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BY E-MAIL AND WEB POSTING

January 14, 2022

**To: All Licensed Electricity Distributors
All Licensed Unit Sub-Meter Providers
All Licensed Electricity Retailers
Independent Electricity System Operator (IESO)
All Other Interested Parties**

Re: Changes to Regulated Price Plan Prices for January 18 to February 7, 2022

In accordance with [amendments](#) made to O. Reg. 95/05 (Classes of Consumers and Determination of Rates) under the *Ontario Energy Board Act, 1998*, the Ontario Energy Board (OEB) [reset](#) Regulated Price Plan (RPP) prices today for the period from January 18 to February 7, 2022. During this period, all RPP consumers, whether they are on time-of-use (TOU) or tiered pricing, will pay a fixed price of 8.2 ¢/kWh for all the electricity they consume, regardless of the time of day or the total volume consumed. When the temporary fixed pricing ceases, RPP consumers will revert to paying the prices published by the OEB on October 22, 2021 as set for the period beginning November 1, 2021.

Similar to guidance provided in respect of previous government electricity pricing relief initiatives during the COVID-19 pandemic, including on [December 22, 2020](#), the OEB is issuing this letter to provide direction to regulated entities on the implementation of the temporary 8.2 ¢/kWh fixed price.

Electricity Distributors

Billing

The 8.2 ¢/kWh price applies to electricity consumed from the beginning of the day on January 18, 2022 until the end of the day on February 7, 2022.

For their RPP consumers on TOU pricing, distributors must take steps to ensure that invoices reflect 8.2 ¢/kWh as the price for each of the on-peak, mid-peak and off-peak periods for electricity consumed from January 18 to February 7, 2022. The bill must still show, as separate line items, the volume of electricity consumed in each TOU period (off-peak, mid-peak and on-peak), but for each period the price will be the same (8.2 ¢/kWh). For many consumers, it will be necessary to issue bills with six line items. For instance, a bill covering the period January 1, 2022 to January 31, 2022 would show three line items at the TOU prices in effect from January 1 to January 17, 2022, and three line items at the TOU prices in effect from January 18 to January 31, 2022 (8.2 ¢/kWh).

Similarly, for consumers on tiered pricing, invoices must still display tier 1 and tier 2 as separate line items, but 8.2 ¢/kWh will be the price for both tiers for consumption during the period from January 18 to February 7, 2022. For bills that include consumption both during the period the 8.2 ¢/kWh fixed price is in effect and before or after that period, the bill would show four line items: for example, a bill covering the period January 1, 2022 to January 31, 2022 would show two line items at the tiered prices in effect from January 1 to January 17, 2022, and another two line items at the tiered prices in effect from January 18 to January 31, 2022 (both of which would be 8.2 ¢/kWh).

If a distributor issues a bill to an affected customer before the distributor has implemented the 8.2 ¢/kWh fixed price, it must make the necessary adjustment on the following bill. Distributors may delay sending any bills to affected customers until they can implement the price change.

Notice to Customers

Under section 3.8.1 of the Standard Supply Service Code, distributors are required to post a notice of an RPP price change on their website at least 15 days before the change takes effect, in accordance with any directions that may be issued by the OEB.

The 15-day deadline cannot be met in the circumstances, and the OEB is therefore directing distributors to post a notice as soon as reasonably possible. Distributors should also make their best efforts to inform customers by other mechanisms, such as social media and e-mail, in order to reduce the number of customer enquiries. To provide support, the Ministry of Energy has prepared materials and shared them with distributors to assist them in communicating the fixed price to customers. The OEB has also posted similar [FAQs](#) on its website that distributors and others may use.

“Electing Spot Consumers” and Customers on Retail Contracts

The temporary 8.2 ¢/kWh fixed price does not apply to “electing spot consumers” within the meaning of the Standard Supply Service Code (i.e., customers who have opted out of the RPP in favour of market-based pricing), or to customers who have a retail contract.

Customer Choice Initiative

The introduction of the temporary 8.2 ¢/kWh fixed price will not affect the Customer Choice Initiative, under which RPP consumers with eligible meters are allowed to switch between TOU and tiered pricing. Distributors must continue to process any customer election forms during the period that the fixed price is in effect.

Settlement with IESO

The OEB will communicate further with distributors and the IESO regarding settlement matters as may be needed.

Although the temporary price is expected to result in lower total RPP revenues collected by the IESO, the OEB understands that the Government intends for the financial impact of the price change to be covered by provincial revenues. As a result, distributors will not hold any variances in their retail settlement variance accounts associated with the 8.2 ¢/kWh fixed price. Distributors may also refer to the OEB’s [guidance](#) from April 2, 2020 regarding impacts on RPP settlements when there are two sets of RPP prices in a single month.

Cost Recovery

Based on experience with similar temporary fixed pricing initiatives related to the COVID-19 pandemic, the OEB does not expect that distributors will incur significant costs to implement the new 8.2 ¢/kWh fixed price. However, any incremental costs may be tracked in the generic deferral account that has been established to record impacts arising from the COVID-19 pandemic. Distributors should refer to the OEB’s June 17, 2021 [Report](#) on the regulatory treatment of impacts arising from the COVID-19 emergency, which addresses cost recovery for the impacts of COVID-19-related initiatives.

Unit Sub-Meter Providers (USMPs)

USMPs are reminded that they must pass on the savings resulting from the 8.2 ¢/kWh fixed price to their customers. Where a building served by a USMP is on RPP prices, the USMP must ensure that the new price that will be reflected on the bulk bill from the distributor is flowed through to the USMP's customers.

Retailers

The 8.2 ¢/kWh fixed price does not apply to consumers who have a contract with an electricity retailer. The OEB does not intend to update the mandatory Price Comparisons that retailers are required to provide to prospective and renewing low-volume customers to reflect the 8.2 ¢/kWh fixed price. However, the OEB would consider it an unfair practice within the meaning of the *Energy Consumer Protection Act, 2010* if a retailer did not explain the 8.2 ¢/kWh fixed price on their websites and in any other communications with low-volume customers prior to entering into a contract while the temporary fixed pricing is in effect.

Closing

Any questions relating to this letter should be directed to the OEB's Industry Relations Enquiry e-mail at IndustryRelations@oeb.ca. Please include "RPP Prices for January 18 to February 7" in the subject line.

Yours truly,

Original Signed By

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