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BACKGROUND

October 15, 2014

Ontario's *Energy Consumer Protection Act, 2010* (ECPA) came into effect on January 1, 2011. The ECPA has provided residential and small business energy consumers with added protection in their dealings with natural gas and electricity retailers (“energy retailers”). Part II of the ECPA, along with its associated regulations and rules established by the OEB, set out the specific obligations that energy retailers must comply with when they offer or sign contracts with low volume (residential and small business) consumers for the sale of electricity or natural gas.

When the ECPA became law, the government stated the legislation would lead to new rules and regulations which would:

- Protect consumers from hidden costs, excessive cancellation fees and other unfair industry practices.
- Provide greater fairness and transparency for consumers through rate comparisons, plain language disclosure in multiple languages, enhanced rights to cancel contracts and new rules for energy retailers and their employees.
- Ensure consumers have the information they need to make the right decisions about electricity and natural gas contracts, and confidence that they’re protected by fair business practices.

Background on Ontario’s Retail Energy Markets

The 4.9 million residential and small business energy consumers in Ontario have two basic options when it comes to buying the electricity and natural gas they need. The vast majority of the province’s consumers buy their energy from their utility at a price that in most cases is set or approved by the Board. But about 10% of natural gas consumers and 6% of electricity consumers in Ontario have chosen to sign contracts with retailers for their energy supply. The number of Ontarians with retail energy contracts has declined significantly since the introduction of the ECPA.

Natural gas marketers began operating in Ontario around 1990, electricity retailers some 11 years later. They offer contracts with a variety of prices and terms, some providing energy from renewable and alternative energy sources. The OEB has a [Bill Calculator on its website](#) for consumers who want to compare the default price charged by their utility with the offer made by an energy retailer.

Natural gas and electricity retailers must be licensed by the OEB. As of January 1, 2014, there were 14 active energy retailers selling electricity, natural gas or both to low volume (residential and small business) consumers in Ontario. [A list of the active energy retailers can be found on the OEB's website.](#)

In the year before the ECPA came into effect, the OEB received an average of 110 complaints a week about the practices of energy retailers. These amounted to more than 80% of all the complaints it received. Since the implementation of the ECPA in 2011, the number of complaints concerning energy retailers has dropped to an average of 25 a week, and now comprises 50% of all complaints.

ECPA Effectiveness Review

Now that the *Energy Consumer Protection Act* has been in effect for over three years, the Minister of Energy, using section 30 (1) of the *Act*, has asked the OEB to review Part II of the legislation ([read the letter from the Minister](#)). The OEB's review will assess how effective the ECPA has been in protecting the interests of energy consumers.

During its review of the ECPA, the OEB will be consulting low-volume energy consumers, utilities, consumer groups, energy retailers and other interested stakeholders to get their views on the effectiveness of the ECPA and the level of consumer protection that is appropriate. The review will include a consideration of views obtained from consumer focus groups and from a telephone survey of residential and small business consumers, as well as the perspectives provided through a stakeholder forum.

In order to engage residential and small business consumers, the OEB created an on-line survey or workbook so Ontario's low volume energy consumers can share their thoughts on consumer protection in the retail energy markets. The workbook will be open for use at www.ECPAreview.ca between October 15 and November 11, 2014.

This workbook provides background information about the retail energy markets so that people can put the consumer protection issues into context. The workbook also includes survey questions to draw out consumers' views about the ECPA and its future. This feedback will help ensure that the OEB's report to the Minister of Energy takes into account the needs and expectations expressed by Ontario's residential and small business energy consumers.

About the OEB

The Ontario Energy Board is an independent and impartial public agency that makes decisions that serve the public interest. Our goal is to promote a viable and efficient energy sector that provides reliable energy services at a reasonable cost.

Contact us

For more information, please visit the OEB website at www.ontarioenergyboard.ca or contact us directly.

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