



Ontario
Energy
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March 24, 2020

BY EMAIL AND WEB POSTING

**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: Immediate Changes to Time-of-Use Prices in Response to Coronavirus
Emergency**

Background

On March 17, 2020, the Government of Ontario declared a state of emergency under the *Emergency Management and Civil Protection Act* (EMCPA) to help fight the spread of COVID-19.

On March 24, 2020, the Government issued an Emergency Order under the EMCPA fixing the electricity commodity price for Regulated Price Plan (RPP) consumers that are paying time-of-use (TOU) prices at 10.1 ¢/kWh for each of the on-peak, mid-peak and off-peak hours of every day for the period during which the Emergency Order is in effect. The Emergency Order applies throughout the Province to electricity consumed from the first moment of the day on March 24, 2020 until the last moment of the day on April 7, 2020. The Emergency Order can be extended, and the Government has announced that it intends to keep the 10.1 ¢/kWh pricing in place for 45 days.

The Emergency Order supersedes the TOU prices set by the OEB on November 1, 2019 (10.1 ¢/kWh off-peak, 14.4 ¢/kWh mid-peak, and 20.8 ¢/kWh on-peak).

The purpose of this letter is to provide direction to regulated entities on the implementation of the Emergency Order.

Electricity Distributors

Billing

Distributors must take steps to ensure that their invoices reflect 10.1 ¢/kWh as the price for each of the on-peak, mid-peak and off-peak periods for electricity consumed during the period that the Emergency Order is in effect. The TOU periods are not changing; what is changing are the prices for the on-peak and mid-peak periods, bringing those prices down to the level of the off-peak price.

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 (10.1 ¢/kWh). For many consumers, it will be necessary to issue bills with six line items – three line items at the TOU prices in effect until the end of the day on March 23, 2020 and three line items at the TOU price of 10.1 ¢/kWh while the Emergency Order is in effect.

To assist distributors with the implementation of the emergency TOU price, the IESO, in its capacity as the Smart Metering Entity, is implementing an automated global price change process that will be effective immediately. This is the same process used for the regular seasonal price changes, so distributors will not need to submit segmented bill requests to reconcile their billing cycle submissions for the correct pricing period. The OEB understands that the IESO will be providing further guidance in this regard to distributors.

RPP customers that are paying TOU prices are entitled to the pricing set out in the Emergency Order effective the first moment of the day on March 24, 2020. If a distributor issues a bill to an affected customer before the distributor has implemented the pricing required by the Emergency Order, it must make the necessary adjustment on the following bill. Distributors may hold off on sending any bills to affected customers until they can implement the price change.

Notice to customers

The OEB confirms that the requirement for distributors to post a notice of an RPP price change on their website 15 days in advance does not apply in the circumstances.¹ Nevertheless, customer communication is crucial. The OEB expects every distributor to advise TOU customers of the price change by means of a posting on its website as a minimum, for as long as the Emergency Order remains in effect. Distributors should

¹ Standard Supply Service Code, section 3.8.1.

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. Distributors will have received some messages from the Ministry of Energy, Northern Development and Mines that they may use for their own communications purposes. For reference, below is some messaging that the OEB has developed for our own public outreach, which distributors are also free to adapt for their own use, including the reference to the OEB website (in English and/or French as appropriate):

Message for Customers on Time-of-Use Pricing

In response to the outbreak of COVID-19, the Government of Ontario issued an Emergency Order under the *Emergency Management and Civil Protection Act*. As a result, starting on March 24, 2020 residential and small business customers on time-of-use (TOU) pricing will pay **10.1 ¢/kWh no matter what time of day the electricity is consumed**. This means that TOU customers will be paying the “**off-peak**” price throughout the day as long as the Emergency Order remains in place. The Government has indicated that it intends to keep the 10.1 ¢/kWh pricing in place for 45 days.

The 10.1 ¢/kWh pricing applies automatically – no customer action is required. Some customers may receive a bill before their utility or unit sub-meter provider is able to implement the price change, in which case they will receive a credit on the following bill.

For more information please visit the Ontario Energy Board website at oeb.ca.

Scope of the Emergency Order

The Emergency Order does not apply to RPP customers on tiered pricing, or 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). It also does not apply to customers that have a retail contract.

Settlement with IESO

The emergency change in TOU prices will not affect the way distributors settle with the IESO. RPP settlement claims for the period when the Emergency Order is in effect will continue in the normal manner, which facilitates implementation of the price change and assists in minimizing the need for retroactive adjustments. Distributors are to continue to settle for differences between the RPP revenue and the market cost of energy based on

the Global Adjustment and Hourly Ontario Energy Prices in accordance with the OEB's [accounting guidance dated February 21, 2019](#).

Although the Emergency Order 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 Emergency Order.

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

Cost Recovery

The OEB recognizes that there may be costs to distributors associated with implementing the Emergency Order. Although it is not expected that these costs will be material, the OEB will allow distributors to track them, as well as any costs associated with the March 19, 2020 extension of the winter disconnection ban (EB-2020-0109) and other costs associated with the COVID-19 pandemic, in a deferral account. A letter to that effect will be issued shortly.

Other

The OEB has established two sets of TOU time periods: winter and summer. If the Emergency Order is extended to last 45 days as intended, it would go beyond the first day of the summer period, May 1, 2020. The OEB has heard from some distributors that it may be challenging to adjust their bills twice in short order, once for May 1, 2020 to reflect the start of the summer TOU price periods, and then again when the Emergency Order ceases to have effect. The OEB will provide guidance on this shortly.

Some distributors have also asked about what other types of relief they may offer to customers during the pandemic, including whether they may waive or lower late payment charges included on their approved tariff of rates and charges. The OEB will provide guidance on this shortly as well.

Unit Sub-Meter Providers (USMPs)

USMPs are reminded that they must pass on the savings resulting from the Emergency Order to their customers. Where a building served by a USMP is on RPP TOU prices, the USMP must ensure that the lower prices for on- and mid-peak that will be reflected on the bulk bill from the distributor are flowed through to the USMP's customers.

Retailers

The Emergency Order 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 prices fixed by the Emergency Order. 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 emergency price relief on their websites and in any other communications with low-volume customers prior to entering into a contract while the Emergency Order is in effect. To that end, electricity retailers may also adapt the OEB's messaging above for their own use.

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 "TOU Emergency Order" in the subject line.

Yours truly,

Original Signed By

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Vice President
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