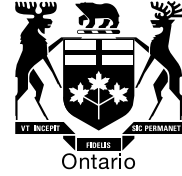


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**VIA EMAIL AND WEB POSTING**

April 13, 2017

Syed Mir  
VP Corporate Services & CIO  
London Hydro  
111 Horton Street,  
London, ON N6A 4H6

Dear Mr. Mir:

**Re: London Hydro Regulated Price Plan Pilot Application  
(Board File No. EB-2016-0201)**

In July 2016, the Ontario Energy Board (OEB) invited electricity distributors to submit applications to conduct pilots to test price and non-price programs, as part of its Regulated Price Plan (RPP) Roadmap. In response to this invitation, London Hydro submitted a pilot proposal that would test three different scenarios. The OEB has completed its review of London Hydro's proposed pilot project, and has decided to approve it subject to certain conditions.

London Hydro's RPP pilot project is designed to test the following pricing approaches:

1. Quick-ramping critical peak pricing (CPP) with load control technologies, using critical peak prices that will be approved by the OEB for this purpose;
2. Real-time information feedback delivered through a home energy management system, in combination with such RPP prices as may be current at the relevant time; and
3. A combined study which will test quick-ramping CPP and real-time information feedback.

All enrolled customers will be charged in accordance with the applicable pilot pricing approach for at least one year. Those involved in approach #2 will pay status-quo time-of-use rates as updated from time to time by the OEB in the normal course; those involved in approaches #1 and #3 will pay CPP rates at established times or under defined conditions, each of which will be approved by the OEB and updated from time to time. The use of control groups will help to verify that participants' behavioural responses are a result of the differing treatments within the pilot.

London Hydro has identified that its RPP pilot will take approximately two years to complete once initiated, including its final report, at an estimated cost of \$2.731M, including in-kind contributions valued at \$360,000 from London Hydro and its partners. The OEB expects London Hydro to deploy and run its RPP pilot on schedule and within budget. Any scheduling or cost changes will need to be approved in advance by the OEB, and the need for such changes will need to be rigorously justified by London Hydro.

The OEB is satisfied that London Hydro's proposed pilot meets the pilot requirements laid out in the *Regulated Price Plan Roadmap: Guideline for Pilot Projects on RPP Pricing* (RPP Guideline), conforms to the price and non-price pilot framework laid out in the RPP Roadmap and will support the OEB's efforts in determining price alternatives that can complement the ongoing review of the RPP.

In accordance with a direction from the Minister of Energy to the Independent Electricity System Operator (IESO) dated December 16, 2016, funding for London Hydro's pilot, other than the in-kind contributions detailed above, will be paid out of the IESO's Conservation Fund.

The OEB's approval of London Hydro's pilot is subject to the Conditions of Approval set out in Attachment A to this letter and to the execution of a standard form contract between London Hydro and the IESO to access the Conservation Fund.

As part of the pilot program, applicants will be required to complete regular monitoring reports, in addition to filing interim results and a final report. Subject to addressing confidentiality concerns, all such reports may be posted on the OEB's website. A schedule for filing these reports with the OEB is provided in Attachment B. A copy of the Monitoring Report template is contained in Attachment C to this letter.

The OEB requests that London Hydro submit updated project timelines based on the approval date of this letter within 15 days of the date of this letter in order to support the OEB's monitoring of the pilot's performance against project timelines.

Any questions can be directed to [RPP.Pilots@oeb.ca](mailto:RPP.Pilots@oeb.ca) and should cite “London Hydro” in the subject line.

Sincerely,

*Original signed by*

Mary Anne Aldred  
General Counsel & Vice President, Legal Services & Strategic Policy  
Ontario Energy Board

## Attachment A – Conditions of Approval

1. **Notice of Changes:** London Hydro shall notify the OEB of any proposed changes to the scope, budget/costs, timing/schedule and/or objective(s) of the pilot. These changes are subject to OEB approval.
2. **Publicity:** London Hydro shall obtain prior OEB approval of all recruitment and promotional materials proposed to be used by London Hydro in relation to the pilot. London Hydro shall include such references to the OEB in such materials as may be directed by the OEB, but shall not refer to the OEB in any communications without the OEB's prior approval. London Hydro shall use best efforts to seek OEB approval regarding such recruitment and promotional materials no less than 15 days prior to their intended use, or by prior consent of the OEB on any shorter period.
3. **Information and Reporting:**
  - (a) London Hydro shall provide regular Monitoring Reports and file an Interim Results Report and a Final Results Report with the OEB in accordance with the schedule outlined in Attachment B. The reporting schedule is subject to change at the OEB's discretion.
  - (b) London Hydro shall make all reasonable efforts to prepare its Monitoring Reports and Results Reports in such a manner that they do not contain confidential or personal information. If it is necessary for a Monitoring Report or a Results Report to contain confidential or personal information in order for the contents of the Report to be meaningful, London Hydro shall clearly identify the confidential or personal information and file the relevant Report in confidence. London Hydro will, if requested by the OEB, prepare a version of the Report from which confidential or personal information has been redacted such that the Report can be communicated to third parties or posted on the OEB's website. Despite the above, the OEB may provide a copy of the confidential version of the Report to the IESO or the Ministry of Energy.
  - (c) London Hydro shall provide such other information and materials relating to the pilot as the OEB may request from time to time.
  - (d) London Hydro shall maintain proper and distinct books and records relating to the pilot for examination and audit by the OEB, including for the purposes of measurement and verification of the pilot results and impacts.

4. **Opt-Out Provisions:** London Hydro shall inform participants about their right to opt out of a pilot project at any time, if they wish to do so.
  
5. **Compliance with Conservation First Evaluation, Measurement & Verification Protocols and Requirements:** London Hydro shall use all applicable Conservation First Evaluation Measurement & Verification Protocols and Requirements to ensure consistency in evaluation and to facilitate comparability across different RPP pilots as well as other Conservation and Demand Management activities in Ontario.

**Attachment B – Reporting Requirements**

The following schedule outlines the reporting requirements that are to be filed with the OEB.

<b>Timeframe</b>	<b>Report</b>	<b>Frequency</b>
From Contract Execution until Pilot Project(s) is/are Fully Deployed	Monitoring Report	Monthly
From Pilot Deployment until Interim Results Report	Monitoring Report	Bi-Monthly
6 Months after Completion of Recruitment Phase	Interim Results Report	Once
4 Months After Completion of Pilot	Final Results Report	Once