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**Commission de l'énergie
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VIA EMAIL AND WEB POSTING

April 25, 2017

Dennis Nolan
Corporate Secretary and Executive Vice President
Alectra Utilities
161 Cityview Blvd
Vaughan, ON L4H 0A9

Dear Mr. Nolan:

**Re: Alectra Utilities 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, Alectra Utilities submitted a pilot proposal that would test multiple rate treatments in conjunction with several technology and communications options to identify their impact on customer behaviour, energy use and costs. The OEB has completed its review of Alectra Utilities' proposed pilot project, and has decided to approve it subject to certain conditions.

Alectra Utilities' RPP pilot project is designed to test the following pricing and non-pricing approaches:

1. Enhanced time of use (TOU) with a higher on-to-off peak differential;
2. Enhanced TOU with low overnight off-peak rates and quick-ramping critical peak pricing (CPP) for electric vehicle owners;
3. Variable peak pricing with CPP;
4. Real-time information feedback delivered through a home energy management system; and

5. Behavioural communication messaging delivered through personalized data and reports and provide TOU price alerts and energy advice or tips.

All enrolled customers will be charged in accordance with the applicable pilot pricing approach for at least one year. All price treatments are to be finalized and approved by the OEB and will be updated from time to time. Customers will either be placed into a price treatment, a non-price treatment, into both a price and non-price treatment, or into a control group. Customers who are only receiving a non-price treatment or are part of the pilot control group will be subject to status-quo TOU prices throughout the entire length of the pilot. The use of control groups will help to verify that participants' behaviour responses are a result of the differing treatments within the pilot.

Alectra Utilities has stated that its RPP pilot will take approximately two years to complete once initiated, including its final report, at an estimated cost of \$9.39M, of which \$1.023M are from in-kind contributions from Alectra Utilities and its partners. The OEB also notes that Alectra Utilities has applied for a deferral account in the amount of \$1.1M to recover the costs associated with extending its current Advantage Power Pricing (APP) pilot for one year. Extending its APP pilot will provide additional long term data on the impacts of alternative rate plans on energy consumption, demand shifting and customer sentiment and also avoid the need to recruit additional customers into the current RPP pilot.

The OEB expects Alectra Utilities 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 Alectra Utilities.

The OEB is satisfied that Alectra Utilities' 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.

The OEB's approval of Alectra Utilities' pilot is subject to the Conditions of Approval set out in Attachment A to this letter.

In accordance with a direction from the Minister of Energy to the Independent Electricity System Operator (IESO) dated December 16, 2016, the IESO's conservation fund will be a source of funding for Alectra Utilities' pilot in amounts determined by the OEB.

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 Alectra Utilities 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 and should cite "Alectra Utilities" 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:** Alectra Utilities 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:** Alectra Utilities shall obtain prior OEB approval of all recruitment and promotional materials proposed to be used by Alectra Utilities in relation to the pilot. Alectra Utilities 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. Alectra Utilities shall use best efforts to seek OEB approval regarding such 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) Alectra Utilities 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) Alectra Utilities 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, Alectra Utilities shall clearly identify the confidential or personal information and file the relevant Report in confidence. Alectra Utilities 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) Alectra Utilities shall provide such other information and materials relating to the pilot as the OEB may request from time to time.
 - (d) Alectra Utilities 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.

6. **Opt-Out Provisions:** Alectra Utilities shall inform participants about their right to opt out of a pilot project at any time, if they wish to do so.

7. **Compliance with Conservation First Evaluation, Measurement & Verification Protocols and Requirements:** Alectra Utilities 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.

Timeframe	Report	Frequency
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