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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 per cent of Ontario's electricity customers. This review is intended to result in RPP prices that give customers greater control over their electricity consumption and costs as well as improve system efficiency.

One of the major elements of the review is 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.

The OEB has approved pilots to get real-world experience to inform how electricity is priced for RPP customers in the future, potentially unlocking more value for them and the electricity system as a whole in the process. Approximately 20,000 customers are expected to be involved in the pilots that have been approved by the OEB.

The following companies have been selected by the OEB to run RPP pilots: London Hydro, Alectra Utilities, Oshawa Power, Hydro One and a group of six utilities called CustomerFirst (Greater Sudbury Hydro Inc., North Bay Hydro Distribution Ltd., PUC Distribution Inc., Espanola Regional Hydro Distribution Corp., Northern Ontario Wires Inc. and Newmarket-Tay Power Distribution Ltd.).

The pilots 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. Features of these pilots include:

Pricing Plans:

- **Enhanced Time-Of-Use:** a larger difference between off- and on-peak prices. The time-of-use (TOU) time periods remain unchanged.
- **Variable Peak Pricing with Critical Peak Pricing (CPP):** a two-price plan with an on-peak price that varies depending on system demand. A higher critical peak price applies during short periods when demand for electricity is forecast to be highest.
- **Seasonal Time-of-Use with CPP:** a two-price plan in summer and winter, and a flat price in spring and fall. Combined with a higher critical peak price 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.

- **Hourly Pricing:** fluctuating hourly price May through September. During this period, a customer will pay either a high or low range of hourly prices depending on demand for electricity. The remainder of the year customers pay a flat price.
- **Flat rate:** customers are charged a single non-varying price, at a premium to the average RPP price for electricity.

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.

London Hydro's year-long pilot will include 1,600 customers and the following price and non-price features:

- **Real Time:** will allow selected customers to use a smartphone app to monitor their electricity consumption in real-time and turn off appliances in their homes remotely. These customers will pay prevailing TOU prices.
- **Critical Peak Pricing (CPP):** London Hydro will install a device on the electrical panel of selected customers' homes, allowing the utility to remotely turn off appliances when demand is forecast to be at its highest. These customers will pay a lower off-peak price but be exposed to a higher price during times of higher demand. The CPP event only lasts for an hour and customers have the option of overriding the device as needed.

Call the OEB – For more information, contact Tara Brautigam at 647-640-2194 or visit our website at www.oeb.ca.