



Advocacy Centre for Tenants Ontario
Centre ontarien de défense des droits des locataires

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January 10, 2011

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms Walli:

**Re: Consultation on Regulated Price Plan Time-of-Use Pricing
Board File No.: EB-2010-0364**

The Advocacy Centre for Tenants Ontario (“ACTO”) is a specialty legal clinic, established and funded by Legal Aid Ontario, with a focus on residential tenancy issues for low-income Ontarians, including housing-related energy issues. ACTO is a founding member of, and works closely with, the Low-income Energy Network (“LIEN”), a province-wide organization of more than 80 member groups that acts on issues that are of concern to low-income energy consumers. ACTO and LIEN welcome this opportunity to comment on The Brattle Group’s White Paper titled ***Assessing Ontario’s Regulated Price Plan*** which reviews Ontario’s current Time-of-Use (TOU) pricing and presents alternative TOU rate designs to increase the peak-to-off peak price for consideration.

ACTO and LIEN are extremely concerned about the adverse impact of TOU pricing on low-income consumers and their ability to respond to price signals by shifting or reducing their electricity use. As The Brattle Group’s report points out on page 4, the Ontario TOU pilot studies have been limited and there is a need for a better understanding of the impact of TOU rate on currently enrolled customers.

Dr. Ahmad Faruqui, one of the authors of The Brattle Report, indicated at the stakeholder session held on December 21, 2010 that low-income consumers will benefit from TOU rates even without demand response. This is a conclusion which is also discussed in detail in the Institute for Electric Efficiency (IEE) Whitepaper ***The Impact of Dynamic Pricing on Low Income Customers*** which was co-prepared by Dr. Faruqui. The IEE Whitepaper has been critiqued in a report to the Maryland Office of the People’s Counsel by Nancy Brockway and Rick Hornby (attached for your reference).

Ms Brockway and Mr. Hornby concluded in their paper (page 20) that:

The authors of the IEE Whitepaper on the impact of dynamic pricing on low-income customers state that their "core finding" is that "low income customers are responsive to dynamic rates and that many such customers can benefit even without shifting load." The two conclusions in this core finding are very general, they may or may not apply to various utilities and, in any case, they will vary in degree from utility to utility around the country.

ACTO and LIEN recommend that the Board should not proceed with the roll-out of TOU pricing to low-income customers before a comprehensive examination of this vulnerable sector's energy use characteristics and the most effective ways to reduce their energy use without putting these individuals in financial or physical risk.

Sincerely,

Advocacy Centre for Tenants Ontario

Per:

Original signed by,

Mary Todorow

Research/Policy Analyst

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Attachment