

Enabling Customer Choice for RPP TOU Customers

Preparation of Billing Quantities by SME

August 13, 2020

Purpose of Meeting

- On July 15, 2020, the OEB issued Notice of Proposal to Amend (Notice) the Standard System Supply Code (SSSC) to enable customers to opt out of time-of-use (TOU) prices and to elect tiered pricing.
- The OEB received comments from 18 stakeholders, including electricity distributors, representatives of consumers and a retailer.
- As noted in the OEB's August 6 letter to announce this meeting, its purpose is to:
 - Ensure a better understanding of the comments provided on the issue of preparation of billing quantities by the SME, in particular the technical basis for the distributors' concerns with the proposed approach.
 - Discuss and understand the feasibility of alternatives proposed by distributors for achieving the data collection and reporting, which was explained in the Notice as the rationale for the proposed amendment.

Background: Billing Quantities and SME

- All distributors currently receive billing quantities for residential and general service less than 50 kW TOU customers from the SME.
- Under the proposed amendment, the SME would provide billing quantities for tiered priced customers in these classes.
- The proposal reads as follows
 - “3.5.14 - A distributor shall rely on the Smart Metering Entity (SME) for the calculation of billing quantities in respect of all residential consumers or general service < 50kW consumers that are being charged tiered prices under section 3.3 as a result of an election under this section 3.5.”
- Retaining the SME’s role in determining billing quantities independent of pricing structure would facilitate the centralized collection and reporting of data the OEB expects to require as an input to RPP price setting

Issue: SME Framing Structures

- OEB staff understands based on comments received that the central issue in the proposed amendments pertains to the use of “framing structures” by the SME.
 - Framing structures are the way of standardizing the data the SME gives back to a distributor for billing purposes.
- The SME’s TOU’s framing structure includes 11 data points. The periodic framing structure, which exists today, includes 5 data points as shown below.
- The periodic structure, which contains a subset of all the data points in the TOU structure, could be used as the basis on which distributors could apply the tier thresholds to generate bills.

Issue: SME Framing Structures

TOU Framing Structure	Periodic (Tiered Pricing) Framing Structure
Total daily Off Peak consumption	N/A
Total daily Mid Peak consumption	N/A
Total daily On Peak consumption	N/A
Start register reading for the billing period	Start register reading for the billing period
End register reading for the billing period	End register reading for the billing period
Total daily KWH consumption	Total daily KWH consumption
Register Read Difference: End register reading minus the Start register reading	Register Read Difference: End register reading minus the Start register reading
Total daily TOU Off Peak consumption with equality adjustment	N/A
Total daily TOU Mid Peak consumption with equality adjustment	N/A
Total daily TOU On Peak consumption with equality adjustment	N/A
Total daily KWH consumption with equality adjustment	Total daily KWH consumption with equality adjustment

Stakeholder Comments For Discussion Today: Feasibility Concerns and Desire for Clarification

- **Hydro Ottawa:** “This is a significant change, every meter in our billing system would have to be reconfigured in CC&B when the customer switches between rate options. This is a complex customization to our system and will create considerable downstream impacts...It is recommended that LDC’s be allowed discretion on what “framing structure” to use that will work within their individual systems.”
- **Alectra:** “Many utilities have configured their CIS and billing systems to be structured around TOU pricing for residential and low volume customers....(E)ither utilities must make system configuration changes and implement extensive manual workarounds to accommodate the OEB’s proposal, or implement an interim solution....Alectra estimates that [system changes] would cost approximately \$2-\$2.5 M.”
- **Halton Hills:** If the Smart Metering Entity is providing billing quantities for customers on two-tier prices, HHHI would like confirmation that the ‘periodic’ billing response type will be provided, and not a new billing response type.”
- **London Hydro:** “It is unclear to London Hydro what protocols and billing determinants will be required from the utility or provided by the MDMR for the proposed Tier pricing solution.”

Stakeholder Comments For Discussion Today: Feasibility Concerns and Desire for Clarification (2)

- **Hydro One:** “Hydro One supports the need for the ongoing delivery of the hourly consumption data to the SME from both TOU and 2-tier customers to support broader provincial and regulatory needs but, encourages the OEB to reconsider the requirement that utilities change their billing and SME synchronization systems to use the “MDMR’s Periodic Framing Structure. “
- **CHEC:** “Members would like to keep the ability to see TOU data in their systems and be able to provide readily available comparable data to their customers. It will cost additional funds to automate a process to retrieve this information and bucket it to use for comparative purposes.”
- **Kitchener-Wilmot:** “KWHI is currently implementing a new CIS system and will have to process this change in both its legacy system and the new CIS system.”

Alternate Proposals For Obtaining Data

- Hydro Ottawa:
 - “HOL believes that the OEB reporting requirements related to TOU and Tiered customers could be satisfied by submitting a commodity rate class parameter change to the MDM/R via the incremental synchronization interface.”
- Alectra:
 - “Alectra proposes leaving the existing MDM/R interface as it exists today and changing the billing pricing option within the CIS. The fields required to complete a switch to Tiered Billing exist in the billing response from the MDM/R today.”
 - “The one extra step required in this proposed solution would be the requirement to apprise the MDM/R of the switch from TOU to RPP for a particular customer. This can be accommodated by simply flagging the account to initiate a Rate Class change from TOU to RPP for the customer.”

OEB staff understands that such a proposal would constitute no incremental requirement beyond those which exist today. The SME already collects from LDC’s information on the commodity rate class for each meter (among other requirements), in accordance with its licence.

Questions for Discussion

Use of the Commodity Rate Class flag

- Is the proposal to report any customer commodity rate class changes to the SME workable for all distributors?
- Will it meet the data collection and reporting needs of the OEB in order to set prices under the RPP?
- Can this process be implemented in a timely manner?
- Are there workflow considerations for establishing and implementing this process?

Framing Structure

- Is there a consensus view that retaining use of the TOU framing structure is preferable?
- Should distributors be allowed to select the framing structure they apply, or is it preferable to continue to employ TOU framing despite the price structure applied for billing?

Next Steps

- OEB staff will report the substance of the discussion to the OEB for its consideration.
- All interested parties will have the opportunity to comment on any material changes to the proposed amendments to the SSSC.