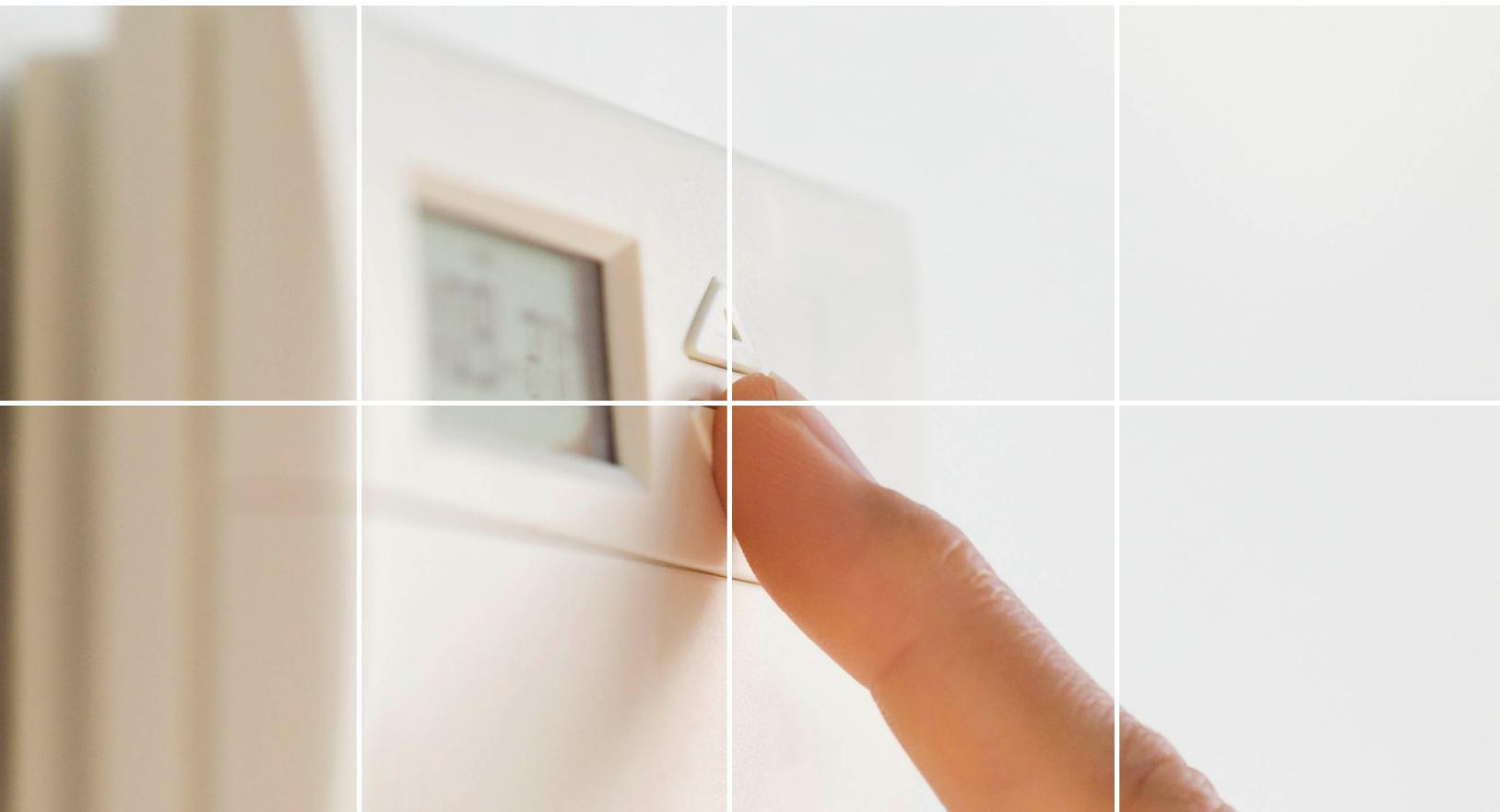




Ontario Smart Price Pilot Pilot Design

August 30, 2006



Prepared by IBM Global Business Services and eMeter Strategic Consulting for the
Ontario Energy Board

Contents

1	Introduction.....	1
1.1	Document Scope and Purpose	1
1.2	Background	1
1.3	Pilot Objectives	2
2	Participating Distributor	3
3	Price Design.....	5
3.1	RPP Time-of-Use (TOU) Prices	5
3.2	Critical Peak Pricing	6
3.3	Critical Peak Rebate	6
3.4	Critical Peak Trigger.....	9
3.5	Tiered Prices for Control Group	10
4	Customer Participation	11
4.1	Experimental sample.....	11
4.2	Recruitment.....	11
4.3	Incentive Approach	12
4.4	Customer Service and Education.....	13
4.5	Critical Peak Notification	13
4.6	Billing.....	13
4.7	Evaluation	14
5	Program Schedule.....	16
6	Communications Plan.....	18

Appendices

- A. Recruitment Communications Material
- B. Confirmation Package
- C. Critical Price Trigger
- D. Analysis of Critical Peak Rebate Concept

List of Figures

Figure 1. RPP TOU prices are unchanged from the existing Board set prices	5
Figure 2. The off-peak price is reduced under CPP prices.....	6
Figure 3. A participant's CPR baseline is the average of usage during the same hours over the participant's last five, non-event weekdays, increased by 25%. The rebate is calculated as the kWh difference between the participant's CPR baseline and their actual usage on the day (the rebate base) multiplied by the 30¢.....	8
Figure 4. In the CPR prices, the RPP TOU prices are unchanged.....	9
Figure 5. Monthly usage strata for target participants	11
Figure 6. Target number of participants and number of letters sent.....	11
Figure 7. Pilot program schedule.....	16
Figure 8. Key pilot milestones	17

1 Introduction

1.1 Document Scope and Purpose

This document consolidates the design elements completed for the Ontario Smart Price Pilot initiated by Ontario Energy Board (the “Board”) in June 2006. It is intended to serve as a baseline for the project team in undertaking the pilot and to provide information to any others interested in details about the pilot’s scope and approach.

Future related key documents from the pilot are expected to be:

- A survey design and execution plan in October 2006
- A preliminary report in October 2006, which summarizes initial results and participant feedback obtained primarily through focus groups
- A final report in January 2007, which consolidates the final outcomes of the pilot.

1.2 Background

The Government of Ontario has committed to install a smart electricity meter in 800,000 homes and small businesses by 2007 and throughout Ontario by 2010. The continued installation of smart meters will ultimately enable the application of flexible, time-of-use (TOU) pricing, as set by the Board, to all electricity consumers on the Regulated Price Plan (RPP).

The Board initially committed to making TOU prices available for consumers on the RPP as they received smart meters. The RPP TOU prices are currently available on a mandatory basis for consumers with a smart meter, where RPP TOU prices have been voluntarily implemented by the electricity distributor. Originally, the Board established May 1, 2006 as the date on which TOU prices would have been mandatory for all RPP consumers with eligible time-of-use (or “smart”) meters. However, a Standard Supply Service Code (“SSS Code”) amendment was necessary to delay the date of mandatory implementation until such time as the smart meter entity (SME) becomes operational. The SME is intended to perform a number of functions associated with TOU data. Mandatory RPP TOU pricing will therefore go into effect on a date yet to be determined by the Board. It appears this will be sometime in 2007 depending on the timing of the SME.

Of Ontario’s 90 electricity distributors, currently, only Milton Hydro has volunteered to implement RPP TOU pricing for all of its customers with smart meters. Chatham-Kent Hydro is also in the process of rolling out RPP TOU pricing. Other distributors

currently have smart meters already installed, however, they are not currently being used for the application for RPP TOU pricing.

In the Board's RPP Proposal issued in December 2004, the Board also made a commitment to investigate the feasibility of implementing a critical peak pricing (CPP) component for the RPP to potentially supplement the TOU prices. The Board committed to complete this feasibility assessment within a reasonable period of time to permit the potential formulation of a CPP component to coincide with the large-scale introduction of smart meters. This commitment specifically identified pilot projects as part of this assessment.

Within the window before the SME becomes operational and TOU pricing becomes mandatory, the Board decided to use this period of time as an "opportunity" to initiate the Ontario Smart Price Pilot to test different time-sensitive price structures for RPP consumers and gain further insights into how consumers respond to TOU prices. The Board also issued SSS Code amendments that will permit other Ontario distributors to implement similar TOU pricing pilots where they are complementary in nature to the Ontario Smart Price Pilot. A summary of available results of other such pilot projects (e.g., the Newmarket Hydro DR and TOU Pilot) will be included in the final report on the Ontario Smart Price Pilot.

1.3 Pilot Objectives

The Ontario Smart Price Pilot is intended to assess:

- The demand response of consumers to various pricing structures (e.g., RPP TOU with/without CPP or Critical Peak Rebates [CPR])
- The extent to which each price structure noted above causes a change in consumer behaviour with respect to shifting of electricity consumption to off-peak periods as measured by the reduction in peak demand. Any change in total monthly consumption will also be assessed.
- The understandability for residential consumers of each pricing structure and the communications associated with each
- Consumer acceptance of each price structure

Based on the evaluation of the pilot results, the Final Report will provide conclusions as to the relative effectiveness of each tested pricing structure.

The results in the Final Report are intended to further inform the Board with respect to future decisions associated with CPP and CPR as well as whether refinements are needed to the current RPP TOU pricing construct and associated consumer communications.

2 Participating Distributor

To conduct the pilot, the Board needed a participating Ontario electricity distributor to provide candidate customers, interval meter data, and ongoing communications support. Among a variety of candidates, Hydro Ottawa was selected as the participating distributor for the following reasons:

- Hydro Ottawa has a sufficient number of smart meters currently installed and operating, thus providing a suitable population from which to recruit participants by August 2006.
- Hydro Ottawa is expected to be a key contributor in the implementation of smart meters in Ontario, with plans to install some 130,000 meters by the end of 2007. This means that the results will be directly applicable to a large number of consumers in the same area expected to be on time-sensitive prices next year.
- Two characteristics of Hydro Ottawa mean that results can be appropriately generalized to RPP-eligible consumers of other Ontario distributors, particularly those installing smart meters in 2007 (mostly in the Greater Toronto Area or GTA):
 - The candidate customers are in a variety of neighbourhoods with a range of monthly electricity consumption, major appliance holdings, housing types, housing ages, and family incomes. This variation in attributes is critical for extrapolation purposes.
 - The Ottawa area climate supports the pilot objectives: summertime temperature highs are nearly identical to those in the GTA — the area with the greatest population in the province — and wintertime lows are lower. This is crucial, because the literature indicates that the greatest response to time-based pricing occurs at extreme temperatures.¹ These responses are greater in both absolute and relative terms. Moderate weather also occurs in Ottawa. The pilot is designed to measure response on an hourly basis, taking advantage of the hourly data available from the smart meters. The hourly analysis allows for estimating the demand response (and extrapolation to other locations) on moderate days and extreme days. To the extent one area, such as the GTA, has more of the extreme days, this can be accounted for in the extrapolation through weighting the results by the number of extreme days vs. moderate days.

¹ See for instance, Charles River Associates, "Impact Evaluation of the California Statewide Pricing Pilot, Final Report," February 11, 2005.

- Hydro Ottawa management has committed to support the pilot, funding necessary internal operations and the thank you payments of \$75 being provided to participating customers plus/minus any savings/losses for participants on TOU prices vis-à-vis RPP tiered prices. Two-thirds of that thank you payment (or \$50) is conditional on the participant simply remaining on the pilot for the full period. The residual \$25 is conditional on the participant completing a pilot survey.

3 Price Design

Three different commodity price structures will be tested during the pilot:

- The existing RPP TOU prices
- The existing RPP TOU prices with a critical peak price
- The existing RPP TOU prices with a critical peak rebate

Participant usage on these three price plans will be compared with the usage of customers in a fourth “control” group who also have smart meters but remain on the RPP tiered prices.

The three price structures are designed to be as revenue neutral as possible relative to each other. This is defined such that a participant whose electrical usage is distributed across the hours in the same way as the provincial average for all RPP consumers will pay approximately the same bill on all three options in the absence of any change in usage. This revenue neutral approach is the same design used in the California Statewide Pricing Pilot and the SmartPowerDC™ pilot in Washington D.C. By controlling for total bill amounts prior to demand response to the prices, the revenue neutral design allows for a more accurate estimate of the price effects.

All three price structures to be tested in the pilot are described in more detail below.

3.1 RPP Time-of-Use (TOU) Prices

The existing RPP TOU prices and hours will be used as one of the price structures for the pilot.

Time	Summer Hours (May 1-Oct 31)	Winter Hours (Nov 1-Apr 30)	Price/kWh
Off-peak	10 pm-7 am weekdays; all day weekends and holidays	10 pm-7 am weekdays; all day weekends and holidays	3.5¢
Mid-peak	7 am-11 am and 5 pm-10 pm weekdays	11 am-5 pm and 8 pm- 10 pm weekdays	7.5¢
On-peak	11 am-5 pm weekdays	7 am-11 am and 5 pm- 8pm weekdays	10.5¢

Figure 1. RPP TOU prices are unchanged from the existing Board set prices

Under the RPP, these prices may change effective November 1, 2006.

3.2 Critical Peak Pricing

As with RPP TOU prices, the CPP price was designed to be as revenue neutral as possible. The critical peak price was determined to be the average price of the highest 93 hours between June 2005 and June 2006, based on the hourly Ontario electricity prices or the HOEP (per kWh).

The existing RPP TOU prices and hours will be used for all other hours during the pilot; however, the Off-Peak price was adjusted to offset the effect of the Critical Peak Price. The Off-Peak price was reduced by 11% to 3.1 cents per kWh, while the CPP represents a 186% increase in the On-Peak price. The reason for the different percentage amounts is that CPP prices are in effect less than 100 hours per year, while Off-Peak prices are in effect for over 4,700 hours (or over half of all hours). Critical Peak pricing will only be in effect when Critical Events are declared. CPP prices will also be in effect for only three to four hours per applicable day and only during On-Peak hours.

The resulting prices are shown Figure 2.

Time	Summer Hours (May 1-Oct 31)	Winter Hours (Nov 1-Apr 30)	Price/kWh
Off-peak	10 pm-7 am weekdays; all day weekends and holidays	10 pm-7 am weekdays; all day weekends and holidays	3.1¢
Mid-peak	7 am-11 am and 5 pm- 10 pm weekdays	11 am-5 pm and 8 pm- 10 pm weekdays	7.5¢
On-peak	11 am-5 pm weekdays	7 am-11 am and 5 pm- 8pm weekdays	10.5¢
CPP	3 to 4 hours during On- Peak, dispatched up to 15 days per year	3 to 4 hours during On- Peak, dispatched up to 15 days per year	30.0¢

Figure 2. The off-peak price is reduced under CPP prices

Again, under the RPP, TOU prices are subject to a potential change every six months, with the next review scheduled for November 1. The pilot CPP price is not expected to change during the pilot.

3.3 Critical Peak Rebate

The existing RPP TOU prices and hours will be used during the pilot. As for CPP above, Critical Peak rebates will be in effect only when Critical Events are declared and are limited to only three to four hours during On-Peak hours.

In contrast to the CPP, the Critical Peak Rebate (CPR) provides a rebate to participants for reductions below their “baseline” usage during the critical peak hours.² To strive for revenue neutrality (defined above), the rebate amount was set to be the same as the CPP price during critical peak hours. Also, since the incentive during the critical peak hours is a rebate, there is no adjustment in the Off-Peak price. A participant making no change in response to the critical peak events will pay the same bill on TOU plus CPR as they would if they were a participant on TOU prices only.

For a participant to receive a rebate, their consumption would have to be below a baseline. This means that the higher the baseline, the easier it is for a customer to earn a rebate (i.e. use an amount of electricity less than the baseline amount). The baseline methodology was developed by reviewing other baseline methodologies used for residential CPR programs, as well as baselines used for large commercial consumer curtailable programs. Baseline methods considered were the following:

- PJM: Usage for the same hours in the three highest of the ten previous non-event, non-holiday weekdays
- NYISO: Five highest of the ten previous non-event, non-holiday weekdays
- Anaheim Public Utilities: Three highest non-event, non-holiday weekdays in the first half of summer
- SmartPowerDC™ pilot in Washington D.C.: Three highest non-event, non-holiday weekdays in the previous month
- San Diego Gas & Electric (SDG&E): Average of previous five non-event, non-holiday weekdays

The SDG&E approach is the most recently developed and based on a detailed analysis of residential consumer data. Its advantage is its computational simplicity. However, because critical days are, by definition, the most extreme, SDG&E’s baseline approach understates what the consumer would have otherwise used on critical days.³ This artificially low baseline means that a customer would have to reduce peak consumption on critical days just to reach the baseline level — then further reduce consumption to earn a rebate.

² - See Appendix D, Analysis of Critical Peak Rebate Program Concept.

³ - For a detailed discussion of baseline issues see Xenergy, “Protocol Development for Demand Response Calculation,” Prepared for California Energy Commission, August 1, 2002.

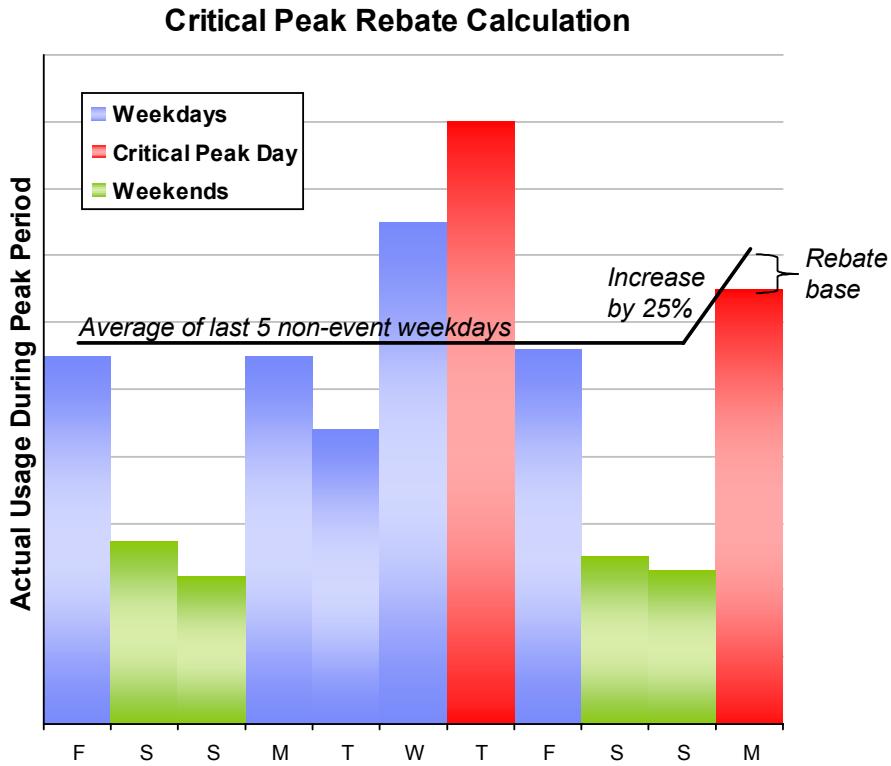


Figure 3. A participant's CPR baseline is the average of usage during the same hours over the participant's last five, non-event weekdays, increased by 25%. The rebate is calculated as the kWh difference between the participant's CPR baseline and their actual usage on the day (the rebate base) multiplied by the 30¢.

The team analyzed data for 2005 from a similar Anaheim TOU pilot and determined that, on average, usage of control group consumers during critical peak periods was 23% higher than their average usage during the same hours of the five previous non-event, non-holiday weekdays. In other words, this data showed that the starting point for determining a load reduction should be 23% above the five-day average, giving the customer a greater (and appropriate) opportunity to earn a rebate. Based on this analysis, the Ontario pilot uses a rounded-off adjustment factor of 25%.

For the Ontario pilot, the baseline combines the benefits of the San Diego method with the adjustment factor to remove the inherent penalty in the San Diego approach.

The result is a baseline that is calculated as the average usage for the same hours of the five previous non-event, non-holiday weekdays, multiplied by 125%. The difference between the consumer's consumption during the Critical Event and the baseline would be subject to the CPR, creating a rebate of 30 cents/kWh times the amount by which the participant's usage was reduced.

The resulting prices are Figure 4.

Time	Summer Hours (May 1-Oct 31)	Winter Hours (Nov 1-Apr 30)	Price/kWh
Off-peak	10 pm-7 am weekdays; all day weekends and holidays	10 pm-7 am weekdays; all day weekends and holidays	3.5¢
Mid-peak	7 am-11 am and 5 pm- 10 pm weekdays	11 am-5 pm and 8 pm- 10 pm weekdays	7.5¢
On-peak	11 am-5 pm weekdays	7 am-11 am and 5 pm- 8pm weekdays	10.5¢
CPR	3 to 4 hours during On- Peak, dispatched up to 15 days per year	3 to 4 hours during On- Peak, dispatched up to 15 days per year	30.0¢

Figure 4. In the CPR prices, the RPP TOU prices are unchanged

3.4 Critical Peak Trigger

The team considered two approaches for triggering critical peak events. The first was to dispatch in parallel with the Independent Electricity System Operator's (IESO) voluntary Emergency Load Reduction Program (ELRP), for which only large wholesale market consumers are eligible. For this program, the IESO forecasts day-ahead supply and demand and calls an event when forecast supply margins are very low. However, because this is designed to be an emergency program, it is intended to be triggered relatively infrequently (i.e., only a handful days per year are expected). While this may be appropriate for the long term, the short pilot schedule made it necessary to consider a temperature trigger to increase the likelihood that a sufficient number of events would be called during the five month pilot to provide the necessary data for analysis.

The temperature trigger is commonly used in critical peak programs. The trigger is calculated based on historical data. The historical data determines how many times a particular temperature was exceeded (on the high side in summer, low side in winter). The team reviewed historical data for the past five years and selected temperatures which would have provided an appropriate number of critical peak events in at least four of the past five years. The team's goal is to have approximately six summer events and three winter events during the pilot. The team took a conservative approach in selecting the trigger temperatures because, if the threshold is exceeded too many times, events need not be called (whereas if not enough events occur, insufficient data will be available for analysis).

The trigger temperatures selected were 28°C in summer and -14°C in winter. In addition, events will be called when the Humidex exceeds 30°C during peak times of the day, regardless of the temperature. See Appendix C for further details.

3.5 Tiered Prices for Control Group

The conventional meter RPP has prices in two tiers, one price (T_1) for monthly consumption under a tier threshold and a higher price (T_2) for consumption over the threshold. The threshold for residential consumers vary by season:

- 600 kWh per month during the summer season (May 1 to October 31)
- 1000 kWh per month during the winter season (November 1 to April 30).

Currently, the tiered prices are:

- $T_1 = 5.8$ cents per kWh
- $T_2 = 6.7$ cents per kWh

The tier thresholds are set such that there is roughly a 50/50 split of forecast consumption at the lower tier price and at the higher tier price, resulting in tiered prices that are distributed symmetrically around the average RPP supply cost.⁴

It is important to note that the RPP tiered prices and the RPP TOU prices are established based on the same average RPP supply cost (or average RPP price) of about 6.3 cents per kWh.

⁴ - See Ontario Energy Board, "Regulated Price Plan Price Report May 1, 2006 to April 30, 2007," April 12, 2006, for details. It is available at www.oeb.gov.on.ca/documents/cases/EB-2004-0205/rpp_pricereport-may06-apr07_120406.pdf

4 Customer Participation

Participants have been randomly selected from the population that would have smart meters installed in Hydro Ottawa's territory by August 1, 2006; a total of approximately 5,000 customers. The experimental design is a classic side-by-side comparison of control vs. treatment groups. Participants were recruited for the three treatment options (TOU, CPP, and CPR), with other customers with smart meters acting as the control group. All potential participants are RPP consumers (i.e., not on a retailer contract).

4.1 Experimental sample

The sample was drawn via a stratified random sample. The population was stratified into three groups — high, middle, and low — based on average monthly usage in the prior 12 months. This stratification ensured that representative number of eligible participants would be included at all three usage levels. Figure 6 below shows the distribution of eligible participants by usage level.

Monthly Usage Strata	Percent of Target Participants
0-500 kWh	36%
501-750 kWh	30%
750+ kWh	34%

Figure 5. Monthly usage strata for target participants

The three treatment groups correspond to the three price designs discussed in section 3. The targeted sample sizes are shown in Figure 6.

Price Group	# of Participants Targeted	# of Letters Sent
TOU	75	600
CPP	75	600
CPR	75	600

Figure 6. Target number of participants and number of letters sent.

4.2 Recruitment

Recruitment was undertaken via direct mail, using a letter co-branded by Hydro Ottawa and the OEB. Subsequent pilot communications are branded as OEB communications. The initial letter notifies customers that they "have been selected as a participant." However, customers were not included in the pilot unless they

returned the confirmation form included in the recruitment mailing. One reason confirmation was needed is to provide the correct telephone number or email address for critical peak event notifications.

Given the very short time frame, only a single mailing was made, and eligible participants were given a deadline of one week (from the initial mailing) in which to send or call in their confirmation to participate.

The recruitment packages consist of the following:

- *Cover Letter*: provides a brief introduction to the pilot, describes key features, and informs eligible participants how to confirm participation.
- *Fact Sheet*: provides an explanation of all the key features of the pilot, shows the specific prices, provides a sample of the monthly energy usage statement to be received by participants, and provides a sample of the final settlement that will be provided to participants.
- *Confirmation Form*: when signed, this form confirms the customer's participation and provides needed authorization for pilot data handling and analysis.

There are three versions of the Letter and Fact Sheet; one for price design group. All materials are provided in both English and French. Sample recruitment materials are included in Appendix B.

4.3 Incentive Approach

As an incentive to recruit participants, participants will receive a "thank you payment" of \$75.00 at the end of the pilot. Such an incentive is consistent with incentive payments of \$75 to \$100 made in similar pilots. Numerous researchers have concluded that the incentive does not present an issue when analyzing the effect of prices on pilot participants. The reason is that the incentive payment is a fixed externality; participants receive credit for the \$75 simply by participating. Any savings or losses on their time-based pilot prices do not change the fact that they will receive the incentive payment, beyond reducing or increasing it. Specifically, \$50 is to be provided as an incentive for remaining on the pilot for the full five month period and \$25 is to be provided for completing the pilot survey.

In this pilot, for administrative, cost, timing, and other reasons, participants will not pay their time-based electricity charges each month (see Billing below). Instead, there will be a final settlement in January 2007 following the end of the pilot. At the time of this final settlement, participants will receive a cheque in an amount equal to the \$75 incentive (subject to the two conditions noted above) adjusted by the amount of their savings or losses on time-based pricing. Thus, participants will face actual economic gains or losses based on their response, or lack thereof, to time-based

prices. If, for example, a participant opts out of the pilot before completing the survey, that participant will receive no incentive payment.

4.4 Customer Service and Education

The implementation team is providing both telephone and email support for participants. The phone support is staffed from 11 am-8 pm Ottawa time. Support is available in both English and French.

Initial participant education, beyond the material in the recruitment package, focused on a package mailed to each eligible participant following receipt of their enrolment form. This confirmation mailing included the following:

- *Cover Letter*: confirms that the participant is enrolled.
- *Refrigerator magnet*: provides a table of the prices, times, and seasons for the participant's price plan. The magnet to be sent is an adaptation of a design that was preferred by customers in focus groups conducted for a different pilot program by Hydro Ottawa. A sample magnet design is shown in Appendix A.
- *Energy conservation brochure*: this brochure provides a variety of conservation tips for electricity consumers that may be used during peak times or anytime. The brochure is included as Appendix B.

Going forward, each pilot participant will receive an *Energy Usage Statement* each month highlighting the key features of his or her price plan. The implementation team monitors and tracks all phone calls and emails for use in the program evaluation. In this tracking process, should issues arise concerning participant understanding of the program, additional educational mailings could be developed.

4.5 Critical Peak Notification

Pilot participants will be notified by 3 p.m. the day before each critical peak event. The notification will state the time and length of the critical peak event (which vary between three and four hours) and remind the participant of the critical peak price or rebate, as applicable. Notification will be made via automated telephone, email, or text page, based on the preference expressed by the participant at the time of confirming enrolment. Notifications will be provided in both English and French.

4.6 Billing

To accommodate the needs of the pilot, participants will continue to receive and pay their "normal" electricity bill from Hydro Ottawa. This bill is issued every other month at a different time during the month for any given customer. Separately, pilot participants will receive monthly *energy usage statements* that show their electricity supply charges on their respective pilot price plan. These statements emphasize the amount of electricity consumed (in each pricing period) and the TOU price of electricity (in each period). The statements will be mailed to participants monthly, and

all usage will be on a calendar month basis. Sample statements are included in the sample Fact Sheets in Appendix B.

Participants will not remit the dollar amounts shown on the energy usage statements. Instead, at the end of the pilot, participants will receive a final settlement comparing their electricity charges on the pilot prices with what their charges would have been on the tiered prices. Some participants will have higher electricity charges on the pilot TOU prices, others lower. If the results are similar to the experience of other pilots, the majority will see lower charges.

The savings or losses determined in the final settlement will be combined with the participant's incentive payment of \$75, such that the participant will receive a "netted" amount of more or less than \$75 reflecting actual performance on the pilot's time-based prices.

Given the above, only the incentive payment amount is affected. As such, the pilot has been designed to have no impact on the RPP variance account held by the Ontario Power Authority (OPA).

4.7 Evaluation

The primary objective of the evaluation plan is to determine the extent to which participants respond to time-varying prices and to assess how demand responsiveness (i.e., shifting consumption to off-peak periods) varies with participant characteristics, weather and other determining factors. Econometric analysis will be used to measure the impact of price and other treatments on usage and peak demand patterns of participants who are subject to the three different price options and of a suitable control group. The data collected during the pilot will be used to estimate mathematical functions (e.g., demand equations) that relate usage during specific time periods and coincident peak demand to a variety of determining variables, including:

- Price level
- Housing type
- Participant size, measured by electricity usage amount
- Equipment holdings
- Variations in climate and weather conditions over time
- Demographic characteristics, including income.

The pilot will also provide insights into participant opt-out rates.

The degree of demand response by pilot participants will be determined by estimating demand equations, which relate usage by time period to price types and price levels, other experimental treatments, participant characteristics, and weather

conditions. The primary data requirements for such an analysis include: (a) measurements of participant load shapes; (b) measurements of participant socio-demographic and economic characteristics; (c) price and other treatment effects; and (c) weather conditions. Participant load shapes will be obtained from the smart meters installed on all participant premises. Socio-demographic and economic information will be gathered through surveys of each participating consumer conducted during the experiment. Relevant characteristics include dwelling type; age of dwelling; size of dwelling; saturation of major electric appliances; number of people in the house; age of the head of household; and average income.

The unit of analysis will be kWh usage by time period, specifically hourly. Hourly data is preferable since the CPP price signals are day-specific and daily usage provides greater variation in weather conditions and, therefore, greater precision in the all-important weather parameters. The demand estimation will be based on observations for individual participants. A key result from the estimation process will be the estimation of coincident kW demand impacts due to the expected shifting of usage from on-peak to off-peak periods as well as an estimate of the total usage impact.

Once the pilot gets underway, there will be an opportunity to conduct market research (focus groups and surveys). The results of this research in conjunction with the quantitative demand response analyses discussed above will help inform future decisions by the Board associated with RPP TOU prices and the other complementary smart meter dynamic pricing options (i.e., CPP and CPR). The market research will include determining what price features are understood and valued by residential consumers.

Another goal is determining residential consumer understanding and fairness measures of various price features (e.g. relationship between retail price and wholesale cost or system conditions, relationship between demand response and monetary savings, relationship between appliance efficiency and monetary savings, etc.).

Finally, we will evaluate the recruitment process and attempt to identify factors affecting the response rate.

5 Program Schedule

The pilot was launched on August 1, 2006 and is currently expected to continue for five months. Usage tracking would then end on December 31, 2006, with the last of five Energy Usage Statements will be provided to participants in early January.

Participant surveys are planned for late November and early December, before the holiday season.

The final report will be then completed in January 2007.

Further details are illustrated in the schedule below (Figure 7 and Figure 8)

Activity	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Stage 1								
Program Design								
Operational Setup								
Survey Design								
Participant Recruitment								
Stage 2								
Pilot Operations								
Focus Groups								
Participant Survey								
Preliminary Report								
Phase 3								
Final Analysis								

Figure 7. Pilot program schedule

Date	Milestone
June 25, 2006	Pilot kick-off
July 11, 2006	Price design finalizes
July 14, 2006	Target customers selected and enrolment letters sent out
August 1, 2006	Pilot kick-off. Usage information begins to be captured
Week of September 4, 2006	Pilot Design document available
Week of September 4, 2006	First Energy Usage Statements produced and mailed
October 2006	Focus groups completed
November 2006	Preliminary Report
December 15, 2006	Participant survey completed
December 31, 2006	Pilot program ends
January 31, 2007	Final Report

Figure 8. Key pilot milestones

6 Communications Plan

The table below sets out the schedule for the key communication items with pilot participants. There are expected to be other stakeholder and media communication activities during and after the pilot.

Item	Contact			Notes
	Type	Timing	Element	
1. Initial Enrollment	Mailing	Week of July 17	Cover Letter - One for each price structure Fact Sheet - One for each price structure Release Form - One for TOU only, one for CPP/CPR	Notify customer of selection, get customer to read Fact Sheet, get customer to return release form. Inform customer regarding basic program elements. Confirm participation, obtain customer's signed agreement to participate, obtain CP notification preference (if relevant) and complete enrollment survey.
2. Enrolment Confirmation	Mailing	Weeks of July 24 and 31	Letter - One for TOU only, one for CPP/CPR Energy Savings Brochure Fridge Magnet - One for each price structure	Confirm that customer is on pilot Provide basic program information, savings tips, and appliance energy usage data Using existing Hydro Ottawa brochure Provide a resilient reference of the TOU price periods for participants
3. Initial OEB Media Release	Web posting Media Release	Week of August 7	Media Release	Support general awareness in Ottawa to support enrolment Inform industry stakeholders of pilot Establish initial awareness among media

Contact				
Item	Type	Timing	Element	Notes
4. Energy Usage Statement	Mailing	Monthly starting week of September 4	Usage Statement	Inform participant of charges, rebates, and account balance
5. Focus groups	In person	October 2006	Focus groups	To gauge participant's understanding, satisfaction, and attitude towards pilot Pilot participants will be recruited for focus groups via phone.
6. Survey	Email / Telephone	Late November to Early December 2006	Survey	All participants will receive survey request via email, with instructions to complete via the internet. Telephone surveys will also be conducted
7. Final Energy Usage Statement	Mailing	Week of January 8, 2007	Summary Usage Statement	Summary of all energy usage statements. Also provides participant with total amount of "thank you payment" net of any debits or credits

Appendix A: Recruitment Package

Contents

English

Time-of-Use (TOU)

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

TOU with Critical Peak Pricing

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

TOU with Critical Peak Rebate

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

French

Time-of-Use (TOU)

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

TOU with Critical Peak Pricing

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

TOU with Critical Peak Rebate

1. Recruitment Letter
2. Fact Sheet
3. Sample Monthly Energy Statement
4. Sample Final Pilot Statement

Hydro Ottawa Limited
3025 Albion Road North, PO Box 8700
Ottawa, Ontario K1G 3S4
Tel.: (613) 738-6400
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Ottawa (Ontario) K1G 3S4
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Téléc. : (613) 738-6403
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July 14, 2006

[NAME]
123 Main Street
Ottawa
Ontario

Dear [NAME],

You have been selected to participate in the **Ontario Smart Price Pilot**, an initiative sponsored by the Ontario Energy Board (the independent agency that regulates the province's electricity and natural gas utilities) and supported by Hydro Ottawa. The pilot is designed to help us learn about consumers' ability to conserve electricity using smart meters and "time-of-use" prices in advance of the province's plan to provide smart meters to all homes and small businesses by 2010.

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To thank you for being part of the pilot – which runs from August through December of this year – we will give you a **thank you payment of \$75.00**. Since this is a pilot program, you will still receive a Hydro Ottawa bill, which you should continue to pay in your usual manner. In addition, each month the OEB will send you an Electricity Usage Statement showing your charges on the "time-of-use" prices. At the end of the pilot, in January 2007, we will send you a final statement and a cheque with your **thank you payment plus a credit** for your time-of-use savings (or **less a debit** if you've spent more on time-of-use). Customers paying time-of-use prices in similar pilot programs generally saw small changes in their bills on these prices compared to their current prices, with some customers saving a few dollars and some customers paying a few dollars more. The enclosed Fact Sheet has samples and other program details.

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Thank you for participating in this important program.

Name
Position
Hydro Ottawa

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Who is sponsoring the pilot program?

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Between 200 and 300 Hydro Ottawa residential customers will be selected at random. The goal is to reflect the diversity of different customers who use power in a variety of ways.

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What is the thank you payment?

You will receive \$75 in appreciation for assisting us, providing you remain on the program the full five months, through December 31, 2006. Any savings or higher bills on time-of-use pricing will be added to or deducted from this thank you payment.

What is the special pricing?

The pricing is called "time-of-use" and has three different prices per "kilowatt-hour" based on the time of day the electricity is used (average consumers use about 25 kilowatt hours [kWh] per day). See the chart below.

Will I pay more for electricity on time-of-use prices?

On average, customers who make no changes in their consumption habits will pay about the same on time-of-use as on their current electricity prices. Some customers who make no changes could pay a few dollars more over the course of the pilot, while others could pay a few dollars less.

Will I need to buy any equipment?

No, you don't need to buy any special equipment. You already have (or will soon have) a "smart meter" on your home that records when you use electricity, so we can calculate your time-of-use bills. The smart meter sends the data to Hydro Ottawa over a wireless data link.

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How will my time-of-use prices be billed?

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How should I reduce peak electricity use?

You can use less power during peak times by doing your laundry on weekends, turning your dishwasher on before going to bed, turning off lights or other appliances, using less air conditioning or heating, putting a timer on your electric water heater, etc. Do what makes sense for you and your lifestyle.

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When should I reduce electricity usage?

You can save the most by reducing usage during the on-peak hours and, where possible, shifting your usage to off-peak times (e.g. running the dishwasher before going to bed when prices are lower instead of during the day when prices are high). See chart for hours and days.

WHERE

Where can I get more information about the program?

1-866-686-3837 or info@OntarioSmartPricePilot.ca.

Time-of-Use Periods and Prices

Weekends & Holidays	All Day	Off-peak	3.5¢
Summer Weekdays (May 1st - Oct 31st)	7 am-11 am	Mid-peak	7.5¢
	11 am-5 pm	On-peak	10.5¢
	5 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.5¢
Winter Weekdays (Nov 1st - Apr 30th)	7 am-11 am	On-peak	10.5¢
	11 am-5 pm	Mid-peak	7.5¢
	5 pm-8 pm	On-peak	10.5¢
	8 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.5¢

Sample Electricity Usage Statement



Ontario Smart Price Pilot Time-of-Use Electricity Usage Statement

Note: this is not a bill

Account

John Doe
123 Main St SE
Ottawa

Account Number
ABC-12344567

24 hr Customer Service
1-800-xxx-xxxx

Price Season:
Summer

Price Definitions

Off Peak

Price for usage from 10 pm-7 am weekdays and all day, weekends and holidays

Mid Peak

Price for usage from 7 am-11 am & 5 pm-10 pm weekdays

On Peak

Price for usage from 11 am-5 pm weekdays

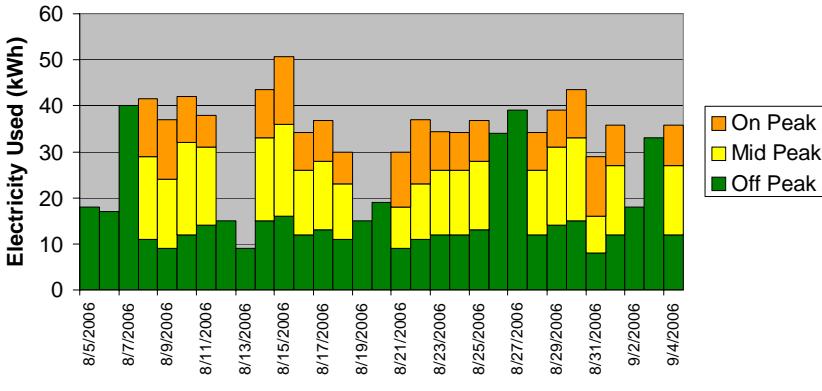
ELECTRICITY USE

Electricity	Service Dates	Usage
On Peak	8/05/2006 To 9/04/2006	200 kWh
Mid Peak	8/05/2006 To 9/04/2006	300 kWh
Off Peak	8/05/2006 To 9/04/2006	500 kWh

Total Electricity Use

1,000 kWh

Electricity Use By Day



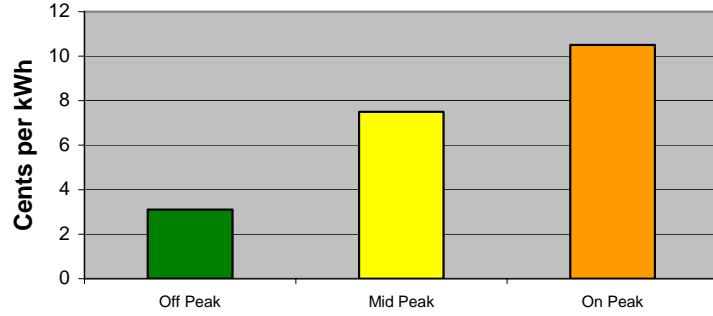
TIME-OF-USE CHARGES (Electricity Only, excludes taxes & other)

Electricity	Price	Usage kWh	Amount
On Peak	10.5 cents per kWh	200	\$21.00
Mid Peak	7.5 cents per kWh	300	\$22.50
Off Peak	3.5 cents per kWh	500	\$17.50

Total Time-of-Use Charges (*Do Not Pay*)

\$61.00

Price of Electricity





Sample Smart Price Pilot Program Final Statement – Customer with *Savings* on Time-of-Use Prices



Ontario Smart Price Pilot Program Final Statement

Billing Period	Bill on Time of Use Prices	Bill on Current Electricity Prices	Savings or (Loss)
August 4, 2006-September 3, 2006	\$75.68	\$77.22	\$1.54
September 4, 2006-October 3, 2006	\$84.44	\$88.97	\$4.53
October 4, 2006-November 3, 2006	\$66.21	\$65.88	(\$0.33)
November 4, 2006-December 3, 2006	\$54.89	\$55.17	\$0.28
December 4, 2006-January 1, 2007	\$88.34	\$91.21	<u>\$2.87</u>
TOTAL SAVINGS (OR LOSS)			\$8.89
Thank You Payment			<u>\$75.00</u>
TOTAL FINAL CHEQUE AMOUNT			\$83.99

Sample Smart Price Pilot Program Final Statement – Customer with *Higher Bills* on Time-of-Use Prices



Ontario Smart Price Pilot Program Final Statement

Billing Period	Bill on Time of Use Prices	Bill on Current Electricity Prices	Savings or (Loss)
August 4, 2006-September 3, 2006	\$75.68	\$72.01	(\$3.67)
September 4, 2006-October 3, 2006	\$84.44	\$88.97	\$4.53
October 4, 2006-November 3, 2006	\$66.21	\$62.88	(\$3.33)
November 4, 2006-December 3, 2006	\$54.89	\$55.17	\$0.28
December 4, 2006-January 1, 2007	\$88.34	\$84.22	<u>(\$4.12)</u>
TOTAL SAVINGS (OR LOSS)			(\$6.31)
Thank You Payment			<u>\$75.00</u>
TOTAL FINAL CHEQUE AMOUNT			\$68.69

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On a handful of "Critical Peak" days each year, there is a higher electricity price for three to four "on-peak" hours. Critical peak days tend to occur when temperatures are extreme and electricity use is high. They can also occur on days when the temperature isn't far from normal but one of the province's power plants is unable to produce electricity temporarily. If Ontarians can use less power for those few peak hours, it could help ensure remaining resources are sufficient to meet everyone's needs. We will tell you the day before each Critical Peak Day by calling your home (using an automated phone call), by e-mail, or by text message, whichever you choose.

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WHEN

When should I reduce electricity usage?

You can save the most by reducing usage during the critical peak and on-peak hours and, where possible, shifting your usage to off-peak times (e.g. running the dishwasher before going to bed when prices are lower instead of during the day when prices are high). See chart for hours and days.

When are Critical Peak days?

Critical Peak days occur weekdays, but not holidays. They are often the hottest days of the summer or coldest days of winter, when air conditioning or heating and other electricity use soars. There may be up to 9 of them in the pilot (of up to 4 hours in duration each).

When will I know about Critical Peak days?

We will notify you by 5 p.m. the afternoon before a Critical Peak day. Notification is by an automated phone call, email, or text message – your choice.

WHERE

Where can I get more information about the program?

1-866-686-3837 or info@OntarioSmartPricePilot.ca.

Time-of-Use Periods and Prices

Weekends & Holidays	All Day	Off-peak	3.1¢
	7 am-11 am	Mid-peak	7.5¢
	11 am-5 pm	On-peak	10.5¢
	5 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.1¢
	Upon notification	Critical peak*	30.0¢
Summer Weekdays (May 1st - Oct 31st)	7 am-11 am	On-peak	10.5¢
	11 am-5 pm	Mid-peak	7.5¢
	5 pm-8 pm	On-peak	10.5¢
	8 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.1¢
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Winter Weekdays (Nov 1st - Apr 30th)	7 am-11 am	On-peak	10.5¢
	11 am-5 pm	Mid-peak	7.5¢
	5 pm-8 pm	On-peak	10.5¢
	8 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.1¢
	Upon notification	Critical peak*	30.0¢

* - Critical peak occurs for 3 or 4 hours during the on-peak period, on critical peak days only. The maximum number of such days in the pilot will be 9.



Sample Electricity Usage Statement



Ontario Smart Price Pilot Time-of-Use Electricity Usage Statement

Note: this is not a bill

Account

John Doe
123 Main St SE
Ottawa

Account Number
ABC-12344567

24 hr Customer Service
1-800-xxx-xxxx

Price Season:
Summer

Price Definitions

Off Peak

Price for usage from 10 pm-7 am weekdays and all day, weekends and holidays

Mid Peak

Price for usage from 7 am-11 am & 5 pm-10 pm weekdays

On Peak

Price for usage from 11 am-5 pm weekdays

Critical Peak

Price for usage on critical peak days from 11 am-5 pm

Critical Peak Days This Month

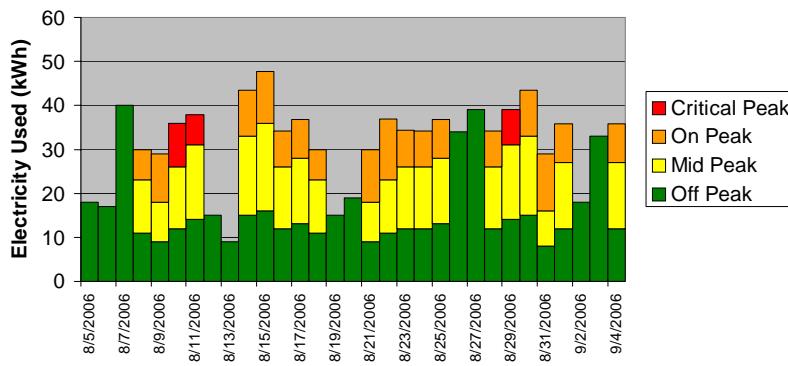
August 10, 2006
August 11, 2006
August 29, 2006

ELECTRICITY USE

Electricity	Service Dates	Usage
Critical Peak	8/05/2006 To 9/04/2006	25 kWh
On Peak	8/05/2006 To 9/04/2006	175 kWh
Mid Peak	8/05/2006 To 9/04/2006	300 kWh
Off Peak	8/05/2006 To 9/04/2006	500 kWh

Total Electricity Use **1,000 kWh**

Electricity Use By Day

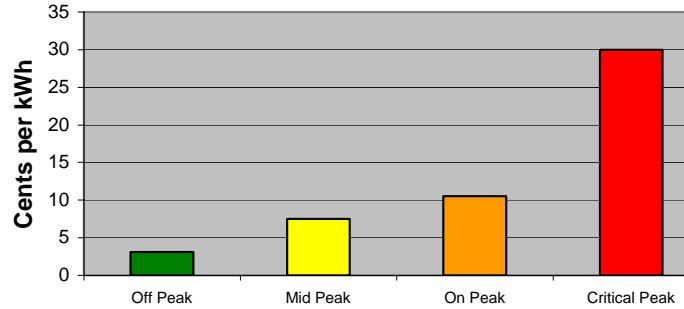


TIME-OF-USE CHARGES (Electricity Only, excludes taxes & other)

Electricity	Price	Usage kWh	Amount
Critical Peak	30.0 cents per kWh	25	\$7.50
On Peak	10.5 cents per kWh	175	\$18.38
Mid Peak	7.5 cents per kWh	300	\$22.50
Off Peak	3.1 cents per kWh	500	\$15.50

Total Time-of-Use Charges (***Do Not Pay***) **\$63.88**

Price of Electricity



Sample Smart Price Pilot Program Final Statement – Customer with *Savings* on Time-of-Use Prices



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Billing Period	Bill on Time of Use Prices	Bill on Current Electricity Prices	Savings or (Loss)
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What is the thank you payment?

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What is the special pricing?

The pricing is called "time-of-use with critical peak **rebate**" and has four different prices per "kilowatt-hour" based on the time of day the electricity is used (average consumers use about 25 kilowatt hours [kWh] per day). See the chart below.

Will I pay more for electricity on time-of-use prices?

On average, customers who make no changes in their consumption habits will pay about the same on time-of-use as on their current electricity prices. Some customers who make no changes could pay a few dollars more over the course of the pilot, while others could pay a few dollars less.

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When should I reduce electricity usage?

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When are Critical Peak days?

Critical Peak days occur weekdays, but not holidays. They are often the hottest days of the summer or coldest days of winter, when air conditioning or heating and other electricity use soars. There may be up to 9 of them in the pilot (of up to 4 hours in duration each).

When will I know about Critical Peak days?

We will notify you by 5 p.m. the afternoon before a Critical Peak day. Notification is by an automated phone call, email, or text message – your choice.

WHERE

Where can I get more information about the program?

1-866-686-3837 or info@OntarioSmartPricePilot.ca.

Time-of-Use Periods and Prices

Weekends & Holidays	All Day	Off-peak	3.5¢
Summer Weekdays (May 1st - Oct 31st)	7 am-11 am	Mid-peak	7.5¢
	11 am-5 pm	On-peak	10.5¢
	5 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.5¢
	Upon notification	Critical peak*	30.0¢ for each kWh reduced
Winter Weekdays (Nov 1st - Apr 30th)	7 am-11 am	On-peak	10.5¢
	11 am-5 pm	Mid-peak	7.5¢
	5 pm-8 pm	On-peak	10.5¢
	8 pm-10 pm	Mid-peak	7.5¢
	10 pm-7 am	Off-peak	3.5¢
	Upon notification	Critical peak*	30.0¢ for each kWh reduced

* - Critical peak occurs for 3 or 4 hours during the on-peak period, on critical peak days only. The maximum number of such days in the pilot will be 9.

Sample Electricity Usage Statement



Ontario Smart Price Pilot Time-of-Use Electricity Usage Statement

Note: this is not a bill

Account

John Doe
123 Main St SE
Ottawa

Account Number
ABC-12344567

24 hr Customer Service
1-800-XXX-XXXX

Price Season:
Summer

Price Definitions

Off Peak

Price for usage from 10 pm-7 am weekdays and all day, weekends and holidays

Mid Peak

Price for usage from 7 am-11 am & 5 pm-10 pm weekdays

On Peak

Price for usage from 11 am-5 pm weekdays

Critical Peak Rebate

Rebate for *reductions* during critical peak hours (3 or 4 hours during the on-peak period, upon notification)

Critical Peak Days This Month

August 10, 2006
August 11, 2006
August 29, 2006

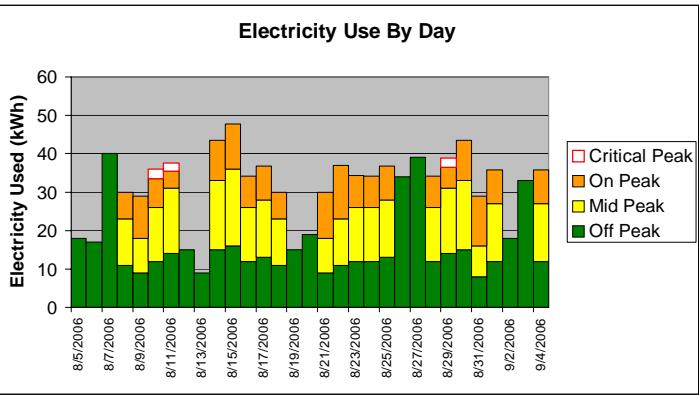
ELECTRICITY USE

Electricity	Service Dates	Usage
On Peak	8/05/2006 To 9/04/2006	200 kWh
Mid Peak	8/05/2006 To 9/04/2006	300 kWh
Off Peak	8/05/2006 To 9/04/2006	500 kWh

Total Electricity Use **1,000 kWh**

Critical Peak Usage Reduction	Dates	Reduction
Critical Peak	8/10/2006	2.5 kWh
Critical Peak	8/11/2006	2.1 kWh
Critical Peak	8/29/2006	2.4 kWh

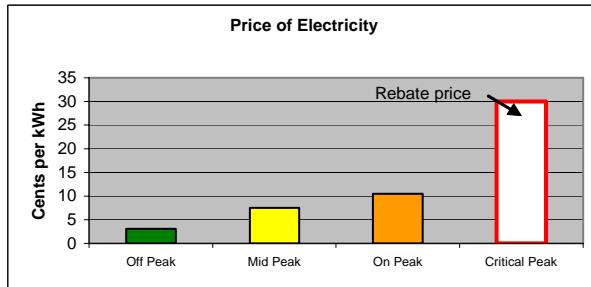
Total Reductions for Rebate **7.0 kWh**



TIME-OF-USE CHARGES (Electricity Only, excludes taxes & other)

Electricity	Price	kWh	Amount
Critical Peak	30.0 cents per kWh	7	-\$2.10
On Peak	10.5 cents per kWh	200	\$20.27
Mid Peak	7.5 cents per kWh	307	\$23.03
Off Peak	3.5 cents per kWh	500	\$17.50

Total Time-of-Use Charges (**Do Not Pay**) **\$58.69**



Sample Smart Price Pilot Program Final Statement – Customer with Savings on Time-of-Use Prices



Ontario Smart Price Pilot Program Final Statement

Billing Period	Bill on Time of Use Prices	Bill on Current Electricity Prices	Savings or (Loss)
August 4, 2006-September 3, 2006	\$75.68	\$77.22	\$1.54
September 4, 2006-October 3, 2006	\$84.44	\$88.97	\$4.53
October 4, 2006-November 3, 2006	\$66.21	\$65.88	(\$0.33)
November 4, 2006-December 3, 2006	\$54.89	\$55.17	\$0.28
December 4, 2006-January 1, 2007	<u>\$88.34</u>	<u>\$91.21</u>	<u>\$2.87</u>
TOTAL SAVINGS (OR LOSS)			\$8.89
Thank You Payment			<u>\$75.00</u>
TOTAL FINAL CHEQUE AMOUNT			\$83.89

Sample Smart Price Pilot Program Final Statement – Customer with *Higher Bills* on Time-of-Use Prices



Ontario Smart Price Pilot Program Final Statement

Billing Period	Bill on Time of Use Prices	Bill on Current Electricity Prices	Savings or (Loss)
August 4, 2006-September 3, 2006	\$75.68	\$72.01	(\$3.67)
September 4, 2006-October 3, 2006	\$84.44	\$88.97	\$4.53
October 4, 2006-November 3, 2006	\$66.21	\$62.88	(\$3.33)
November 4, 2006-December 3, 2006	\$54.89	\$55.17	\$0.28
December 4, 2006-January 1, 2007	<u>\$88.34</u>	<u>\$84.22</u>	<u>(\$4.12)</u>
TOTAL SAVINGS (OR LOSS)			(\$6.31)
Thank You Payment			<u>\$75.00</u>
TOTAL FINAL CHEQUE AMOUNT			\$68.69

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Le 14 juillet 2006

[NOM]
123, rue Principale
Ottawa
(Ontario)

Madame,
Monsieur,

Vous avez été choisi pour participer au **projet pilote ontarien des prix intelligents**, une initiative commanditée par la Commission de l'énergie de l'Ontario (l'organisme indépendant qui régit les services publics d'électricité et de gaz naturel de la province) et appuyée par Hydro Ottawa. Le projet pilote a pour but de nous aider à mieux connaître la capacité de nos consommateurs à économiser l'électricité grâce aux compteurs intelligents et aux prix « selon l'heure de la consommation » avant la mise en œuvre du plan d'installation de compteurs intelligents dans tous les foyers et les petites entreprises de la province d'ici 2010.

Dans le cadre du projet pilote ontarien des prix intelligents, vos tarifs d'électricité varieront tout au long de la journée, comme c'est le cas avec les tarifs interurbains (peu de personnes le réalisent, mais le coût de production de l'électricité varie selon le moment de la journée). Si vous consommez moins d'électricité, ou si vous modifiez ou reportez votre consommation, particulièrement pendant les périodes de pointe, vous pouvez épargner quelques dollars sur vos factures en plus de contribuer à assainir l'environnement.

Afin de vous remercier de participer à ce projet pilote – qui se tiendra d'août à décembre cette année – nous vous verserons un **paiement de remerciement de 75,00 \$**. Étant donné qu'il s'agit d'un programme pilote, votre facture de Hydro Ottawa continuera à vous être acheminée et vous devrez continuer à l'acquitter comme vous le faisiez auparavant. De plus, la CEO vous enverra aussi tous les mois un relevé sur votre consommation d'électricité montrant les prix « selon l'heure de la consommation ». En janvier 2007, à la fin du projet pilote, nous vous ferons parvenir un relevé final ainsi qu'un chèque au montant de votre **paiement de remerciement plus un crédit** pour vos économies selon l'heure de la consommation (ou **moins un débit** si vous avez consommé davantage selon l'heure de la consommation). Les consommateurs qui participent à d'autres programmes pilotes semblables selon l'heure de la consommation constatent généralement une légère variation par rapport aux prix actuels, tandis que certains consommateurs épargnent quelques dollars et d'autres paient un peu plus. La feuille de renseignements ci-jointe contient des exemples et d'autres détails du programme.

N'hésitez pas à nous appeler sans frais au 1 866 686-3837 si vous désirez davantage de renseignements. Si vous acceptez de participer, veuillez remplir le bulletin d'adhésion ci-joint et nous le faire parvenir dans l'enveloppe préaffranchie ci-jointe, ou par télécopieur au 1 866 805-8943, d'ici le **28 juillet**.

Nous vous remercions de participer à ce programme de très grande importance.

Nom
Poste
Hydro Ottawa

QUI

Qui commande le projet pilote?

La Commission de l'énergie de l'Ontario (la CEO), avec le concours de Hydro Ottawa. La CEO est un organisme indépendant qui réglemente les services publics d'électricité et de gaz naturel dans l'intérêt public.

Qui participe au projet?

De 200 à 300 consommateurs résidentiels de Hydro Ottawa seront choisis au hasard. Le but de la sélection consiste à représenter la diversité des consommateurs qui utilisent l'électricité de manières différentes.

QUOI

Qu'est-ce que le projet pilote ontarien des prix intelligents?

Le projet vous fournira davantage de renseignements sur la façon dont vous utilisez l'électricité et vous indiquera comment vous pouvez économiser en déplaçant votre consommation dans les périodes creuses. Il comporte également une courte enquête (ainsi que la participation facultative à des groupes de discussions) vers la fin du projet, durant laquelle nous vous demanderons si vous aimez le projet, comment vous utilisez l'électricité, les changements que vous avez apportés en raison des prix selon l'heure de la consommation, etc.

Qu'est-ce que le paiement de remerciement?

En guise de remerciement, vous recevrez 75 \$ si vous participez au projet de cinq mois jusqu'à la fin, soit jusqu'au 31 décembre 2006. Toute économie ou surcharge de facturation selon l'heure de la consommation sera ajoutée au paiement de remerciement ou en sera déduite.

Qu'est-ce que les prix exceptionnels?

Le barème de prix est appelé « selon l'heure de la consommation » et comporte trois différents prix au kilowattheure selon l'heure de la journée à laquelle l'électricité est utilisée (le consommateur moyen utilise environ 25 kilowattheures [kWh] par jour). Voir le tableau ci-dessous.

Paierais-je davantage pour l'électricité en raison des prix selon l'heure de la consommation?

En moyenne, les consommateurs qui modifient leurs habitudes de consommation paieront environ la même chose qu'avec les prix de l'électricité actuels. Certains consommateurs qui n'apportent aucun changement pourraient payer quelques dollars de plus au cours de la durée du projet pilote, tandis que d'autres pourraient payer moins.

Devrai-je acheter un équipement particulier?

Non, vous n'avez pas à acheter d'équipement particulier. Vous avez déjà (ou aurez bientôt) dans votre foyer un « compteur intelligent » qui enregistre le moment où vous utilisez l'électricité, ce qui nous permet de calculer vos factures selon l'heure de la consommation. Le compteur intelligent envoie les données à Hydro Ottawa grâce à une connexion sans fil.

POURQUOI

Pourquoi réalise-t-on ce projet pilote?

Le gouvernement de l'Ontario prévoit installer des compteurs intelligents à l'échelle de la province d'ici 2010. La CEO a établi les prix selon l'heure de la consommation qui tirent parti des compteurs intelligents afin que les consommateurs puissent mieux gérer leur consommation d'électricité. Bientôt, tous les consommateurs qui ont un compteur intelligent paieront les prix selon l'heure de la consommation.

La CEO a lancé ce projet pilote afin d'apprendre comment les compteurs intelligents et les prix peuvent avantager les consommateurs. Les changements que les consommateurs apportent à leur consommation durant le projet pilote indiqueront à la CEO à quoi elle peut s'attendre lorsque tous les consommateurs auront des compteurs intelligents.

COMMENT

Comment puis-je obtenir mon paiement de remerciement?

Pour obtenir votre paiement de remerciement, il suffit de participer au projet cinq mois, jusqu'au 31 décembre 2006. Si vous devez quitter le projet, mais que vous avez répondu à l'enquête, vous obtiendrez 25 \$.

Comment les prix selon l'heure de la consommation me seront-ils facturés?

Vous continuerez de recevoir et de payer votre facture d'électricité ordinaire de Hydro Ottawa. De plus, la CEO vous fera parvenir par la poste chaque mois un relevé selon l'heure de la consommation d'électricité qui indique vos frais. Ce relevé n'est pas une facture. À la fin du projet pilote, en janvier, la CEO vous fera parvenir un relevé qui vous montre séparément votre paiement de remerciement et toute économie (ou augmentation) selon l'heure de la consommation et compare ces chiffres aux prix de l'électricité que vous payez actuellement. Des exemples du relevé selon l'heure de la consommation d'électricité et du relevé final figurent plus bas.

Comment devrais-je réduire ma consommation d'électricité durant les périodes de pointe?

Vous pouvez utiliser moins d'électricité durant les périodes de pointe en faisant la lessive les fins de semaine, en mettant le lave-vaisselle en marche avant d'aller au lit, en fermant les lampes et les autres appareils ménagers, en réduisant la puissance du climatiseur ou de la fournaise, en reliant votre chauffe-eau à une minuterie, etc. Vous devez faire ce qui vous semble sensé et mieux convenir à votre mode de vie.

QUAND?

Quand devrais-je réduire ma consommation d'électricité?

Vous pouvez économiser le plus en réduisant votre consommation durant les heures de pointe et, lorsque c'est possible, en déplaçant votre consommation durant les heures creuses (par ex., en faisant fonctionner le lave-vaisselle avant d'aller au lit, lorsque les prix sont moins élevés comparativement à durant la journée). Consultez le tableau ci-joint.

OÙ

Où puis-je obtenir davantage de renseignements sur le projet?

Composez le 1 866 686-3837 ou écrivez à l'adresse suivante : info@OntarioSmartPricePilot.ca.

Périodes de tarification et prix selon l'heure de la consommation

Prix selon l'heure de la journée

Fins de semaine et jours fériés	Toute la journée	Période creuse	3,5 ¢
Jours de semaine, l'été (1er mai au 31 octobre)	7 h à 11 h	Période médiane	7,5 ¢
	11 h à 17 h	Période de pointe	10,5 ¢
	17 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,5 ¢
	7 h à 11 h	Période de pointe	10,5 ¢
Jours de semaine, l'hiver (1er nov. au 30 avril)	11 h à 17 h	Période médiane	7,5 ¢
	17 h à 20 h	Période de pointe	10,5 ¢
	20 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,5 ¢

Échantillon de relevé selon l'heure de la consommation d'électricité



Projet pilote prix intelligents de l'Ontario Relevé selon l'heure de la consommation d'électricité

Remarque : Ce relevé n'est pas une facture

Compte

John Doe
123, rue Main
Ottawa

Numéro de compte
ABC-12344567

Service à la clientèle 24 h sur 24
1 800 xxx-xxxx

Saison tarifaire :
Été

Définition des prix

Période creuse
Prix appliqué à la consommation de 22 h à 7 h les jours de semaine et toute la journée les fins de semaine et les jours fériés.

Période médiane
Prix appliqué à la consommation de 7 h à 11 h et de 17 h à 22 h les jours de semaine.

Période de pointe
Prix appliqué à la consommation de 11 h à 17 h les jours de semaine.

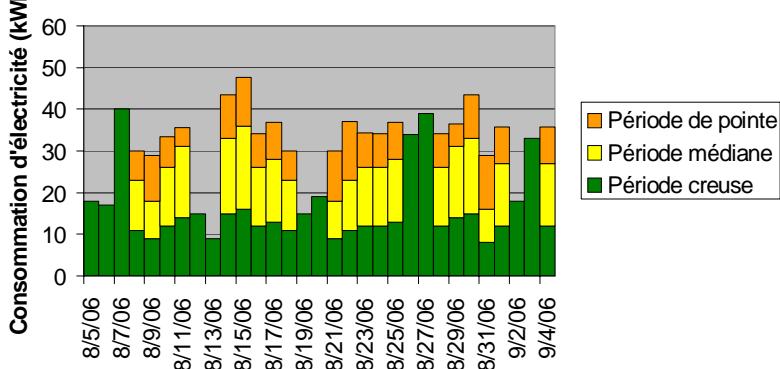
VOTRE CONSOMMATION

Frais d'électricité	Date du service	Consommation
● Période de pointe	8/05/2006 au 9/04/2006	200 kWh
● Période médiane	8/05/2006 au 9/04/2006	300 kWh
● Période creuse	8/05/2006 au 9/04/2006	500 kWh

Votre consommation totale

1 000 kWh

Consommation d'électricité par jour



FRAIS SELON L'HEURE DE LA CONSOMMATION

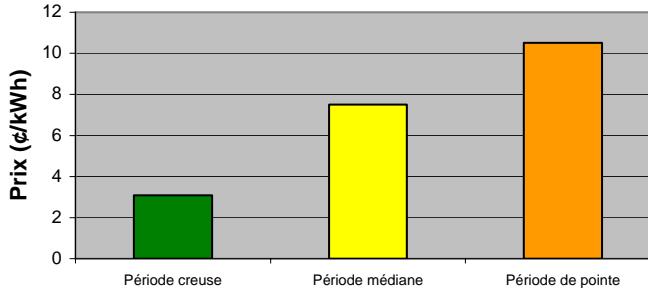
(Frais d'électricité seulement, taxes et autres frais en sus)

Frais d'électricité	Prix	Consommation en kWh	Montant
● Période de pointe	10,5 cents le kWh	200	21,00 \$
● Période médiane	7,5 cents le kWh	300	22,50 \$
● Période creuse	3,5 cents le kWh	500	17,50 \$

Total des frais selon l'heure de la consommation (*Ne pas payer*)

61,00 \$

Prix d'électricité



Échantillon de relevé final du projet pilote ontarien des prix intelligents – *Économies du consommateur grâce aux prix selon l'heure de la consommation*



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	77.22 \$	1.54 \$
4 septembre 2006 au 3 octobre 2006	84.44 \$	88.97 \$	4.53 \$
4 octobre 2006 au 3 novembre 2006	66.21 \$	65.88 \$	-0.33 \$
4 novembre 2006- au 3 décembre 2006	54.89 \$	55.17 \$	0.28 \$
4 décembre 2006- au 3 janvier 2007	88.34 \$	91.21 \$	<u>2.87 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			8.89 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			83.89 \$

Échantillon de relevé final du projet pilote ontarien des prix intelligents – *Augmentation de la facture du consommateur en raison des prix selon l'heure de la consommation*



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	72.01 \$	-3.67 \$
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4 octobre 2006 au 3 novembre 2006	66.21 \$	62.88 \$	-3.33 \$
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4 décembre 2006- au 3 janvier 2007	88.34 \$	84.22 \$	<u>-4.12 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			-6.31 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			68.69 \$

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Dans le cadre du projet pilote ontarien des prix intelligents, vos tarifs d'électricité varieront tout au long de la journée, comme c'est le cas avec les tarifs interurbains (peu de personnes le réalisent, mais le coût de production de l'électricité varie selon le moment de la journée). Si vous consommez moins d'électricité, ou si vous modifiez ou reportez votre consommation, particulièrement pendant les périodes de pointe, vous pouvez épargner quelques dollars sur vos factures en plus de contribuer à assainir l'environnement.

Chaque année, lors de certaines journées de « période critique », un prix plus élevé s'applique durant trois à quatre heures « de pointe ». Les jours de période critique surviennent souvent lorsque les températures sont extrêmes et que la consommation d'électricité est élevée. Ils peuvent aussi survenir les jours où la température n'est pas loin de la normale, mais qu'une des centrales électriques de la province est temporairement incapable de produire de l'électricité. Si les Ontariennes et Ontariens utilisent moins d'électricité pendant ces quelques heures de pointe, cela aiderait les ressources restantes à satisfaire aux besoins de tous. Vous serez averti le jour précédent chaque jour de période critique par téléphone (grâce à un appel téléphonique automatisé) par courriel ou par message alphabétique, selon ce que vous aurez choisi.

Afin de vous remercier de participer à ce projet pilote – qui se tiendra d'août à décembre cette année – nous vous verserons un **paiement de remerciement de 75,00 \$**. Étant donné qu'il s'agit d'un programme pilote, votre facture de Hydro Ottawa continuera à vous être acheminée et vous devrez continuer à l'acquitter comme vous le faisiez auparavant. De plus, la CEO vous enverra aussi tous les mois un relevé sur votre consommation d'électricité montrant les prix « selon l'heure de la consommation ». En janvier 2007, à la fin du projet pilote, nous vous ferons parvenir un relevé final ainsi qu'un chèque au montant de votre **paiement de remerciement plus un crédit** pour vos économies selon l'heure de la consommation (ou **moins un débit** si vous avez consommé davantage selon l'heure de la consommation). Les consommateurs qui participent à d'autres programmes pilotes semblables selon l'heure de la consommation constatent généralement une légère variation par rapport aux prix actuels, tandis que certains consommateurs épargnent quelques dollars et d'autres paient un peu plus. La feuille de renseignements ci-jointe contient des exemples et d'autres détails du programme.



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Nom
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QUI

Qui commandite le projet pilote?

La Commission de l'énergie de l'Ontario (la CEO), avec le concours de Hydro Ottawa. La CEO est un organisme indépendant qui réglemente les services publics d'électricité et de gaz naturel dans l'intérêt public.

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De 200 à 300 consommateurs résidentiels de Hydro Ottawa seront choisis au hasard. Le but de la sélection consiste à représenter la diversité des consommateurs qui utilisent l'électricité de manières différentes.

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Qu'est-ce que le projet pilote ontarien des prix intelligents?

Le projet vous fournira davantage de renseignements sur la façon dont vous utilisez l'électricité et vous indiquera comment vous pouvez économiser en déplaçant votre consommation dans les périodes creuses. Il comporte également une courte enquête (ainsi que la participation facultative à des groupes de discussions) vers la fin du projet, durant laquelle nous vous demanderons si vous aimez le projet, comment vous utilisez l'électricité, les changements que vous avez apportés en raison des prix selon l'heure de la consommation, des prix liés aux périodes critiques etc.

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En guise de remerciement, vous recevrez 75 \$ si vous participez au projet de cinq mois jusqu'à la fin, soit jusqu'au 31 décembre 2006. Toute économie ou surcharge de facturation selon l'heure de la consommation et les prix liés aux périodes critiques sera ajoutée au paiement de remerciement ou en sera déduite.

Qu'est-ce que les prix exceptionnels?

Le barème de prix est appelé « barème selon l'heure de la consommation et les périodes critiques » et comporte quatre différents prix au kilowattheure selon l'heure de la journée à laquelle l'électricité est utilisée (le consommateur moyen utilise environ 25 kilowattheures [kWh] par jour). Voir le tableau ci-dessous.

Paierai-je davantage pour l'électricité en raison des prix selon l'heure de la consommation?

En moyenne, les consommateurs qui modifient leurs habitudes de consommation paieront environ la même chose qu'avec les prix de l'électricité actuels. Certains consommateurs qui n'apportent aucun changement pourraient payer quelques dollars de plus au cours de la durée du projet pilote, tandis que d'autres pourraient payer moins.

Devrai-je acheter un équipement particulier?

Non, vous n'avez pas à acheter d'équipement particulier. Vous avez déjà (ou aurez bientôt) dans votre foyer un « compteur intelligent » qui enregistre le moment où vous utilisez l'électricité, ce qui nous permet de calculer vos factures selon l'heure de la consommation. Le compteur intelligent envoie les données à Hydro Ottawa grâce à une connexion sans fil.

POURQUOI

Pourquoi réalise-t-on ce projet pilote?

Le gouvernement de l'Ontario prévoit installer des compteurs intelligents à l'échelle de la province d'ici 2010. La CEO a établi les prix selon l'heure de la consommation qui tirent parti des compteurs intelligents afin que les consommateurs puissent mieux gérer leur consommation d'électricité. Bientôt, tous les consommateurs qui ont un compteur intelligent paieront les prix selon l'heure de la consommation.

La CEO a lancé ce projet pilote afin d'apprendre comment les compteurs intelligents et les prix peuvent avantager les consommateurs. Les changements que les consommateurs apportent à leur consommation durant le projet pilote indiqueront à la CEO à quoi elle peut s'attendre lorsque tous les consommateurs auront des compteurs intelligents.

COMMENT

Comment puis-je obtenir mon paiement de remerciement?

Pour obtenir votre paiement de remerciement, il suffit de participer au projet cinq mois, jusqu'au 31 décembre 2006. Si vous devez quitter le projet, mais que vous avez répondu à l'enquête, vous obtiendrez 25 \$.

Comment les prix selon l'heure de la consommation me seront-ils facturés?

Vous continuerez de recevoir et de payer votre facture d'électricité ordinaire de Hydro Ottawa. De plus, la CEO vous fera parvenir par la poste chaque mois un relevé selon l'heure de la consommation d'électricité qui indique vos frais. Ce relevé n'est pas une facture. À la fin du projet pilote, en janvier, la CEO vous fera parvenir un relevé qui vous montre séparément votre paiement de remerciement et toute économie (ou augmentation) selon l'heure de la consommation et compare ces chiffres aux prix de l'électricité que vous payez actuellement. Des exemples du relevé selon l'heure de la consommation d'électricité et du relevé final figurent plus bas.

Comment devrais-je réduire ma consommation d'électricité durant les périodes de pointe?

Vous pouvez utiliser moins d'électricité durant les périodes de pointe en faisant la lessive les fins de semaine, en mettant le lave-vaisselle en marche avant d'aller au lit, en fermant les lampes et les autres appareils ménagers, en réduisant la puissance du climatiseur ou de la fournaise, en reliant votre chauffe-eau à une minuterie, etc. Vous devez faire ce qui vous semble sensé et mieux convenir à votre mode de vie.

QUAND?

Quand devrais-je réduire ma consommation d'électricité?

Vous pouvez économiser le plus en réduisant votre consommation durant les périodes critiques et les heures de pointe et, lorsque c'est possible, en déplaçant votre consommation durant les heures creuses (par ex., en faisant fonctionner le lave-vaisselle avant d'aller au lit, lorsque les prix sont moins élevés comparativement à durant la journée). Consultez le tableau ci-joint.

Quand sont les jours de période critique?

Les périodes critiques surviennent durant les jours de semaine, sauf les jours fériés. Ils sont souvent les jours les plus chauds de l'été ou les plus froids de l'hiver, lorsque la consommation d'électricité en raison de la climatisation ou du chauffage grimpe en flèche. Il pourra y avoir jusqu'à 9 périodes critiques durant le projet pilote (ces périodes peuvent durer jusqu'à 4 heures).

Quand saurai-je quels sont les jours de période critique?

Nous vous aviserons avant 17 h la veille d'une période critique. Les avis sont effectués par appel téléphonique automatisé, par courriel ou message alphabétique, selon votre préférence.

OÙ

Où puis-je obtenir davantage de renseignements sur le projet?

Composez le 1 866 686-3837 ou écrivez à l'adresse suivante : info@OntarioSmartPricePilot.ca.

Périodes de tarification et prix selon l'heure de la consommation

Jour de la semaine	Heure	Période	Prix (¢/kWh)
Fins de semaine et jours fériés	Toute la journée	Période creuse	3,1 ¢
	7 h à 11 h	Période médiane	7,5 ¢
	11 h à 17 h	Période de pointe	10,5 ¢
	17 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,1 ¢
Jours de semaine, l'été (1er mai au 31 octobre)	Sur avis	Période critique*	30,0 ¢
	7 h à 11 h	Période de pointe	10,5 ¢
	11 h à 17 h	Période médiane	7,5 ¢
	17 h à 20 h	Période de pointe	10,5 ¢
	20 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,1 ¢
Jours de semaine, l'hiver (1er nov. au 30 avril)	Sur avis	Période critique*	30,0 ¢
	7 h à 11 h	Période de pointe	10,5 ¢
	11 h à 17 h	Période médiane	7,5 ¢
	17 h à 20 h	Période de pointe	10,5 ¢
	20 h à 22 h	Période médiane	7,5 ¢

* - Les périodes critiques surviennent de 3 à 4 heures durant les périodes de pointe, uniquement durant les jours de période critique. Il y

Échantillon de relevé selon l'heure de la consommation d'électricité



Projet pilote prix intelligents de l'Ontario Relevé selon l'heure de la consommation d'électricité

Remarque : Ce relevé n'est pas une facture

Compte

John Doe
123, rue Main
Ottawa

Numéro de compte
ABC-12344567

Service à la clientèle 24 h sur 24
1 800 xxx-xxxx

Saison tarifaire :
Été

Définition des prix

Période creuse

Prix appliqué à la consommation de 22 h à 7 h les jours de semaine et toute la journée les fins de semaine et les jours fériés.

Période médiane

Prix appliqué à la consommation de 7 h à 11 h et de 17 h à 22 h les jours de semaine.

Période de pointe

Prix appliqué à la consommation de 11 h à 17 h les jours de semaine.

Période critique

Prix appliqué à la consommation de 11 h à 17 h durant les périodes critiques.

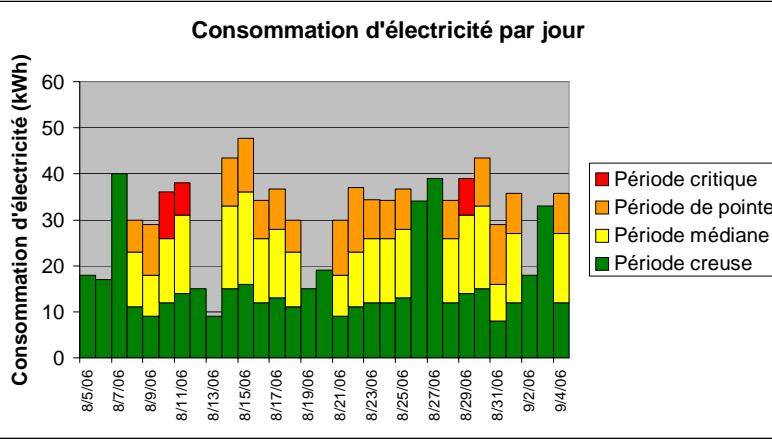
Journées critiques durant ce mois

10 août 2006
11 août 2006
29 août 2006

VOTRE CONSOMMATION

Frais d'électricité	Date du service	Consommation
● Période critique	8/05/2006 au 9/04/2006	25 kWh
● Période de pointe	8/05/2006 au 9/04/2006	175 kWh
● Période médiane	8/05/2006 au 9/04/2006	300 kWh
● Période creuse	8/05/2006 au 9/04/2006	500 kWh

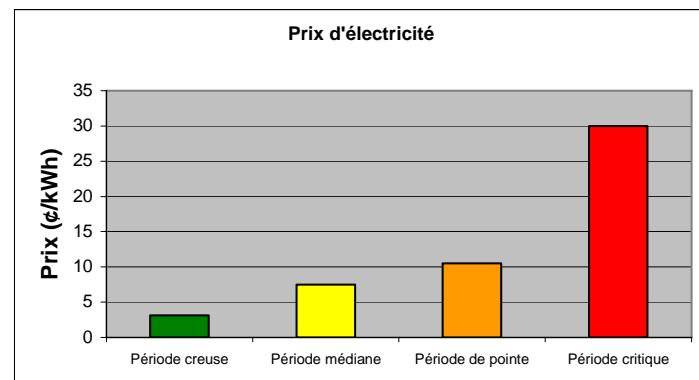
Votre consommation totale **1 000 kWh**



FRAIS SELON L'HEURE DE LA CONSOMMATION (Frais d'électricité seulement, taxes et autres frais en sus)

Frais d'électricité	Prix	Consommation en kWh	Montant
● Période critique	30,0 cents le kWh	25	7,50 \$
● Période de pointe	10,5 cents le kWh	175	18,38 \$
● Période médiane	7,5 cents le kWh	300	22,50 \$
● Période creuse	3,1 cents le kWh	500	15,50 \$

Total des frais selon l'heure de la consommation (*Ne pas payer*) **63,88 \$**





Échantillon de relevé final du projet pilote ontarien des prix intelligents - Économies du consommateur grâce aux prix selon l'heure de la consommation



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	77.22 \$	1.54 \$
4 septembre 2006 au 3 octobre 2006	84.44 \$	88.97 \$	4.53 \$
4 octobre 2006 au 3 novembre 2006	66.21 \$	65.88 \$	-0.33 \$
4 novembre 2006- au 3 décembre 2006	54.89 \$	55.17 \$	0.28 \$
4 décembre 2006- au 3 janvier 2007	88.34 \$	91.21 \$	<u>2.87 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			8.89 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			83.89 \$

Échantillon de relevé final du projet pilote ontarien des prix intelligents - Augmentation de la facture du consommateur en raison des prix selon l'heure de la consommation



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	72.01 \$	-3.67 \$
4 septembre 2006 au 3 octobre 2006	84.44 \$	88.97 \$	4.53 \$
4 octobre 2006 au 3 novembre 2006	66.21 \$	62.88 \$	-3.33 \$
4 novembre 2006- au 3 décembre 2006	54.89 \$	55.17 \$	0.28 \$
4 décembre 2006- au 3 janvier 2007	88.34 \$	84.22 \$	<u>-4.12 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			-6.31 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			68.69 \$

Hydro Ottawa Limited
3025 Albion Road North, PO Box 8700
Ottawa, Ontario K1G 3S4
Tel.: (613) 738-6400
Fax: (613) 738-6403
www.hydroottawa.com

Hydro Ottawa limitée
3025, chemin Albion Nord, C.P. 8700
Ottawa (Ontario) K1G 3S4
Tél. : (613) 738-6400
Téléc. : (613) 738-6403
www.hydroottawa.com



Le 14 juillet 2006

[NOM]
123, rue Principale
Ottawa
(Ontario)

Madame,
Monsieur,

Vous avez été choisi pour participer au **projet pilote ontarien des prix intelligents**, une initiative commanditée par la Commission de l'énergie de l'Ontario (l'organisme indépendant qui régit les services publics d'électricité et de gaz naturel de la province) et appuyée par Hydro Ottawa. Le projet pilote a pour but de nous aider à mieux connaître la capacité de nos consommateurs à économiser l'électricité grâce aux compteurs intelligents et aux prix « selon l'heure de la consommation » avant la mise en œuvre du plan d'installation de compteurs intelligents dans tous les foyers et les petites entreprises de la province d'ici 2010.

Dans le cadre du projet pilote ontarien des prix intelligents, vos tarifs d'électricité varieront tout au long de la journée, comme c'est le cas avec les tarifs interurbains (peu de personnes le réalisent, mais le coût de production de l'électricité varie selon le moment de la journée). Si vous consommez moins d'électricité, ou si vous modifiez ou reportez votre consommation, particulièrement pendant les périodes de pointe, vous pouvez épargner quelques dollars sur vos factures en plus de contribuer à assainir l'environnement.

Chaque année, lors de certaines journées de « période critique », vous pouvez bénéficier d'un rabais spécial en réduisant votre consommation d'électricité durant trois à quatre heures qualifiées « de pointe ». Les jours de période critique surviennent souvent lorsque les températures sont extrêmes et que la consommation d'électricité est élevée. Ils peuvent aussi survenir les jours où la température n'est pas loin de la normale, mais qu'une des centrales électriques de la province est temporairement incapable de produire de l'électricité. Si les Ontariennes et Ontariens utilisent moins d'électricité pendant ces quelques heures de pointe, cela aiderait les ressources restantes à satisfaire aux besoins de tous. Vous serez averti le jour précédent chaque jour de période critique par téléphone (grâce à un appel téléphonique automatisé) par courriel ou par message alphabétique, selon ce que vous aurez choisi.

Afin de vous remercier de participer à ce projet pilote – qui se tiendra d'août à décembre cette année – nous vous verserons un **paiement de remerciement de 75,00 \$**. Étant donné qu'il s'agit d'un programme pilote, votre facture de Hydro Ottawa continuera à vous être acheminée et vous devrez continuer à l'acquitter comme vous le faisiez auparavant. De plus, la CEO vous enverra aussi tous les mois un exposé de votre consommation d'électricité montrant les prix « selon l'heure de la consommation ». En janvier 2007, à la fin du projet pilote, nous vous ferons parvenir un relevé final ainsi qu'un chèque au montant de votre **paiement de remerciement plus un crédit** pour vos économies selon l'heure de la consommation (ou **moins un débit** si vous avez consommé davantage selon l'heure de la consommation). Les consommateurs qui participent à d'autres programmes pilotes semblables selon l'heure de la consommation constatent généralement une légère variation par rapport aux prix actuels, tandis que certains consommateurs épargnent quelques dollars et d'autres paient un peu plus. La feuille de renseignements ci-jointe contient des exemples et d'autres détails du programme.



N'hésitez pas à nous appeler sans frais au 1 866 686-3837 si vous désirez davantage de renseignements. Si vous acceptez de participer, veuillez remplir le bulletin d'adhésion ci-joint et nous le faire parvenir dans l'enveloppe préaffranchie ci-jointe, ou par télécopieur au 1 866 805-8943, d'ici le **28 juillet**.

Nous vous remercions de participer à ce programme de très grande importance.

Nom
Poste
Hydro Ottawa



QUI

Qui commande le projet pilote?

La Commission de l'énergie de l'Ontario (la CEO), avec le concours de Hydro Ottawa. La CEO est un organisme indépendant qui réglemente les services publics d'électricité et de gaz naturel dans l'intérêt public.

Qui participe au projet?

De 200 à 300 consommateurs résidentiels de Hydro Ottawa seront choisis au hasard. Le but de la sélection consiste à représenter la diversité des consommateurs qui utilisent l'électricité de manières différentes.

QUOI

Qu'est-ce que le projet pilote ontarien des prix intelligents?

Le projet vous fournira davantage de renseignements sur la façon dont vous utilisez l'électricité et vous indiquera comment vous pouvez économiser en déplaçant votre consommation dans les périodes creuses. Il comporte également une courte enquête (ainsi que la participation facultative à des groupes de discussions) vers la fin du projet, durant laquelle nous vous demanderons si vous aimez le projet, comment vous utilisez l'électricité, les changements que vous avez apportés en raison des prix selon l'heure de la consommation, des rabais liés aux périodes critiques etc.

Qu'est-ce que le paiement de remerciement?

En guise de remerciement, vous recevrez 75 \$ si vous participez au projet de cinq mois jusqu'à la fin, soit jusqu'au 31 décembre 2006. Toute économie ou surcharge de facturation selon l'heure de la consommation et les rabais liés aux périodes critiques sera ajoutée au paiement de remerciement ou en sera déduite.

Qu'est-ce que les prix exceptionnels?

Le barème de prix est appelé « barème selon l'heure de la consommation avec rabais lié aux périodes critiques » et comporte quatre différents prix au kilowattheure selon l'heure de la journée à laquelle l'électricité est utilisée (le consommateur moyen utilise environ 25 kilowattheures [kWh] par jour). Voir le tableau ci-dessous.

Paiera-t-on davantage pour l'électricité en raison des prix selon l'heure de la consommation?

En moyenne, les consommateurs qui modifient leurs habitudes de consommation paieront environ la même chose qu'avec les prix de l'électricité actuels. Certains consommateurs qui n'apportent aucun changement pourraient payer quelques dollars de plus au cours de la durée du projet pilote, tandis que d'autres pourraient payer moins.

Devrai-je acheter un équipement particulier?

Non, vous n'avez pas à acheter d'équipement particulier. Vous avez déjà (ou aurez bientôt) dans votre foyer un « compteur intelligent » qui enregistre le moment où vous utilisez l'électricité, ce qui nous permet de calculer vos factures selon l'heure de la consommation. Le compteur intelligent envoie les données à Hydro Ottawa grâce à une connexion sans fil.

POURQUOI

Pourquoi réalise-t-on ce projet pilote?

Le gouvernement de l'Ontario prévoit installer des compteurs intelligents à l'échelle de la province d'ici 2010. La CEO a établi les prix selon l'heure de la consommation qui tirent parti des compteurs intelligents afin que les consommateurs puissent mieux gérer leur consommation d'électricité. Bientôt, tous les consommateurs qui ont un compteur intelligent paieront les prix selon l'heure de la consommation.

La CEO a lancé ce projet pilote afin d'apprendre comment les compteurs intelligents et les prix peuvent avantager les consommateurs. Les changements que les consommateurs apportent à leur consommation durant le projet pilote indiqueront à la CEO à quoi elle peut s'attendre lorsque tous les consommateurs auront des compteurs intelligents.

COMMENT

Comment puis-je obtenir mon paiement de remerciement?

Pour obtenir votre paiement de remerciement, il suffit de participer au projet cinq mois, jusqu'au 31 décembre 2006. Si vous devez quitter le projet, mais que vous avez répondu à l'enquête, vous obtiendrez 25 \$.

Comment les prix selon l'heure de la consommation me seront-ils facturés?

Vous continuerez de recevoir et de payer votre facture d'électricité ordinaire de Hydro Ottawa. De plus, la CEO vous fera parvenir par la poste chaque mois un relevé selon l'heure de la consommation d'électricité qui indique vos frais. Ce relevé n'est pas une facture. À la fin du projet pilote, en janvier, la CEO vous fera parvenir un relevé qui vous montre séparément votre paiement de remerciement et toute économie (ou augmentation) selon l'heure de la consommation et compare ces chiffres aux prix de l'électricité que vous payez actuellement. Des exemples du relevé selon l'heure de la consommation d'électricité et du relevé final figurent plus bas.

Comment devrais-je réduire ma consommation d'électricité durant les périodes de pointe?

Vous pouvez utiliser moins d'électricité durant les périodes de pointe en faisant la lessive les fins de semaine, en mettant le lave-vaisselle en marche avant d'aller au lit, en fermant les lampes et les autres appareils ménagers, en réduisant la puissance du climatiseur ou de la fournaise, en reliant votre chauffe-eau à une minuterie, etc. Vous devez faire ce qui vous semble sensé et mieux convenir à votre mode de vie.

QUAND?

Quand devrais-je réduire ma consommation d'électricité?

Vous pouvez économiser le plus en réduisant votre consommation durant les périodes critiques et les heures de pointe et, lorsque c'est possible, en déplaçant votre consommation durant les heures creuses (par ex., en faisant fonctionner le lave-vaisselle avant d'aller au lit, lorsque les prix sont moins élevés comparativement à durant la journée). Consultez le tableau ci-joint.

Quand sont les jours de période critique?

Les périodes critiques surviennent durant les jours de semaine, sauf les jours fériés. Ils sont souvent les jours les plus chauds de l'été ou les plus froids de l'hiver, lorsque la consommation d'électricité en raison de la climatisation ou du chauffage grimpe en flèche. Il pourra y avoir jusqu'à 9 périodes critiques durant le projet pilote (ces périodes peuvent durer jusqu'à 4 heures).

Quand saurai-je quels sont les jours de période critique?

Nous vous aviserons avant 17 h la veille d'une période critique. Les avis sont effectués par appel téléphonique automatisé, par courriel ou message alphabétique, selon votre préférence.

OÙ

Où puis-je obtenir davantage de renseignements sur le projet?

Composez le 1 866 686-3837 ou écrivez à l'adresse suivante : info@OntarioSmartPricePilot.ca.

Périodes de tarification et prix selon l'heure de la consommation

Jour de la semaine	Heure	Période	Prix (¢/kWh)
Fins de semaine et jours fériés	Toute la journée	Période creuse	3,5 ¢
	7 h à 11 h	Période médiane	7,5 ¢
	11 h à 17 h	Période de pointe	10,5 ¢
	17 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,5 ¢
Jours de semaine, l'été (1er mai au 31 octobre)	Sur avis	Période critique*	our chaque réduction d'un kWh
	7 h à 11 h	Période de pointe	10,5 ¢
	11 h à 17 h	Période médiane	7,5 ¢
	17 h à 20 h	Période de pointe	10,5 ¢
	20 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,5 ¢
Jours de semaine, l'hiver (1er nov. au 30 avril)	Sur avis	Période critique*	our chaque réduction d'un kWh
	7 h à 11 h	Période de pointe	10,5 ¢
	11 h à 17 h	Période médiane	7,5 ¢
	17 h à 20 h	Période de pointe	10,5 ¢
	20 h à 22 h	Période médiane	7,5 ¢
	22 h à 7 h	Période creuse	3,5 ¢

* - Les périodes critiques surviennent de 3 à 4 heures durant les périodes de pointe, uniquement durant les jours de période critique. Il y

Échantillon de relevé selon l'heure de la consommation d'électricité



Projet pilote prix intelligents de l'Ontario

Relevé selon l'heure de la consommation d'électricité

Remarque : Ce relevé n'est pas une facture

Compte

John Doe
123, rue Main
Ottawa

Numéro de compte
ABC-12344567

Service à la clientèle 24 h sur 24
1 800 xxx-xxxx

Saison tarifaire :
Été

Définition des prix

Période creuse

Prix appliqué à la consommation de 22 h à 7 h les jours de semaine et toute la journée les fins de semaine et les jours fériés.

Période médiane

Prix appliqué à la consommation de 7 h à 11 h et de 17 h à 22 h les jours de semaine.

Période de pointe

Prix appliqué à la consommation de 11 h à 17 h les jours de semaine.

Rabais de période critique

Rabais s'appliquant aux réductions de la consommation durant les périodes critiques (3 ou 4 heures durant une période de pointe, sur avis).

Journées critiques durant ce mois

10 août 2006
11 août 2006
29 août 2006

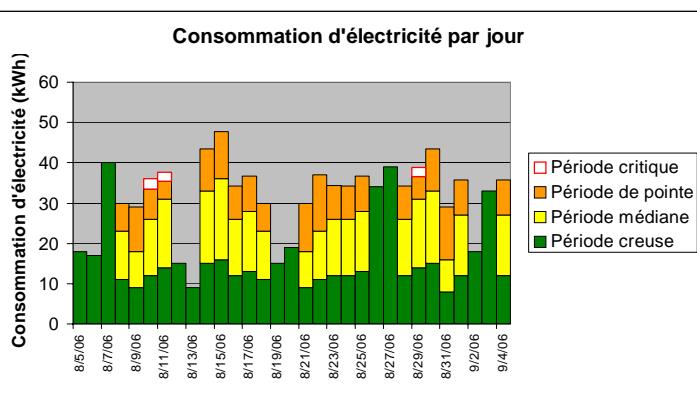
VOTRE CONSOMMATION

Frais d'électricité	Date du service	Consommation
● Période de pointe	8/05/2006 au 9/04/2006	200 kWh
● Période médiane	8/05/2006 au 9/04/2006	300 kWh
● Période creuse	8/05/2006 au 9/04/2006	500 kWh

Votre consommation totale **1 000 kWh**

Réduction de la consommation durant les périodes critiques	Date	Réduction
○ Période critique	8/10/2006	2,5 kWh
○ Période critique	8/11/2006	2,1 kWh
○ Période critique	8/29/2006	2,4 kWh

Total des réductions de consommation aux fins du rabais **7,0 kWh**

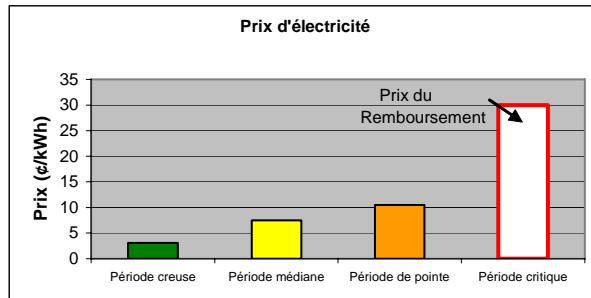


FRAIS SELON L'HEURE DE LA CONSOMMATION

(Frais d'électricité seulement, taxes et autres frais en sus)

Frais d'électricité	Prix	kWh	Montant
○ Période critique	30,0 cents le kWh	7	-2,10 \$
● Période de pointe	10,5 cents le kWh	200	20,27 \$
● Période médiane	7,5 cents le kWh	307	23,03 \$
● Période creuse	3,5 cents le kWh	500	17,50 \$

Total des frais selon l'heure de la consommation (*Ne pas payer*) **58,69 \$**



Échantillon de relevé final du projet pilote ontarien des prix intelligents - *Économies du consommateur grâce aux prix selon l'heure de la consommation*



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	77.22 \$	1.54 \$
4 septembre 2006 au 3 octobre 2006	84.44 \$	88.97 \$	4.53 \$
4 octobre 2006 au 3 novembre 2006	66.21 \$	65.88 \$	-0.33 \$
4 novembre 2006- au 3 décembre 2006	54.89 \$	55.17 \$	0.28 \$
4 décembre 2006- au 3 janvier 2007	88.34 \$	91.21 \$	<u>2.87 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			8.89 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			83.89 \$

Échantillon de relevé final du projet pilote ontarien des prix intelligents - *Augmentation de la facture du consommateur en raison des prix selon l'heure de la consommation*



Relevé final du projet pilote ontarien des prix intelligents

Période de facturation	Facture – prix selon l'heure de la consommation	Facture – Prix de l'électricité actuels	Économie (ou augmentation)
4 août 2006 au 3 septembre 2006	75.68 \$	72.01 \$	-3.67 \$
4 septembre 2006 au 3 octobre 2006	84.44 \$	88.97 \$	4.53 \$
4 octobre 2006 au 3 novembre 2006	66.21 \$	62.88 \$	-3.33 \$
4 novembre 2006- au 3 décembre 2006	54.89 \$	55.17 \$	0.28 \$
4 décembre 2006- au 3 janvier 2007	88.34 \$	84.22 \$	<u>-4.12 \$</u>
ÉCONOMIE TOTALE (OU AUGMENTATION)			-6.31 \$
Paiement de remerciement			<u>75.00 \$</u>
TOTAL FINAL DU CHÈQUE			68.69 \$

Appendix B: Confirmation Package

Contents

English

1. TOU Confirmation Letter
2. CPP/CPR Confirmation Letter
3. TOU Enrolment and Release Form
4. CPP/CPR Enrolment and Release Form
5. Energy Saving Tips Brochure

French

1. TOU Confirmation Letter
2. CPP/CPR Confirmation Letter
3. TOU Enrolment and Release Form
4. CPP/CPR Enrolment and Release Form
5. Energy Saving Tips Brochure

Bilingual

1. TOU Fridge Magnet
2. CPP Fridge Magnet
3. CPR Fridge Magnet

Follow up letter to participants, version 1-TOU Only

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4
Telephone: (416) 440-7653
Facsimile: (416) 440-7665

Commission de l'Énergie de l'Ontario
CP. 2319
2300, rue Yonge
27e étage
Toronto (ON) M4P 1E4
Téléphone: (416) 440-7653
Télécopieur: (416) 440-7665



July __, 2006

[name field]
[address field]

Dear [name field],

Thank you for confirming your participation in the Ontario Smart Price Pilot. We hope to give you the power to make informed choices about your energy consumption. With the information from smart meters, you'll know how much energy you are using at different times of the day and, with the pilot prices, how much it is costing you.

The best way to ensure that you achieve energy savings is to check what time energy prices are lowest and to run appliances (such as dishwashers and laundry) during those "off-peak" hours; and to conserve energy during those times when prices are highest.

We have enclosed a handy refrigerator magnet to help you remember the peak times and prices. We have also enclosed a brochure with energy saving tips you can apply to save money at all hours of the day.

If you have specific questions about the Ontario Smart Price Pilot, please call our toll-free information line, 1-866-68-METER [1-866-686-3837], between the hours of 11 am and 8 pm, or email us at info@smartprice.ca.

Thank you for participating in this important program.

Sincerely,

[name]
Ontario Energy Board

Enclosures

Follow up letter to participants, version 2-CPP/CPR

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
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The best way to ensure that you achieve energy savings is to check what time energy prices are lowest and run appliances (such as dishwashers and laundry) during those "off-peak" hours; and to conserve energy during those times when prices are highest.

We have enclosed a handy refrigerator magnet to help you remember the peak times and prices. We have also enclosed a brochure with energy saving tips you can apply to save money at all hours of the day.

You can expect to receive a phone call, email, or text message the day before a Critical Peak event, so that you can plan your energy usage accordingly.

If you have specific questions about the Ontario Smart Price Pilot, please call our toll-free information line, 1-866-68-METER [1-866-686-3837], between the hours of 11 am and 8 pm, or email us at info@smartprice.ca.

Thank you for participating in this important program.

Sincerely,

[name]
Ontario Energy Board

Enclosures



Ontario Smart Price Pilot Enrollment and Release Form

Participant Name (Hydro Ottawa Account Holder): _____

Participant Account # _____

Participant Service Address: _____

I wish to voluntarily participate in the Ontario Smart Price Pilot (the "Pilot) and therefore covenant and agree, in consideration for my participation in this Pilot, to the following:

I consent to the disclosure of my customer and electricity consumption data by Hydro Ottawa Limited to its approved agents and contractors as necessary to perform its duties with respect to the Pilot provided that such agents and contractors have executed a non-disclosure agreement.

I acknowledge that my customer and electricity consumption data may be stored at Hydro Ottawa Limited's approved agent's or contractor's facilities located in the United States of America and I consent to the storage of the said information in such facilities.

I hereby certify that I am at least 18 years of age and acknowledge that I have not relied upon any advice, representations or inducements by or on behalf of Hydro Ottawa Limited in deciding to either participate in the Pilot or sign this document.

I ACKNOWLEDGE that I have read this document and that I fully understand its terms. Please accept this as confirmation of my enrollment in the Ontario Smart Price Pilot.

Dated at _____ this _____ day of _____ 2006.

Signature: _____ Signature[Witness]: _____

Name: _____ Name: [Witness]: _____

I live in a: single-family house
 apartment or condominium

I have: central air conditioning
 window air conditioning
 no air conditioning

I have: electric space heating
 gas space heating

I have: electric water heating
 gas water heating

Please return in pre-paid envelope or fax to (1-866) 805-8943 by July 28, 2006



Ontario Smart Price Pilot Enrollment and Release Form

Participant Name (Hydro Ottawa Account Holder): _____

Participant Account # _____

Participant Service Address: _____

I wish to voluntarily participate in the Ontario Smart Price Pilot (the "Pilot) and therefore covenant and agree, in consideration for my participation in this Pilot, to the following:

I consent to the disclosure of my customer and electricity consumption data by Hydro Ottawa Limited to its approved agents and contractors as necessary to perform its duties with respect to the Pilot provided that such agents and contractors have executed a non-disclosure agreement.

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Dated at _____ this _____ day of _____ 2006.

Signature: _____ Signature[Witness]: _____

Name: _____ Name: [Witness]: _____

I live in a: single-family house
 apartment or condominium

I have: central air conditioning
 window air conditioning
 no air conditioning

I have: electric space heating
 gas space heating

I have: electric water heating
 gas water heating

I prefer: notify me of critical peak days at phone number: _____
 notify me via text message: _____
 notify me via email: _____

Please return in pre-paid envelope or fax to (1-866) 805-8943 by July 28, 2006

Fridges and freezers



- ◆ A + Owning a second fridge may be costing you several hundred dollars per year. If you use the fridge occasionally, consider removing it and/or replacing it with a smaller, more energy efficient model.
- ◆ C + Turn up the temperature to the point that food still lasts as long as before. If applicable, turn OFF the butter warmer and turn ON the energy saver switch.
- ◆ C + Vacuum the coils on the back of or under the fridge, make sure there is enough air space between it and the wall, and clean the door seal so that it closes tightly.
- ◆ C + Don't overfill the fridge but keep the freezer as full as possible; when you need to defrost food, put it in your fridge, instead of on the counter.
- ◆ C + Don't let frost in the freezer exceed 1/4 inch. Defrost it regularly but don't use a sharp object to remove ice as you could puncture the walls.

Taps and showerheads



- ◆ A + Install low flow showerheads and encourage everyone to take short showers instead of filling up the bathtub with hot water.
- ◆ B + Tighten leaky taps or replace the gasket if necessary, especially for hot water taps.
- ◆ C + Install a faucet aerator to save on both water and water heating costs.

Laundry



- ◆ A - Use the cold or warm water setting on the washer whenever possible and always rinse with cold water.
- △ A - Dry your clothes outside or use an indoor rack set near a sunny window that you can open during the summer. The extra humidity will make your house more comfortable in the winter.
- ◆ C - If you use a clothes dryer, clean the lint trap after every load, and make sure the vent isn't blocked. Add a dry towel to help spread the moisture around and dry similar thickness clothes together.
- ◆ C - Avoid putting really wet clothes in the dryer. Run the spin cycle again or wring them out by hand. If drying more than one load, do the second load right away so the dryer doesn't cool down.

Dishwashing



- ◆ A - Washing dishes by hand in a sink (without the water running) and rinsing them in a basin of cold water is the most energy-efficient way.
- ◆ C - If you use a dishwasher, scrape excess food off dishes, don't pre-rinse, use the shortest cycle (econo) only when the dishwasher is full, and air dry dishes instead of using the heating element.



powerWISE™ Tips

Interested in learning simple, energy and cost-saving techniques?

This guide is designed to help you, your family, friends and neighbours reduce electricity bills without making big investments.

To make it easier, each tip includes symbols that indicate how much electricity you might save, how much effort it takes, if you need to buy anything, and if there are additional benefits:

- | | | | |
|---|------------------|----|-----------------------------|
| A | larger savings | + | easy to do |
| B | moderate savings | - | you need to keep doing this |
| C | smaller savings | \$ | you need to buy something |
| | | △ | health and comfort benefits |

Electric hot water tanks



- △ A + If your water comes out steaming hot and you rarely run out of hot water, lower the temperature setting to a safer level ONLY AFTER turning off the power.
- △ B + Wrap your hot water tank with an insulating blanket, especially if it is in an unheated space, and insulate the hot and cold water pipes leaving the tank.
- △ C + Drain a bucket of water from the bottom of your tank once a year.
- △ C - Turn the tank off at the breaker if you are going to be away for more than a few days.

Space heating and cooling



- △ A △ Install programmable, digital thermostats and program them to lower the temperature when you are not home or are sleeping.
- △ A △ If you know your house is too drafty, seal up the cracks and holes that let hot air OUT during the winter and muggy air IN during the summer. Caulking and weatherstripping are cheap and effective ways to save energy but should not be used in homes with inadequate ventilation.
- △ A △ Use plastic window film or removable caulking on windows you won't open during the winter. You can remove both in the spring and re-use them in the fall.
- △ A △ Cover unused windows with two layers of aluminum foil bubble wrap when it gets too hot or cold outside.
- △ B △ Use heavy curtains, especially ones with insulated liners, that go all the way down to the floor. Ensure they won't interfere with heaters or vents.
- △ C - In the winter, open curtains during the day to let in the sun and close them at night to keep the heat in.
- △ C - In the summer, open your windows at night and close them and any curtains during the day to keep the sun out.
- △ B + Use fans instead of air conditioners. If you must use an air conditioner, turn the temperature setting up so that it runs the least amount of time possible.

Cooking

- \$ B - Use a microwave or a toaster oven instead of the oven to heat up, toast or cook small amounts of food.
- \$ C - Use an electric kettle for boiling water, instead of a pot on the stove. Boil only as much water as you need each time.
- +\$ C + If buying an electric kettle, get one with a water level indicator as it makes boiling the right amount of water easier.
- \$ C Turn off the stove top or oven before you're finished cooking as the retained heat will keep things cooking for several minutes.
- \$ C Use pots the same size as the element, always use covers, and keep the trays underneath clean so that they reflect the heat up towards the pots.

Lighting

- +\$ B + Use compact fluorescent lights (CFLs) in fixtures that are on more than four hours per day. They are more expensive to buy but will save you money in the long-term.
- +\$ C + Use non-dimming motion sensors or timers for exterior lights instead of leaving them on all night.
- +\$ C + Use lower wattage lights where you need them instead of lighting up the whole room.
- \$ C - Take advantage of natural light as much as possible.
- +\$ C + Use LED holiday lights instead of incandescent ones.



How much does it cost to use appliances?

If your appliance doesn't have a label showing how many watts it consumes, use a Watt Meter to find out.

- 1 Multiply the watts (W) by the number of hours it is used per year to get watt-hours (Wh).
- 2 Divide by 1,000 to get kWh.
- 3 Divide by 10 to get the estimated cost in dollars

(your electricity rates are about \$0.10 per kWh but there are fixed fees that you pay regardless of how much you consume or conserve).

On average, a 5W digital clock plugged in all the time = $5W \times 24\text{hrs} \times 365\text{ days} \div 1,000 \div 10\text{ cents} = \$4.38 / \text{year}$ for consuming 43.8 kWh/year

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27^e étage
Toronto (ON) M4P 1E4
Téléphone : 416 440-7653
Télécopieur : 416 440-7665



Le __ juillet 2006

[name field]
[address field]

[name field],

Nous vous remercions de participer au Projet pilote ontarien des prix intelligents. Ce programme vous donne l'occasion de faire des choix informés concernant votre consommation d'énergie. Grâce aux données des compteurs intelligents, vous saurez combien d'énergie vous utilisez à différents moments de la journée et, grâce aux prix du projet pilote, combien cela vous coûte.

La meilleure façon d'économiser l'énergie est de vérifier à quel moment les prix sont les plus bas afin d'utiliser les appareils ménagers (comme le lave-vaisselle et la machine à laver) durant les « heures creuses » et d'économiser l'énergie durant les périodes où les prix sont les plus élevés.

Vous trouvez ci-joint un aide-mémoire magnétique que vous pourrez coller sur le réfrigérateur afin de connaître les périodes de pointe où les prix sont les plus élevés. Nous avons également joint à la présente une brochure offrant des conseils pour réduire votre consommation d'énergie et économiser toute la journée.

Si vous avez des questions concernant le Projet pilote ontarien des prix intelligents, veuillez appeler notre ligne de renseignements sans frais au 1 866 686-3837, de 11 à 20 h ou écrivez-nous un courriel à l'adresse suivante : info@smartprice.ca.

Nous vous remercions de participer à ce programme de très grande importance.

Veuillez agréer l'expression de mes sentiments les meilleurs.



Marika Hare
Commission de l'énergie de l'Ontario

P.j

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Vous recevrez un appel téléphonique, un courriel ou un message alphabétique la veille d'une période critique, ce qui vous permettra de planifier votre consommation d'énergie en conséquence.

Si vous avez des questions concernant le Projet pilote ontarien des prix intelligents, veuillez appeler notre ligne de renseignements sans frais au 1 866 686-3837, de 11 à 20 h ou écrivez-nous un courriel à l'adresse suivante : info@smartprice.ca.

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Marika Hare
Commission de l'énergie de l'Ontario

P.j.



Projet pilote prix intelligent Inscription et autorisation

Nom du participant (titulaire du compte d'Hydro Ottawa) : _____

Numéro du compte : _____

Adresse de service : _____

Je souhaite de mon plein gré participer au projet pilote « Prix intelligent de l'Ontario » (le Projet), en conséquence de quoi, je conviens et accepte ce qui suit.

Je consens à ce qu'Hydro Ottawa limitée divulgue les données sur mon compte et ma consommation d'électricité à ses agents et sous-traitants autorisés dans la mesure où la divulgation de ces données est nécessaire au respect de ses obligations dans le cadre du Projet, pourvu que lesdits agents et sous-traitants aient signé une entente de non-divulgation.

Je comprends que les données sur mon compte et ma consommation d'électricité pourront être stockées aux installations de l'agent ou du sous-traitant autorisé de Hydro Ottawa limitée situées aux États-Unis d'Amérique et j'accepte que ces données y soient stockées.

J'atteste par la présente avoir au moins 18 ans et reconnaiss ne pas m'être fondé sur les conseils, les déclarations ou les incitations de Hydro Ottawa limitée ou faites en son nom pour décider de participer au Projet ou de signer ce document.

JE RECONNAIS avoir lu ce document et en comprendre entièrement les conditions. Ceci constitue la confirmation de mon inscription au projet pilote « Prix intelligent de l'Ontario ».

Signé à _____ ce ____^e jour de _____ 2006.

Signature : _____

Signature[Témoin] : _____

Nom : _____

Nom [Témoin] : _____

J'habite dans : une habitation unifamiliale
 un appartement ou un condominium

J'ai : la climatisation centrale
 un climatiseur de fenêtre
 aucune climatisation

J'ai : un système de chauffage électrique
 un système de chauffage au gaz

J'ai : un chauffe-eau électrique
 un chauffe-eau au gaz

**Prière de renvoyer dans l'enveloppe port payé ou par télécopieur au (1-866)
805-8943 d'ici le 28 juillet 2006**



Projet pilote prix intelligent Inscription et autorisation

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Adresse de service : _____

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Signature : _____

Signature[Témoin] : _____

Nom : _____

Nom [Témoin] : _____

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 un climatiseur de fenêtre
 aucune climatisation

J'ai : un système de chauffage électrique
 un système de chauffage au gaz

J'ai : un chauffe-eau électrique
 un chauffe-eau au gaz

Je préfère : qu'on me signale les jours de pointe critiques au numéro de téléphone : _____
 qu'on me les signale par messagerie textuelle au numéro : _____
 qu'on me les signale par courriel à l'adresse : _____

**Prière de renvoyer dans l'enveloppe port payé ou par télécopieur au (1-866)
805-8943 d'ici le 28 juillet 2006**



ONTARIO SMART PRICE PILOT / PROJET PILOTE DE PRIX INTELLIGENT

TIME OF USE PERIODS AND RATES

PÉRIODES D'UTILISATION ET PRIX

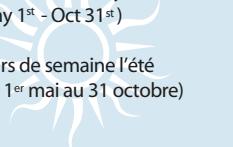
Day of the Week Jours de la semaine	Time Heures	Time of Use Périodes d'utilisation	Price/Prix* (¢/kWh)
Weekends & Holidays Fins de semaine et fériés	All Day / Toute la journée	Off-peak / Période creuse	3.5 ¢
Summer Weekdays (May 1 st - Oct 31 st)	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h 5 pm to 10 pm / 17 h à 22 h 10 pm to 7 am / 22 h à 7 h	Mid-peak / Période moyenne On-peak / Période de pointe Mid-peak / Période moyenne Off-peak / Période creuse	7.5 ¢ 10.5 ¢ 7.5 ¢ 3.5 ¢
Jours de semaine l'été (du 1 ^{er} mai au 31 octobre)			
Winter Weekdays (Nov 1 st - Apr 30 th)	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h 5 pm to 8 pm / 17 h à 20 h 8 pm to 10 pm / 20 h à 22 h 10 pm to 7 am / 22 h à 7 h	On-peak / Période de pointe Mid-peak / Période moyenne On-peak / Période de pointe Mid-peak / Période moyenne Off-peak / Période creuse	10.5 ¢ 7.5 ¢ 10.5 ¢ 7.5 ¢ 3.5 ¢
Jours de semaine l'hiver (du 1 ^{er} novembre au 30 avril)			

Effective August 2006 / Efficace le 2006 août



ONTARIO SMART PRICE PILOT / PROJET PILOTE DE PRIX INTELLIGENT

CRITICAL PEAK PERIODS AND RATES PÉRIODES D'UTILISATION ET PRIX

Day of the Week Jours de la semaine	Time Heures	Period Périodes d'utilisation	Price/Prix* (¢/kWh)
Weekends & Holidays Fins de semaine et fériés	All Day / Toute la journée	Off-peak / Période creuse	3.1 ¢
Summer Weekdays (May 1 st - Oct 31 st) 	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h	Mid-peak / Période moyenne On-peak / Période de pointe	7.5 ¢ 10.5 ¢
Jours de semaine l'été (du 1 ^{er} mai au 31 octobre)	5 pm to 10 pm / 17 h à 22 h 10 pm to 7 am / 22 h à 7 h	Mid-peak / Période moyenne Off-peak / Période creuse	7.5 ¢ 3.1 ¢
	Upon notification / Sur la notification	Critical peak / Pointe critique	30.0 ¢
Winter Weekdays (Nov 1 st - Apr 30 th) 	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h 5 pm to 8 pm / 17 h à 20 h 8 pm to 10 pm / 20 h à 22 h 10 pm to 7 am / 22 h à 7 h	On-peak / Période de pointe Mid-peak / Période moyenne On-peak / Période de pointe Mid-peak / Période moyenne Off-peak / Période creuse	10.5 ¢ 7.5 ¢ 10.5 ¢ 7.5 ¢ 3.1 ¢
	Upon notification / Sur la notification	Critical peak / Pointe critique	30.0 ¢

* Critical peak occurs for 3 or 4 hours during the on-peak period, on critical peak days only. The maximum number of such days in the pilot will be 9.

* Le pointe critique arrive pour 3 ou 4 heures pendant le sur les heures de pointe, sur les jours de pointe critiques seulement. Le nombre maximum de tels jours dans le pilote sera 9.

Effective August 2006

Efficace le 2006 aout



ONTARIO SMART PRICE PILOT / PROJET PILOTE DE PRIX INTELLIGENT

Critical Peak Rebate Periods and Rates / Périodes d'utilisation et prix

Day of the Week Jours de la semaine	Time Heures	Period Périodes d'utilisation	Price/Prix* (¢/kWh)
Weekends & Holidays Fins de semaine et fériés	All Day / Toute la journée	Off-peak / Période creuse	3.1 ¢
Summer Weekdays (May 1 st - Oct 31 st) Jours de semaine l'été (du 1 ^{er} mai au 31 octobre)	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h 5 pm to 10 pm / 17 h à 22 h 10 pm to 7 am / 22 h à 7 h Upon notification / Sur la notification	Mid-peak / Période moyenne On-peak / Période de pointe Mid-peak / Période moyenne Off-peak / Période creuse Critical peak / Pointe critique	7.5 ¢ 10.5 ¢ 7.5 ¢ 3.1 ¢ 30.0 ¢ per kWh reduced / réduit
Winter Weekdays (Nov 1 st - Apr 30 th) Jours de semaine l'hiver (du 1 ^{er} novembre au 30 avril)	7 am to 11 am / 7 h à 11 h 11 am to 5 pm / 11 h à 17 h 5 pm to 8 pm / 17 h à 20 h 8 pm to 10 pm / 20 h à 22 h 10 pm to 7 am / 22 h à 7 h Upon notification / Sur la notification	On-peak / Période de pointe Mid-peak / Période moyenne On-peak / Période de pointe Mid-peak / Période moyenne Off-peak / Période creuse Critical peak / Pointe critique	10.5 ¢ 7.5 ¢ 10.5 ¢ 7.5 ¢ 3.1 ¢ 30.0 ¢ per kWh reduced / réduit

* Critical peak occurs for 3 or 4 hours during the on-peak period, on critical peak days only. The maximum number of such days in the pilot will be 9.

* La pointe critique arrive pour 3 ou 4 heures pendant le sur les heures de pointe, sur les jours de pointe critiques seulement. Le nombre maximum de tels jours dans le pilote sera 9.

Effective August 2006
Efficace le 2006 août

Appendix C: Critical Peak Trigger Analysis

Ontario Smart Price Pilot

Recommended Temperature Triggers for Critical Peak Days

Objectives

- Define the maximum and minimum temperatures thresholds that will be used to trigger critical peak days for the Ontario Smart Price Pilot
- Define the hours to be called for a critical peak event
- Understand the historical temperature trends by week to be able to identify if action needs to be taken to change the thresholds during the pilot

Targets

- The target number of critical peak days are:
 - Summertime: 6 days
 - Wintertime: 3 days
- The thresholds should be designed to result in at least that many days being called. If a sufficient number of days have been called during the pilot, we can stop declaring them (Better to have too many callable days, than too few)
- Critical peak days are not called on weekends or holidays
- The number of consecutive days that a critical peak is declared is limited to three
- Critical peak periods may be called for either three hours or four hours

Analysis

- Historical data on the number of days equal or exceeding a specified threshold from the August 1 to December 31 period are provided in the tables on the following pages (Temperatures from other months are not relevant)
- The data are from Environment Canada for Ottawa International Airport
- The numbers in the tables include weekends and holidays. Assuming $\frac{2}{3}$ ($5/7 = 71\%$, less holidays) of high temperature days will occur on weekdays, the minimum number of expected days over the high temperature threshold should be 10, to achieve 6 weekdays.
- Similarly, the minimum number of expected days below the low temperature threshold should be 5, to achieve 3 weekdays.
- The critical peak period lengths should vary to provide feedback on the effect of having different critical peak period lengths.
- The higher (or lower in winter) the temperature, the greater the stress on the system; thus, the longer critical peak periods should be called on the hottest and coldest days.

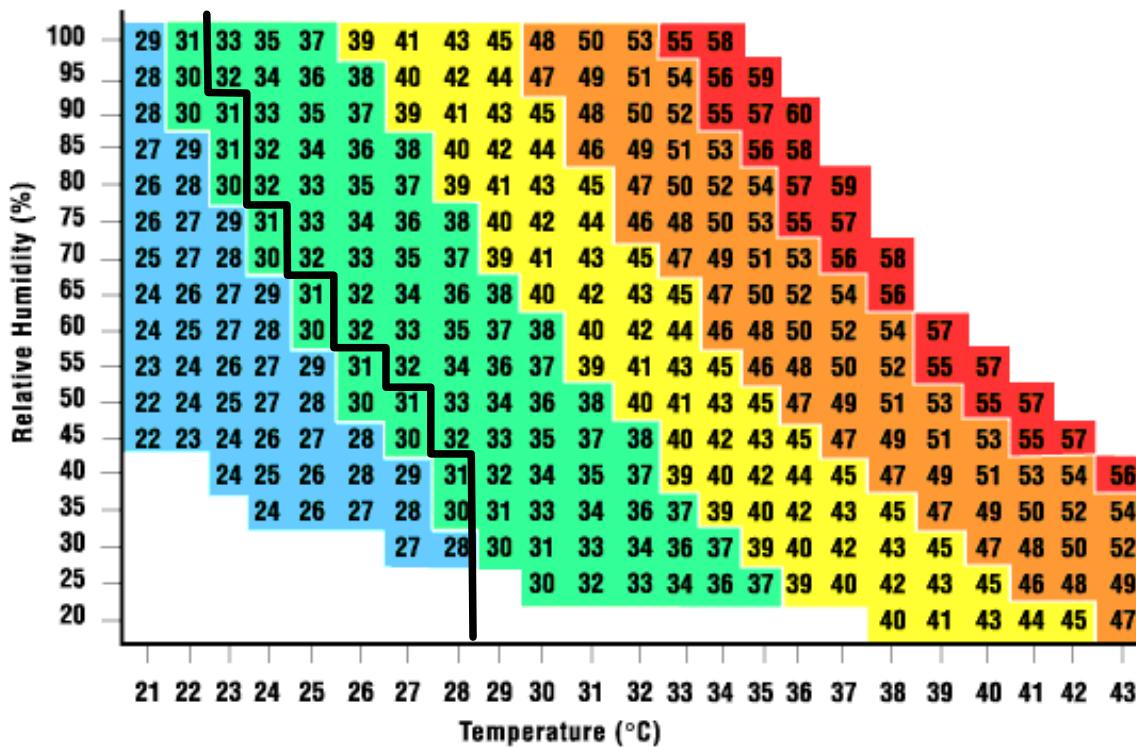
Recommendation

High Temperature Threshold

- **A 28°C high temperature threshold is recommended**
- Historically a minimum of 4 days (in 2004) and a maximum of 18 (in 2002) achieved this threshold.
- The median over the last five years was 16 days over this threshold
- In June and July of this year, Ottawa has experienced 18 days over the 28° threshold. However, past months temperatures are not a good indication of future months
- The high for Tuesday, July 25 was 27.2° , below the threshold
- When forecast temperatures are 30° or above, a four-hour critical peak should be called; for 28° to 29° , a three-hour critical peak should be called

Humidex Threshold

- Additionally, a Humidex threshold should be considered.
- The recommended Humidex threshold is 32 during peak times of the day¹, regardless of temperature².
- On two occasions in 2005, the Humidex in Ottawa exceeded 32 during midday when the temperature during the day did not reach 28°.



Humidex from temperature and relative humidity (Source: Environment Canada)

Low Temperature Threshold

- A -14°C low temperature threshold is recommended
- Historically a minimum of 0 days (in 2001) and a maximum of 15 (in 2004) achieved this threshold
- The median over the last five years was 8 days over this threshold
- When forecast temperatures are -16° or below, a four-hour critical peak should be called; for -14° to -15°, a three-hour critical peak should be called

¹ Humidex can sometimes be high in the humid early morning hours but decline as the day progresses.

² Environment Canada issues Humidex Advisories as a “Special Weather Statement” (not a warning) when the Humidex will reach 40 or more with a dew-point temperature of 15°C or higher, and these conditions are expected to last for 1 hour or more.

High Temperature Threshold

Temperature Threshold (°C)	Year				
	2001	2002	2003	2004	2005
37.0					
36.5		1			
36.0		1			
35.5		2			
35.0	3	2			
34.5	3	3			
34.0	5	4			
33.5	5	5			2
33.0	5	5			2
32.5	5	7			3
32.0	6	8			4
31.5	7	9			5
31.0	7	11	1		5
30.5	7	11	3		7
30.4	7	11	3		7
30.3	10	12	4	10	
30.2	10	12	4	10	
30.1	10	12	5	10	
30.0	11	12	6	10	
29.5	15	14	8	11	
29.0	15	14	8	11	
28.5	15	17	12	4	16
28.0	17	18	14	5	18
27.5	18	24	16	5	22
27.0	21	25	18	5	27
26.5	25	28	21	7	28
26.0	27	33	23	8	30
25.5	30	34	25	12	32

↑ Recommended 4-hour Threshold

↑ Recommended 3-hour Threshold

Number of days where the temperature reached at least the threshold in the left-hand column (Thresholds resulting in 10 or more days are shaded)

Low Temperature Threshold

Temperature Threshold (°C)	Year				
	2001	2002	2003	2004	2005
-10.5	6	13	16	21	16
-11.0	4	13	15	21	16
-11.5	4	12	14	19	16
-12.0	1	11	13	19	14
-12.5	1	8	12	19	13
-13.0		8	11	17	13
-13.5		8	7	15	12
-14.0		8	5	15	11
-14.5		8	4	13	10
-15.0		7	4	12	9
-15.5		7	3	11	9
-16.0		4	1	11	8
-16.5		4	1	11	7
-17.0		4		10	6
-17.5		3		9	5
-18.0		3		9	4
-18.5		3		8	3
-19.0		3		6	3
-19.5		2		3	2
-20.0		2		3	1
-20.5		1		3	1
-21.0				3	
-21.5				3	
-22.0				3	
-22.5				3	
-23.0				3	
-23.5				3	
-24.0				3	
-24.5				3	
-25.0				3	
-25.5				3	
-26.0				1	
-26.5				1	
-27.0				1	
-27.5				1	
-28.0				1	
-28.5				1	
-29.0				1	
-29.5				1	
-30.0				1	
-30.5				1	
-31.0					

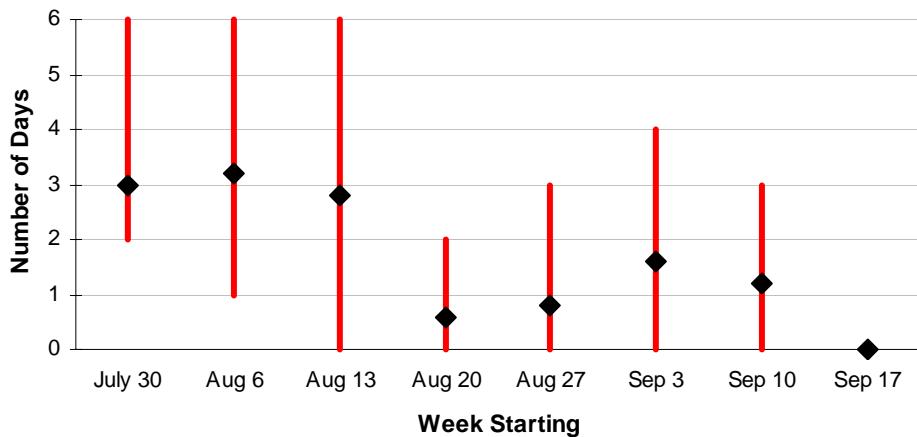
Number of days where the temperature was equal or below the threshold in the left-hand column (Thresholds resulting in 5 or more days are shaded)

Past Distribution of Critical Peak Days

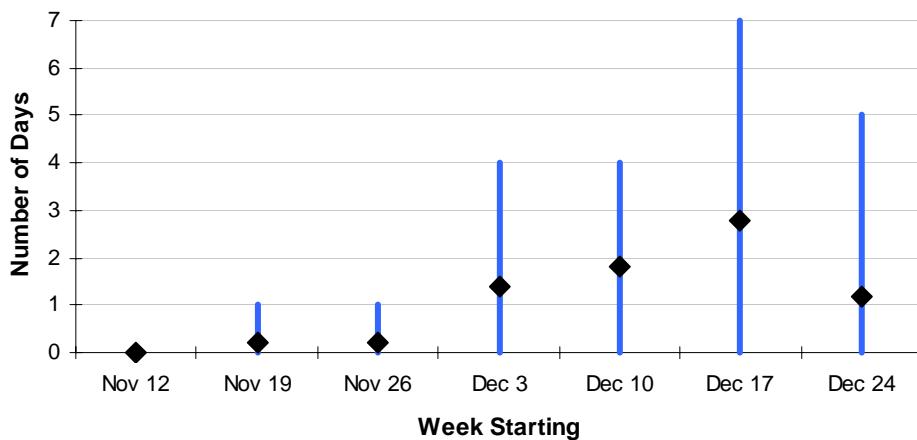
The charts below illustrate the number of days by week where the recommended threshold was achieved in the last five years. This is intended to help identify when we should expect critical peak days to be achieved and respond accordingly (In particular, how long we should wait in August before acting if the threshold is not reached.)

Conclusions

- We need to be ready to declare a critical peak day as soon as sufficient customers have been recruited for the pilot.
- Days exceeding the high threshold beyond the second week of September are extremely unlikely.
- It is unlikely that Ottawa will experience any days below the low threshold before December.



Number of days exceeding the high threshold of 28°C over the last five years (High, low and average)



Number of days below the low threshold of -14°C over the last five years (High, low and average)

Appendix D: Analysis of Critical Peak Rebate Concept

Critical Peak Rebate Program Analysis

June 2006

Introduction

As part of its AMI filing in March 2006, SDG&E proposed to implement a "Peak Time Rebate" (PTR) Program. It amounts to a peak power buyback program for residential consumers. Similar programs for large industrial customers in the Northwest, Northeast, Mid-Atlantic, and Southeast have proven very popular and effective for reducing peak demand.¹ During the 2001 Energy Crisis, California, Washington, and Oregon reduced electricity demand by more than six percent through politically-politically popular 20/20-type buyback programs from residential customers² – not surprising, since residential customers are often the most responsive to price signals.³ Due to limited metering capability – only monthly consumption data was available – the residential buyback programs were in effect 24 hours a day for the entire summer, and they would not be cost-effective on an ongoing basis. However, SDG&E concludes that a peak power buyback program operated during only the top 100, "critical peak," hours of the year can be cost-effective, even when paying residential consumers 65 cents per kWh for all electricity usage reduced below the customer's average usage for those hours.

Program Concept

The PTR program is a simple design and easy to explain to customers. Customers in the program remain on their standard electricity rate, which continues to have inverted tiers, thus avoiding any conflict with California's AB1x restrictions.

Customers will be notified a day ahead of time of critical peak days, which will occur up to 15 days per year when reserve margins are expected to be tight. Notification will be via public media, such as radio announcements that "Tomorrow is a Peak Power Day," along the lines of "Spare the Air" days now announced when heavy air pollution is foreseen. On critical peak days, a standard critical period – 11 a.m. to 6 p.m. – will be established. This standard period makes it easier for consumers to remember when to curtail peak load, and it makes the billing calculation simpler and cheaper to implement. During the critical period, customers reducing their load below their "baseline" load will be paid a fixed amount of 65 cents per kWh. This amount equals \$650 per MWh, which is consistent with prices seen in the top 50 to 100 hours in competitive wholesale markets in the U.S.

A customer's "baseline" load will be calculated as the average load for that individual customer during the same hours for the five previous non-event similar weekdays. "Similar," means comparing weekdays to weekdays and weekends/holidays to weekends/holidays. While such a calculation for every residential customer would have been expensive and difficult a few years ago, new software, databases, and computing capability make it cost-effective today.

¹ - Goldman, C. et al.

² - Goldman, C. et al, "California Customer Load Reductions during the Electricity Crisis: Did They Help to Keep the Lights On?," Lawrence Berkeley National Laboratory LBNL-49733, May 2002.

³ - Energy Information Administration, "Issues in Midterm Analysis and Forecasting 1999," August 1999. Also, SDG&E estimates that residential customers will provide 49 percent of total demand reductions from all of its customer classes (Steve George Testimony, March 27, 2006, p. 8).

Billing of PTR customers will be done through a single line-item credit on a customer's bill. The credit calculation would be the number of kWh curtailed times 65 cents, as in this sample:

$$\begin{aligned}\text{Credit} &= (\text{Average Load} - \text{Actual Peak Power Load}) \times 50 \text{ cents} \\ &= (15 \text{ kWh} - 11 \text{ kWh}) \times 65 \text{ cents} \\ &= 4 \text{ kWh} \times 65 \text{ cents} \\ &= \$2.60\end{aligned}$$

This calculation can be performed outside the utility's existing billing system and imported as a single data field for addition to the bill.⁴ Because the PTR concept is so simple, it is probably unnecessary to produce a bill insert or detailed report. The calculation also requires a data system to keep track of each customer's "baseline" load for use in calculating the credit. Again, this system need not be part of the existing billing system.

Program Considerations

As with all demand response programs, the PTR program must resolve several questions to be successful. These include the following:

- Reasonableness of buying power back from customers
- Cost-effectiveness of the peak demand reductions
- Levels of customer acceptance and peak demand reductions
- Interaction with other demand response programs such as load control
- The concept of "free riders"
- Avoiding "gaming"
- Appropriate rate treatment to ensure utilities are kept whole

Reasonableness

Is it reasonable to pay customers for *not* doing something? SDG&E argues that it is. The reason is that customers are already paying for peaking capacity in their procurement rates. Those rates recover costs of all energy and capacity requirements for the utility for the entire year. Those costs are averaged over kWh sales, then recovered in rates. Thus, since individual customers have already paid for the peaking capacity required to serve them, SDG&E argues that it is appropriate and proper to pay them for not using that peaking capacity via the PTR program.

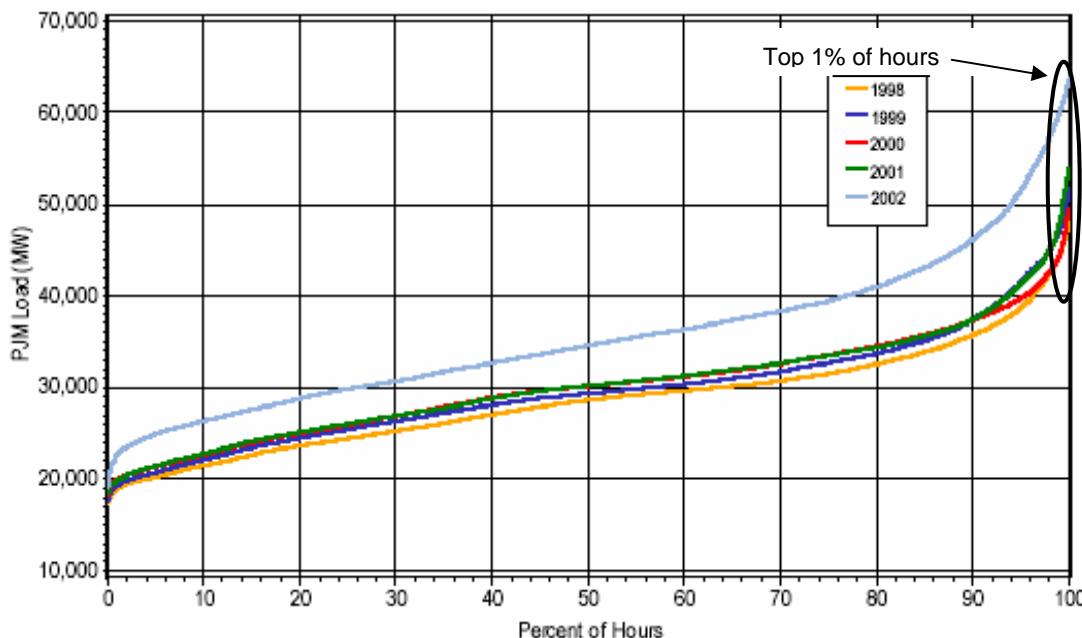
⁴ - It is not known whether SDG&E will show the number of curtailed kWh on the bill so the customer could perform a verification calculation independently.

Cost-Effectiveness

SDG&E's application provides testimony to the effect that the PTR program is cost-effective, based on assumed capacity value of \$85 per kW year (somewhat higher than the value used by PG&E in its AMI application analysis). SDG&E assumes that it will have good coincidence between the times that PTR is dispatched and the times when SDG&E would have had to purchase marginal capacity.

A significant factor in this analysis is the number of hours per year when marginal capacity is needed. As Figure 1 shows for PG&E, there is a sharp spike in load during these hours; the situation for California is similar.

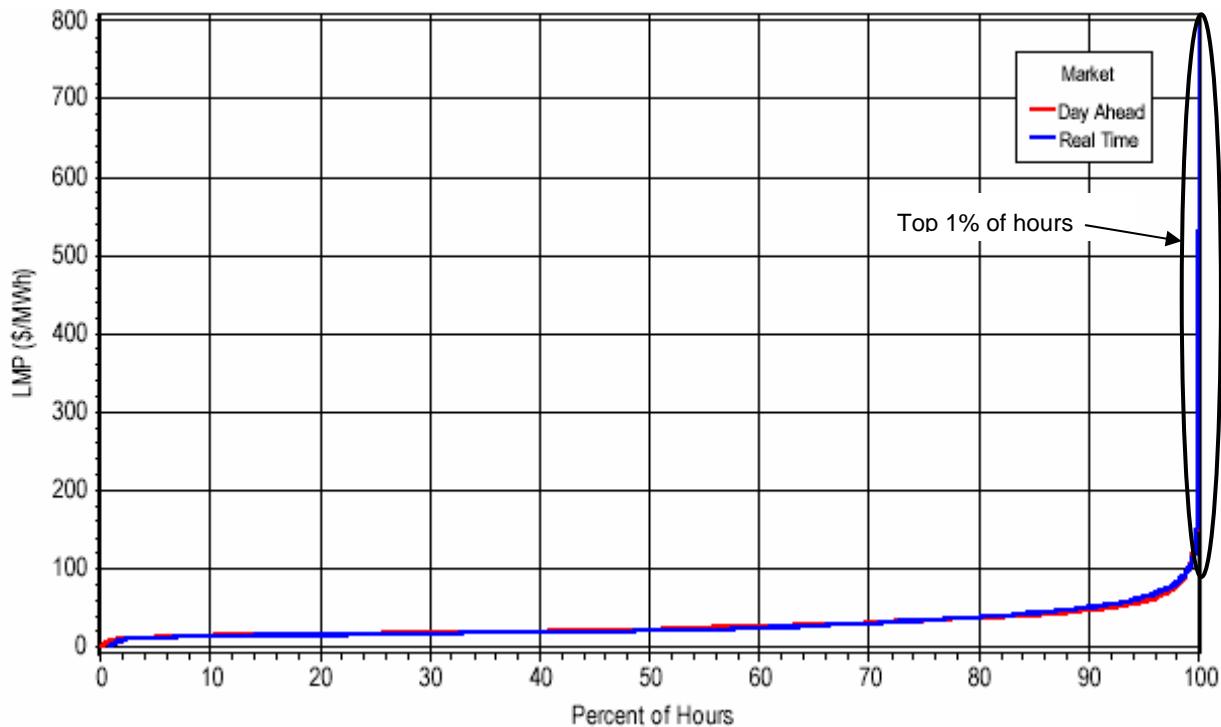
Figure 1 – Load Duration Curves for PJM for Recent Years



Since electricity cannot be stored, the costs of peaking plants must be recovered in the few hours each year in which the plants are operated. With regulated rates the costs are spread over the year. In competitive wholesale markets, this short window for cost recovery results in prices that parallel electricity demand, as seen in Figure 2 for PJM.

The goal of the PTR program is to avoid the construction of new peaking plants as customer load continues to grow overall. Thus, the savings associated with the demand reductions, *over the long term*, will equal the costs avoided by not building and maintaining those peaking plants. SDG&E determined this amount is \$85 per kilowatt per year.

Figure 2 – Price Duration Curves for PJM for 2002



A quick review of the program economics suggests SDG&E's analysis, if one agrees with the \$85 figure, yields reasonable results. To begin, since line losses at the consumer level add up to approximately 10 percent during peak hours, a 1.0 kilowatt load reduction translates into 1.1 kilowatts fewer peaking plant needed, and a corresponding savings of 1.1 times \$85, or \$93.50. Customers are actually receiving a savings of 80 cents per kWh (65 cent rebate plus avoiding electricity purchases at an average rate of approximately 15 cents per kWh). If the PTR program operates 105 hours per year, the cost of the demand reductions would be 80 cents times 100 hours, or \$84.00, yielding net gross savings of \$9.50 per kilowatt year – for the maximum number of operations.

SDG&E argues that an advantage of PTR is that events can be called only when needed, as opposed to a critical peak price that must be called for the designed number of events each year to be revenue neutral. On the other hand, a few operations are needed every year to validate demand response levels and remind customers of the program features. A minimum of five operations per year is desirable to fulfill these requirements. With at least five and at most 15 operations per year, a likely average will be around 10 per year. Ten operations at seven hours each (11 a.m. to 6 p.m.) would yield a cost for demand reductions of 70 times 80 cents, or \$56.00 per kilowatt per year. This is a savings of \$37.50 per kilowatt-year, based on SDG&E's assumed avoided capacity cost.

A further consideration is the effect of the baseline, which reduces the cost per kilowatt-hour reduced. There are two reasons. First, the baseline undersates the average load on a critical peak day; by definition, these days normally have higher loads than non-critical peak days. Second, some customers will reduce loads but not earn any rebates, by not going below their baselines (an effect offset by those

customers who earn rebates but reduce load as a result of coincidence rather than response to the PTR rebate incentive.

Customer Acceptance

SDG&E notes that the PTR program promotes strong customer acceptance in five key ways and, like the 2001 residential buyback programs in the West and industrial buyback programs around the U.S., can be expected to be very popular.

The program begins by being meaningful: it asks consumers to respond only a few days per year, only when their demand reduction is needed the most, and only when their demand reduction is valuable enough – at 65 cents per kWh – to be worth taking action to reduce load.⁵ In addition, the concept is simplicity itself: if I reduce usage on peak days, I can earn a credit on my bill; if I do nothing, I will pay my regular bill.

Moreover, consumers need not think about the program. They would be reminded by media announcements of “Peak Time Rebate” days, and the peak hours will be fixed at the same hours on each critical peak day. Also, the incentive amount will be fixed, eliminating any need for participants to adjust their load responses to changing levels of incentives.

Finally, a universal program that works the same way for all residential consumers greatly magnifies understanding, acceptance, and load response. The universality results in reinforcement or program awareness and features in the media and in the community by family, friends, colleagues, and neighbors. This reinforcement was extremely effective in promoting conservation behavior by consumers in the 2001 buyback programs.⁶ Last and not least, the concept of a residential rebate program has already proved to be immensely and broadly popular with consumers, based on the response to the 2001 programs.

Peak Demand Reductions

Residential consumers are well suited to reduce peak demand via the buyback program. First, residential consumers are major contributors to the peaking problem, as seen in Figure 3 below.

Second, residential consumers have shown in programs over the past three decades that they reduce loads significantly in response to peak price signals. The programs most like the PTR program are critical peak pricing programs without automated response. In three programs, in Illinois, California, and France, residential customers reduced peak load by an average of 22% on critical peak days.⁷ Over time, for customers who implement automated response, those

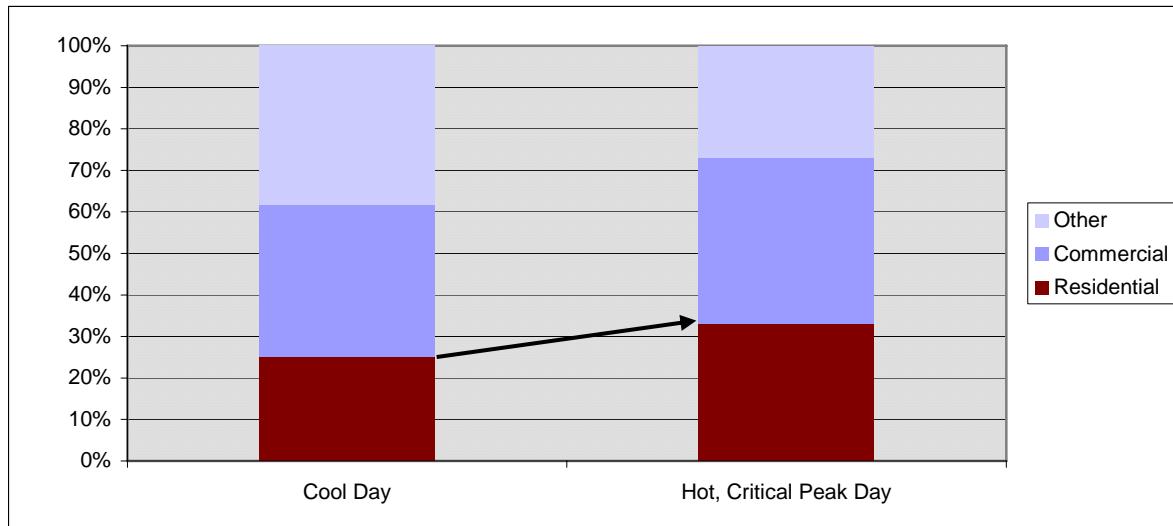
⁵ - At Puget Sound Energy, in the residential time-of-use program, many consumers were upset that they had taken extensive actions to reduce peak loads for savings of only 0.9 cents per kWh.

⁶ - *Op cit.*

⁷ - Budd, C. "Making Electricity Markets Work: Hourly Prices for the Home," EUCI Load Management Conference, October 2003; Pacific Gas & Electric *et al.* "Monthly Report on Statewide Pricing Pilot to California Public Utilities Commission and California Energy Commission," December 15, 2003; and Aubin, Christophe *et al.* "Real-Time Pricing of Electricity for Residential Customers: Econometric Analysis of an Experiment." Journal of Applied Econometrics. Dec. 1995.

reductions can be expected to average approximately 45%, the result of six such integrated pricing and automated control programs operated in nine states around the U.S.⁸

Figure 3 – Contribution to System Demand by End Use, California 2003⁹



Interaction with Other Demand Response Programs

The PTR program could work well with other demand response programs. PTR may be considered an alternative to supply-side resources at times of system peaks. As such, a customer could participate in any other tariff – be it inverted tier rates, flat pricing, a flat bill, time-of-use rates, or critical peak prices – and still participate in the PTR program. Provided the other tariff is designed to recover costs from its participating customers, there is no double counting; with PTR, the utility is simply buying peaking power from its customers rather than from wholesale power marketers. However, to reduce potential confusion, it may be preferable to exclude from the buyback program customers participating in other dynamic pricing tariffs in which special rates are dispatched on critical peak days.

Passive Credit Earners or "Free Riders"

A potential concern regarding the PTR program is passive customers who receive incentive payments for actions they would have taken in the absence of the program. While the term "free rider" is often used to describe such customers, a more neutral term is "passive." "Passive" is defined to be a customer who reduced load on a critical peak day not because of the buyback program incentive, but because he went on a vacation or took some other action he would have taken without the program.

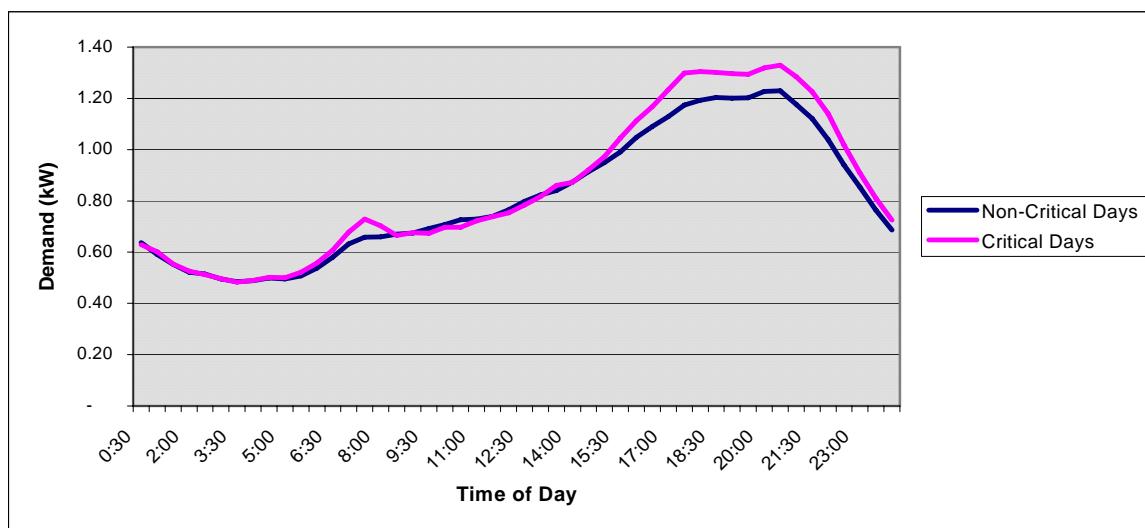
⁸ - King, C. "Integrating Residential Dynamic Pricing and Load Control: The Literature," January 2004.

⁹ - California Energy Commission, "1998 Baseline Energy Outlook," August 1998.

Three reasons have been given that passive customers should not be a problem for a program such as PTR. First, this problem was not identified as a problem in the 2001 buyback programs, large programs with total incentive payments exceeding \$250 million.¹⁰ Importantly, these buyback incentive payments are discounts back to ratepayers and, thus reduce rates, as opposed to payments to third parties, such as power producers, which increase rates.

Second, the calculation of the incentive requires that consumers reduce peak demand even before beginning to earn a credit. Figure 4 shows that the average customer must reduce peak demand by about 10% on critical peak days to get down to the level of peak demand on non-critical days and beginning to earn a rebate.

Figure 4 – Average Residential Demand in Northern California, September 2003¹¹



Third, PTR rebates are not a significant proportion of annual bill amounts, so the amount that a passive customer could receive is quite limited. Residential usage during the critical peak hours, for the maximum dispatch of 15 days, totals an average of 2.5% of annual electricity use.¹² In California, for an average user of 6,000 kWh, reducing the 2.5% amount by an extreme of 50% would mean a reduction of 68 kWh, including factoring in the 10% start-up amount from Figure 4 above. At 65 cents per kWh, the credit would be \$44.20. This compares to annual bills averaging approximately \$780. Thus, in this extreme case, the customer's annual savings is still only 5%.¹³

Avoiding "Gaming"

The PTR program is very difficult to "game," which is usually defined as manipulating usage to generate artificially high bill credits. First, because critical peak days are not known until the evening before the event, customers do not

¹⁰ - *Op. cit.*

¹¹ - Pacific Gas & Electric Company dynamic load profiles for residential customers.

¹² - Working Group 3 Report to the California Public Utilities Commission, January 2003.

¹³ - EIA, "State Electricity Profiles 2001 – Pennsylvania," May 2003.

know which days will be used to determine their “baseline” usage for calculating the credit. Second, even if a customer could predict critical peak days precisely, gaming would actually backfire. For example, a customer might use excess energy during the peak period on expected averaging days so he could realize excess reductions on the critical peak day. Since five days are used in the averaging, the customer must use five extra kWh during the averaging for every one kWh in excess load reduction. At rates of 15 cents per kWh and a rebate of 65 cents per kWh, the net gaming benefit is 65 cents minus five times 15 cents, or *negative* 10 cents per kWh. And this assumes perfect knowledge; a customer guessing wrong – and incorrect guesses are far more likely than correct guesses – will pay even higher bills by trying to game.

Rate Treatment

SDG&E has proposed that the PTR rebates be accounted for in procurement costs. Since these are pass through, SDG&E would ensure that it is neither helped nor harmed by calling events. California’s policy “decouples” utility kWh sales from utility profits.

Final Observations

SDG&E’s goal with PTR is to obtain significantly higher demand response benefits, and its testimony supports achievement of this goal. It remains to be seen how the California PUC and intervenors will respond.