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Electricity Pricing Pilots Test More Choice for Residential Consumers

The Ontario Energy Board (OEB) is in the process of redesigning its Regulated Price Plan (RPP), under which it sets prices for more than 90% of Ontario's electricity customers. Key objectives of this comprehensive revamping of the RPP are responding to policy objectives, improving system efficiency and giving customers greater control.

One of the major elements of the OEB's review of the RPP is the implementation of pilots for new pricing and non-pricing mechanisms. The OEB has approved a number of pilot projects to explore different ways of giving customers greater choice in what they pay for electricity use at different times, and more tools to help them better understand and manage their electricity costs.

To date, the OEB has selected the following utilities to run RPP pilots: Alectra Utilities, London Hydro and Oshawa PUC Networks Inc. Applications by other utilities are under review.

The pilot projects approved by the OEB involve different price plans, non-price features such as in-home controls and real-time feedback on consumption, and combinations of both price and non-price features:

Pricing Plans:

- **Enhanced Time-Of-Use:** a larger difference between off- and on-peak prices. The time-of-use (TOU) time periods remain unchanged.
- **Quick Ramping Critical Peak Pricing (CPP):** a lower off-peak rate combined with a higher critical peak rate during short periods when demand for electricity is forecast to be highest.
- **Variable Peak Pricing with CPP:** a peak rate that varies depending on system demand, combined with a higher critical peak rate during short periods when demand for electricity is forecast to be highest.
- **Low Overnight:** a lower-priced period from 12am to 6am all year round, coupled with higher mid- and on-peak rates.
- **Seasonal Time-of-Use with CPP:** two TOU periods (no mid-peak) for three months both in the summer and winter and a flat rate for three months both in the spring and fall, combined with a higher critical peak rate during short periods when demand for electricity is forecast to be highest in the summer and winter months.

- **Super-Peak Time-of-Use:** a simplified two-price plan (on- and off-peak prices only), combined with a higher “super peak” period on summer weekday afternoons.

Communications:

- Some customers will receive day-ahead or just-in-time alerts on price changes, and reports that track electricity use and savings and advise them on electricity consumption.
- Some customers will receive specifically designed and targeted feedback and encouragement to help them reduce both their demand during peak periods as well as their electricity costs.

Technology:

- Some customers will receive devices, such as smart thermostats, to help them better control their electricity usage, or a mobile app that will identify activities within the household that use a lot of electricity.
- Some customers will have utility-operated in-home controls that remotely lower a customer’s demand in response to a critical peak event.

Participants: A total of approximately 18,000 customers are expected to be involved in the pilot projects that have been approved by the OEB to date.

Call the OEB – For more information, give us a call at 1-877-632-2727 (toll-free) or visit our website at www.oeb.ca.

