

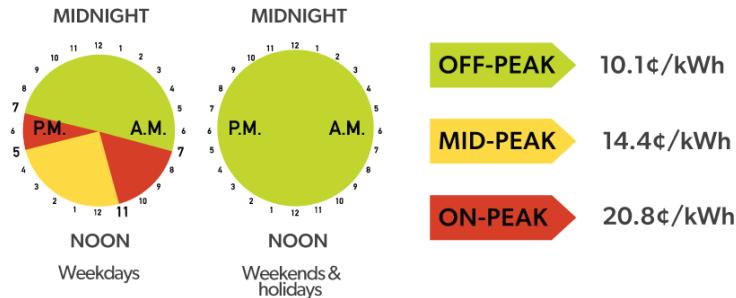
April 14, 2020

Ontario Energy Board to defer May 1, 2020, electricity price setting and maintain the current winter time-of-use price periods and residential tier threshold.

Why is the OEB deferring summer RPP price setting?	<p>The OEB reviews electricity commodity prices under the Regulated Price Plan (RPP) every six months. As part of its review, it forecasts how much it will cost to supply RPP consumers with the electricity they are expected to use. Based on the forecast, new prices are set on May 1 and November 1 as required to recover the cost of that supply over time.</p> <p>The ongoing COVID-19 emergency has resulted in extraordinary uncertainty around various aspects of the supply cost and electricity demand estimates that underpin RPP prices. This uncertainty casts significant doubt on the reliability of forecasting supply costs or RPP customer demand. The OEB has therefore decided to leave RPP prices at the levels at which they were set on November 1, 2019.</p> <p>For customers on time-of-use (TOU) pricing, this means that the RPP prices as set by the OEB for November 1, 2019, will apply once the emergency TOU pricing implemented by the government ceases to have effect. As noted below, these prices will apply based on the winter TOU price periods.</p> <p>Consumers on tiered pricing will see no change relative to the RPP prices and tier threshold in effect today.</p> <p>The OEB will monitor the impact of the COVID-19 emergency on supply costs and electricity demand and may make pricing adjustments if warranted before the next regularly scheduled price review for November 1, 2020.</p>
Why is the OEB maintaining the winter TOU price periods and residential tier threshold?	<p>Retaining the winter TOU price periods means that the mid-peak price, rather than the higher on-peak price, will apply weekday afternoons (11 a.m.-5 p.m.), which can be a time of high electricity use for those at home, especially in summer.</p> <p>By keeping the winter tier threshold (1,000 kWh) in place, customers that are on tiered pricing have an additional 400kWh/month available at the lower price.</p> <p>For all customers, conservation remains an important way to help manage electricity costs. The Independent Electricity Operator offers tips to help consumers conserve while they are working from home.</p>
Will maintaining the winter RPP price structures result in higher electricity bills later? What about the cost of the emergency TOU pricing?	<p>The decision to keep the winter price structures in place has the potential to create a shortfall in the recovery of the cost of electricity supplied to RPP customers. Any such shortfall will eventually need to be recovered from RPP customers through RPP prices in the future. However, given current uncertainties, deferring the recovery of any potential shortfall and providing a measure of price stability is in the best interests of consumers and contributes to the government's efforts to support them when they are staying at home.</p> <p>On March 24, 2020, the Government of Ontario issued an Emergency Order, which fixed TOU prices at the off-peak price of 10.1 ¢/kWh for all hours of the day. The OEB understands that the Government intends for the financial impact of the emergency TOU pricing to be covered by provincial revenues. As a result, there will be no impact on the Electricity line of RPP customers' bills.</p>



Winter time-of-use prices and hours will continue after May 7, 2020



General information about the RPP

What is the RPP and how are prices calculated?	<p>The RPP provides stable and predictable electricity pricing, encourages conservation and ensures the price customers pay for electricity better reflects the forecast cost of supply. It has been in place since 2005.</p> <p>The OEB sets prices based on a 12-month forecast. The OEB reviews prices twice a year (in the spring and fall) and resets them as required to recover the forecast cost of supply.</p> <p>With TOU pricing, customers pay prices that generally reflect the relative value of electricity supply at different times of the day. There are three TOU periods – on-peak, mid-peak and off-peak. Prices are highest during on-peak, lower during mid-peak and lowest during off-peak.</p> <p>Under tiered prices, a customer can use a certain amount of electricity each month at a lower price. Once that limit is exceeded, the price goes up.</p> <p>Visit oeb.ca for more information about TOU prices and tiered prices.</p>
Will I be better off signing up with an electricity retailer?	<p>Customers who are considering signing up with an electricity retailer should do their homework before entering into a contract. That means taking the time to compare the contract offer and the prices charged by your utility. Be sure to read and understand the contract and other information that the electricity retailer is required to give you if you choose a contract.</p> <p>For more information about energy contracts, visit oeb.ca.</p>

Media Inquiries

Phone: 416-544-5171

Email: oebmedia@oeb.ca

Ce document est aussi disponible en français.



P.O. Box 2319, 2300 Yonge Street, Toronto, Ontario, Canada M4P 1E4
C.P. 2319, 2300 rue Yonge, Toronto, Ontario, Canada M4P 1E4

416.314.2455 1.877.632.2727 416.440.7656
OEB.ca