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Backgrounder

August 1st, 2006

Ontario Smart Price Pilot

Background

The *Ontario Smart Price Pilot* project is sponsored by the Ontario Energy Board and supported by Hydro Ottawa. The pilot is designed to help the Board 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.

The project will provide participating consumers with more information on how they use electricity and how shifting usage to off-peak periods can help them save money. It also includes a short survey (and optional attendance at a focus group) near the end of the pilot, where the OEB will ask participants how they liked the program, how they use energy and any changes they made because of time-of-use and critical peak prices.

A letter has been sent to approximately 1,800 Hydro Ottawa consumers who currently have smart meters installed at their homes, asking for their voluntary participation in the program.

The Board expects to form three separate groups of 75 consumers each. It will be looking for potential consumption differences between those charged according to:

- standard Time-of-Use (TOU) pricing where rates change in relation to periods of Off-peak, Mid-peak and On-Peak demand;
- TOU with critical peak pricing (CPP), and;
- TOU with critical peak rebates (CPR).

Time-of-Use (TOU)

In the Ontario Smart Price Pilot, participants' electricity prices will change throughout the day, like long distance telephone rates (many don't realize it, but the cost to produce electricity changes by time of day). If consumers use less electricity or make changes to shift usage, particularly during peak times, they can save a few dollars on their bills.

Day of the Week	Time	Period	Price (¢/kWh)
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

Critical Peak Pricing & Critical Peak Rebate	<p>On a handful of “Critical Peak” days each year, some program participants will see a higher electricity price for three to four “on-peak” hours. Others can earn a special rebate by reducing electricity use during those “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. Hydro Ottawa will tell affected participants the day before each Critical Peak Day by calling their homes (using an automated phone call), by e-mail, or by text message, whichever they choose.</p>
Purpose	<p>The Government of Ontario plans to install smart meters across the province by 2010. The OEB has designed time-of-use prices that take advantage of smart meters so that consumers can better manage their electricity use. Soon, all consumers with these meters will have time-of-use prices.</p> <p>The results of the <i>Ontario Smart Price Pilot</i> program will be presented in early 2007.</p>
How it works	<p>Program participants will continue to receive and pay their regular Hydro Ottawa electricity bill. The OEB will mail participants an Electricity Usage Statement each month that shows their time-of-use charges. <u>This is not a bill.</u> At the end of the pilot, in early 2007, the OEB will send participants a statement that separately shows time-of-use savings (or losses) compared to their bill using current electricity prices.</p>
Information	<p>Consumers are invited to call toll-free 1-866-686-3837 or e-mail us at info@OntarioSmartPricePilot.ca to find out more.</p> <p>The Ontario Energy Board regulates the province’s electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.</p>

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For more information please contact:

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