0.7 per cent in 2011, 2.1 per cent in 2010, 1.8 per cent in 2009, and 1.4 per cent in 2008. The rent increase guideline does not apply to some rental units, particularly those built after 1991.

To lessen the impact of the anticipated increase in electricity costs on consumers, the provincial government is providing an Ontario Clean Energy Benefit of 10% on the total electricity bill, for five years (January 1, 2011 to December 31, 2015).

WHAT IF I AGREE TO PAY FOR ELECTRICITY SERVICE, AND THEN CHANGE MY MIND?

If you have signed an agreement, the principles of contract law will apply. It will be difficult to go back to having your landlord pay for the electricity service unless there was fraud or duress involved in obtaining your written consent, or unless the landlord did not fulfill the legal obligations in getting your consent.

I'M LOOKING FOR A NEW APARTMENT – DO I HAVE ANY CHOICE ABOUT HOW I PAY FOR ELECTRICITY SERVICE?

For a new tenancy, a landlord is allowed to ask you to pay for your electricity service separately from your monthly rent. Unlike a sitting tenant, new tenants do not have the right to refuse to pay separately for electricity, but they do have a choice about whether to rent the apartment or not. Also, you may be able to negotiate with a landlord for a tenancy agreement where electricity is included in the rent or for a decrease in the rent that the landlord wants you to pay.

FOR A NEW TENANCY THAT DOES NOT INCLUDE ELECTRICITY IN THE MONTHLY RENT, WHAT DOES THE LANDLORD HAVE TO GIVE TO THE PROSPECTIVE TENANT?

Before entering into a tenancy agreement with a prospective tenant, the landlord must:

- Provide information about the electricity used by the previous tenant for the most recent 12 month period
- Provide information about whether the unit was vacant, and for how long, during that 12 month period
- Provide information about the age of any refrigerator in the unit and any available information about its energy efficiency

For more details about landlord obligations to prospective tenants, please see the information links at the end of this tip sheet.

WHAT IF MY LANDLORD HAS NOT FOLLOWED THE RULES FOR INSTALLING ELECTRICITY METERS AND GETTING MY CONSENT TO TAKE ON ELECTRICITY BILLS?

Tenants or former tenants can apply to the LTB to determine whether the landlord has breached their obligations with respect to:

- Installation of meters
- Informed consent of the tenant
- Rent reductions
- Energy efficiency standards
- Disclosure requirements and notices
- Treatment of electric heat (**NOTE:** landlords cannot individually meter electricity used for heating)

The application is made on Form T7 – **Tenant Application About Suite Meters**. A copy of this form can be obtained from the LTB web site at the link provided at the end of this tip sheet.

WHAT CAN THE LANDLORD AND TENANT BOARD DO?

For interruptions in the supply of electricity, failure to provide information to prospective tenants, or failure to meet energy efficiency standards, the LTB can:

- Order an abatement of rent
- Authorize a repair or replacement that has been or is to be made, or work that has been or is to be done, and order its cost to be paid by the landlord to the tenant
- Order the landlord to do specified repairs or replacements or other work within a specified time
- Order that the rent charged be reduced by a specified amount and order the appropriate rebate
- Make any other order that it considers appropriate

For more serious breaches, such as the landlord failing to provide information and obtain consent, not providing adequate notice, or not reducing the rent as required, the LTB can also:

- Terminate the tenancy
- Order that the landlord assume the obligation to supply electricity to the rental unit and set the new rent that can be charged

WHERE CAN I GET MORE INFORMATION?

Contact your local **Community Legal Clinic** for free advice on landlord and tenant matters. To find the telephone number for your clinic call Legal Aid Ontario at (416) 979-1446 or 1-800-668-8258.

You can also call the **Tenant Hotline** at 416-921-9494 for free information and referrals to your local legal clinic.

You can call the Landlord and Tenant Board toll free at 416-645-8080 from within the Toronto calling area or 1-888-332-3234 from outside Toronto. Their internet address is www.ltb.gov.on.ca

You can find information on-line about electricity metering at the following links,

Legislation and regulations

Residential Tenancies Act, 2007 – section 137

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_06r17_e.htm

O. Reg. 394/10 – Suite meters and apportionment of utility costs, made under RTA

http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_100394_e.htm

Energy Consumer Protection Act, 2010 – Part III – Suite metering

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_10e08_e.htm

O.Reg. 389/10 – General, made under *Energy Consumer Protection Act, 2010*

http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_100389_e.htm#

Ministry of Municipal Affairs and Housing

Tenants' Guide to Suite Meters

<http://www.mah.gov.on.ca/Page9087.aspx>

Suite meters in rental residential units

<http://www.mah.gov.on.ca/Page9050.aspx>

Landlord and Tenant Board and suite metering

LTB brochure - Information for landlords and tenants about suite meters

http://www.ltb.gov.on.ca/stdprodconsume/groups/csc/@ltb/@keyinfo/documents/resourcelist/stdprod_079803.pdf

LTB form - Tenant agreement to pay directly for electricity costs

http://www.ltb.gov.on.ca/stdprodconsume/groups/csc/@ltb/@forms/documents/resourcelist/stdprod_079858.pdf

LTB form - Landlords notice to terminate obligation to supply electricity

http://www.ltb.gov.on.ca/stdprodconsume/groups/csc/@ltb/@forms/documents/resourcelist/stdprod_079825.pdf

LTB form - Information to prospective tenant about suite meters or meters

http://www.ltb.gov.on.ca/stdprodconsume/groups/csc/@ltb/@forms/documents/resourcelist/stdprod_079822.pdf

LTB form – T7 – Tenant application about suite meters

http://www.ltb.gov.on.ca/stdprodconsume/groups/csc/@ltb/@forms/documents/resourcelist/stdprod_078873.pdf

Ontario Energy Board and suite metering

Unit Sub-Metering Code (Dec. 16, 2010)

http://www.oeb.gov.on.ca/OEB/ Documents/Regulatory/Unit_Sub-Metering_Code.pdf

Unit sub-metering providers that have been granted licenses by the OEB

http://www.oeb.gov.on.ca/html/licences/all_issuedlicences_read.cfm?showtype=Smart%20Sub-Metering

Unit sub-metering provider – pending applications for license

http://www.oeb.gov.on.ca/html/licences/all_pendinglicences_read.cfm?showtype=Smart%20Sub-Metering
www.cleo.on.ca