

Regulated Price Plan

The Regulated Price Plan (RPP) is designed to provide stable and predictable electricity pricing. It encourages conservation and ensures the price consumers pay for electricity better reflects the price paid to generators that produce the electricity. Several price plans are offered under the RPP and most residential and small business customers in Ontario pay for the electricity commodity portion of their bill through the RPP.

Prices set under the RPP appear on the electricity line of eligible customer bills. Each year, the Ontario Energy Board (OEB) sets electricity prices for households, small businesses, and farms on November 1. Prices are set based on a forecast of how much it will cost to supply electricity to RPP consumers over the next 12-month period.

Each spring, on May 1, Time of Use (TOU) summer hours and Tiered program thresholds take effect. Hours for the Ultra-low Overnight (ULO) price plan remain constant year-round. See more about price plans in the **Frequently Asked Questions** section, below.

For the RPP period of November 1, 2023, to October 31, 2024, it will cost approximately \$6.7 billion to supply RPP customers with electricity.

Methodology Used to Set RPP Prices

There are two essential steps:

- Forecasting the RPP supply cost for 12 months going forward, and looking back at the previous 12 months, to determine if a true-up is needed to clear any under collection or over collection for the prior period. Any over collected amounts will be applied and prices in the next period will be lower than they otherwise would have been. Conversely, if the prices set for the prior year resulted in an under-collection, the outstanding balance will be added to the price for the next period.
- Establishing prices to recover the above from RPP consumers over the 12-month period.

The calculation of the RPP electricity supply cost involves several separate forecasts, including:

- Hourly market price of electricity
- Electricity consumption pattern of residential, small business and farming consumers
- Electricity supplied by assets of Ontario Power Generation Inc. whose price is regulated by OEB
- Costs related to the contracts signed by non-utility generators with the former Ontario Hydro, and

- Costs of the supply contracts, and conservation and demand management initiatives of the Independent Electricity System Operator.
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FAQs

What are the different types of price plans?

Recognizing that electricity consumers have different needs, the RPP offers three pricing options including Time of Use (TOU), Ultra Low Overnight (ULO) and Tiered. We set TOU, ULO and Tiered prices so that they all recover the same forecast average cost of supply for a typical RPP consumer.

With TOU and ULO, the price depends on when you use electricity. This means you can help manage your electricity costs by shifting your usage to lower price periods when possible. With Tiered, the price depends on how much electricity you use in a month.

How to choose the right pricing option?

Choosing the right pricing option depends on your personal usage and lifestyle. Some customers may prefer TOU or ULO prices. For instance, customers who work different shifts may be able to use more of their electricity at times when lower off-peak prices apply. Other customers, like those charging an electric vehicle, may also want to take advantage of the ULO price, which applies from 11 p.m. - 7 a.m. every day. Others may prefer Tiered prices because their usage rarely exceeds 1,000 kWh in a month in winter or 600 kWh in a month in summer.

There are a few things to consider when deciding whether to switch price plans. How much electricity do you use in a month? Can you shift your use to lower priced times of the day or week, like evenings and weekends? Does the amount of electricity you use change based on the season?

There is no guarantee you will save money by switching price plans. Compare TOU, ULO and Tiered prices using our [Bill calculator](#). For more information, please visit oeb.ca/choice.

Can all electricity customers choose their pricing plans?

The choice between TOU, ULO and Tiered prices **is only available to residential and small business customers who have smart meters and are billed under the OEB's RPP**. Some residential and small business customers are charged Tiered prices because their meters can't be used to bill TOU prices. They can't switch to TOU or ULO prices at this time.

If you live in a condominium or apartment (multi-unit buildings and, sometimes, townhomes), your unit has its own individual meter and your electricity bill comes from a company other than the local utility, you are a customer of a **Unit Sub-Meter Provider (USMP)**.

USMP customers cannot choose their pricing plan because those types of decisions, which are made for all units in the dwelling, reside with the “principal consumer.” The principal consumer is typically the property manager, landlord or condominium board.

If you buy your electricity from an energy retailer, you pay the electricity price set out in your contract. Electricity contract prices are not set by the OEB. If you choose to leave the retail contract, you may have the choice to open an account with a local utility and then have the option to pay TOU, ULO or Tiered prices. For details about energy contracts, customers should contact their energy retailer.

Can I switch to another price plan?

If you're a residential or small business customer, you can choose to switch between TOU, ULO and Tiered prices. However, there are several factors to consider when deciding which price plan best suits your needs and lifestyle. [Find out more.](#)

To switch price plans, you must notify your utility by completing an election form, which can be found by contacting, or visiting the website of, your local electric utility. If you have chosen to switch price plans and later decide you want to go back, you can do that at any time.

If you are a customer of a USMP, you cannot switch between pricing plans. Those types of decisions, which are made for all units in the dwelling, reside with the “principal consumer.” The principal consumer is typically the property manager, landlord or condominium board.

Additional Resources

- [Ten things to know about electricity bills.](#)
- Understand more about [the electricity line of your bill.](#)
- Compare TOU, ULO and Tiered prices using the OEB's [Bill calculator.](#)