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BY E-MAIL AND WEB POSTING

January 26, 2017

NOTICE OF PROPOSAL TO AMEND A CODE PROPOSED AMENDMENTS TO STANDARD SUPPLY SERVICE CODE

OEB FILE NO.: EB-2016-0201

**To: All Licensed Electricity Distributors
All Other Interested Parties**

The Ontario Energy Board (OEB) is giving notice of a proposal to amend the Standard Supply Service Code (SSSC) under section 70.2 of the *Ontario Energy Board Act, 1998* (OEB Act).

The purpose of the proposed amendments is to allow electricity distributors to charge certain Regulated Price Plan (RPP) customers commodity prices other than those set by the OEB in the normal course if they are conducting an OEB-approved electricity pricing pilot.

A. Background

On November 16, 2015, the OEB issued its [Regulated Price Plan Roadmap](#) setting out a multi-year plan to redesign the RPP to better respond to policy objectives, improve system efficiency and give greater customer control. A key element of the Roadmap is the implementation of electricity pricing pilots to test alternative pricing structures. The OEB has invited electricity distributors to participate in the development and implementation of priority price pilots, in accordance with the [Guidelines for Pilot Projects on RPP Pricing](#) issued on July 18, 2016.

The implementation of price pilots has been facilitated by a recent amendment to [Ontario Regulation 95/05 \(Classes of Consumers and Determination of Rates\)](#) made under the OEB Act. Prior to the amendment, the regulation required that time-of-use pricing under the RPP include certain mandatory off-peak periods. The amendment specifically enables the OEB to set different off-peak periods for the purpose of such electricity pilots it specifies.

B. Proposed Amendments to the SSSC

The proposed amendments to the SSSC would enable an electricity distributor to charge RPP customers OEB-approved commodity prices that differ from then-prevailing RPP prices. Such alternative commodity prices would only apply to customers consensually enrolled as participants in a pilot project approved by the OEB, whether those identified in the OEB's [Guidelines for Pilot Projects on RPP Pricing](#) or others.

The text of the proposed amendments to the SSSC is set out in Attachment A.

C. Anticipated Costs and Benefits

Pricing pilots in Ontario have typically been designed so that customers receive 'shadow' bills – that is, enrolled customers receive a bill that enables comparison of the cost associated with their consumption behaviour under the current RPP relative to the pilot, but the customers are not fully exposed to the cost consequences of the alternative rates. Enabling distributors to charge alternative commodity prices, rather than using a shadow billing approach, is expected to contribute in a meaningful way to ensuring that any changes to the RPP are evidence-based, well understood by consumers, have persistent impacts on behaviour, and are appropriate to implement across the province. Ultimately, consumers will benefit from more effective pricing design that encourages customer choice, defers system infrastructure investment and supports other policy objectives.

Distributors are expected to incur costs in implementing pilot projects. The OEB notes that steps have been taken to enable the cost of pilot projects to be recovered through the Independent Electricity System Operator's Conservation Fund, as set out in a [Ministerial direction](#) issued to the IESO on December 16, 2016. As such, the recovery of a distributor's pilot project costs will not be limited to consumers in the distributor's licensed service area.

D. Coming into Force

The OEB proposes that the final amendments to the SSSC will come into force on the date that they are published on the OEB's website after having been made by the OEB.

E. Invitation to Comment

All interested parties are invited to submit written comments on the proposed amendments to the SSSC as set out in Attachment A, by **February 9, 2017**, in accordance with the filing instructions set out in section F below.

Cost awards will not be made available in relation to the provision of comments on the proposed amendments to the SSSC. The OEB's intention to use pricing pilots was clearly set out in the RPP Roadmap, and consumer representatives, along with others, took part in a working group that discussed potential options for price and non-price pilots prior to the issuance of the OEB's Guidelines for Pilot Projects on RPP Pricing.

F. Filing Instructions

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

The OEB requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. A user ID is required to submit documents through the OEB's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the OEB's website at www.ontarioenergyboard.ca, and fill out a user ID password request.

Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@ontarioenergyboard.ca.

Those that do not have internet access should provide a CD containing their filing in PDF format.

Filings to the OEB must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2016-0201** and include your name, address, telephone number and, where available, your e-mail address and fax number.

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the OEB's offices or placing the written comment on the OEB's website, the OEB will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the OEB's offices and will be placed on the OEB's website.

This Notice, including the proposed amendments to the OEB's Standard Supply Service Code set out in Attachments A, and all written comments received by the OEB in response to this Notice will be available for public viewing on the OEB's web site at www.ontarioenergyboard.ca and at the office of the OEB during normal business hours.

If you have any questions regarding the proposed code amendments described in this Notice, please contact Anthony Ionno at anthony.ionno@ontarioenergyboard.ca or at 416-440-7695. The OEB's toll free number is 1-888-632-6273.

DATED JANUARY 26, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments: Attachment A – Proposed Amendments to the Standard Supply Service Code

Attachment A

Proposed Amendments to Standard Supply Service Code

1. Section 1.6 of the Standard Supply Service Code is amended by adding the following new section 1.6.6:

1.6.6 The amendments to section 3.9 come into force on *[date of publication of amendments after they have been made by the OEB to be inserted]*.

2. Section 3.9 of the Standard Supply Service Code is deleted and replaced with the following:

3.9 Pilot Projects

- 3.9.1 Where a distributor implements a Board-approved pilot project relating to eligible time-of-use meters, the distributor may charge an RPP consumer that has an eligible time-of-use meter and that is participating in the pilot project the commodity price for electricity referred to in either section 3.3 or 3.4 or any other commodity price that the Board approves as part of the pilot project.