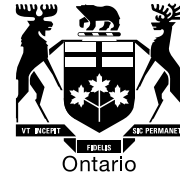


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**BY WEB POSTING**

August 24, 2017

**To: All Interested Parties**

**Re: Approved Prices and Structures for Electricity Pricing Pilots  
Board File No.: EB-2016-0201**

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On November 16, 2015, the Ontario Energy Board (OEB) issued its [Regulated Price Plan Roadmap](#) setting out a multi-year plan to redesign the RPP to better respond to policy objectives, improve system efficiency and give greater customer control. A key element of the Roadmap is the implementation of electricity pricing pilots to test alternative pricing structures. The OEB invited electricity distributors to participate in the development and implementation of priority price pilots, in accordance with the [Guidelines for Pilot Projects on RPP Pricing](#) issued on July 18, 2016.

As stated in the Guidelines, the OEB has responsibility for approving the structure of each pilot as well as the electricity prices used in each pilot. The OEB has now approved the structure and prices for six pilot price plans as set out in Appendix A.

These price plans are based on the priority pilots described in the OEB's Guidelines with, in some cases, modifications that have been proposed by distributors in their applications. The "Low Overnight" pilot, not specifically described in the Guidelines, was proposed in an application from a distributor and has been approved by the OEB.

### **Price-Setting Methodology**

For each pilot price plan that has been approved, the prices have been calculated so as to recover the same revenue as would be expected to be recovered from the RPP time-of-use (TOU) and tiered prices that have been in effect since July 1, 2017 as set out in the OEB's report on [Regulated Price Plan Prices and the Global Adjustment Modifier for the Period July 1, 2017 to April 30, 2018](#). In this way, each pilot price plan has been designed so as to be revenue neutral relative to the existing RPP prices if the pilot were to be implemented throughout Ontario, based on a robust sample of Ontario residential electricity time-of-use consumption data.

## **Critical Peak Pricing Structures**

Several of the approved pilot price plans incorporate irregularly scheduled Critical Peak Price (CPP) events during which a pilot participant's electricity price increases in response to periods of high electricity demand in Ontario. For the purposes of setting the prices for the pilot programs, CPP events need to be defined in advance in order to estimate the expected volume of energy consumption to which these prices will be subject.

In the interest of testing consumer response in different months throughout the year, the OEB has determined that a set number of CPP events will be triggered on the highest demand days in each month that typically experiences high demand, with the exception of the Variable Peak Pricing with CPP pilot plan. That pilot plan is the continuation of Alectra Utilities' existing Advantage Power Pricing plan which triggers 6 CPP events on the highest demand days in both the summer and the winter in whichever month the highest demand days occur in each season respectively. For the purposes of continuity, this structure of triggering 6 CPP events in summer and winter, as opposed to triggering a specific number of events in each month, has been preserved in the Variable Peak Pricing pilot plan as defined in Appendix A.

For most approved pilot plans that incorporate CPP, customers will be notified in advance of a CPP event to provide them the ability to respond to the period of high electricity prices. In the case of the Quick-Ramping CPP pilot plan, participating customers will be equipped with load control devices that can respond automatically to CPP events without the need for direct customer intervention. As such, Quick-Ramping CPP events occur more frequently and over shorter periods of time under this plan relative to the other price plans that incorporate CPP as described in Appendix A.

## **Applicability**

While the OEB will continue to consider different pilot project plans proposed by applicants, any pilot applicant proposing the use of one of the six defined structures set out in Appendix A would be expected to also use the prices for the applicable structure as set out in Appendix A.

The OEB will update these pilot project prices whenever it resets RPP prices so as to ensure reasonable alignment between pilot prices and RPP prices as described under the heading "Price-Setting Methodology" above. The current RPP prices are expected to be in place until April 30, 2018.

Sincerely,

*Original signed by*

Kirsten Walli  
Board Secretary

## Appendix A

### Approved Pilot Structures and Prices

The structure of the six pilot price plans and associated prices that have been approved by the OEB are set out below. Note that, for the sake of brevity, the term “weekdays” refers only to weekdays that are not holidays<sup>1</sup> and the term “weekends” refers to weekends and holidays.

#### A. Enhanced Time-of-Use

- Increases the on- to off-peak price differential from 2:1 (status quo) to 4:1
- Increases the mid- to off-peak price differential from 1.5:1 to 3:1

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am and 7pm – 12am Weekends: All day	Weekdays: 12am-7am and 7pm – 12am Weekends: All day	4.4
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	13.2
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	17.6

#### B. Low Overnight

- Creates a low-priced overnight rate between midnight and 6am
- Slightly lowered mid-peak rate and increased on-peak rate

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Overnight Off-Peak</b>	12am to 6am	12am to 6am	2.0
<b>Off-Peak</b>	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	6.5
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	9.2
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	18.4

<sup>1</sup> Days that are considered holidays for pilot pricing purposes are the same as those that are considered holidays for the purposes of the application of RPP time-of-use prices; namely: New Year’s Day, Family Day, Good Friday, Christmas Day, Boxing Day, Victoria Day, Canada Day, Civic Holiday, Labour Day, and Thanksgiving Day. When any such holiday falls on a weekend (Saturday or Sunday), the next weekday following (that is not also a holiday) is to be treated as the holiday.

**C. Variable Peak Pricing with CPP**

- Price periods are the same throughout the year (no difference between summer and winter)
- Removal of mid-peak price period
- On-peak price period occurs later in the day
- On-peak prices vary depending on system demand
- 12 CPP events throughout the year

Price Period	Hours	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-3pm and 9pm-12am Weekends: all day	4.9
<b>Low On-Peak</b>	50% of Weekdays: 3pm-9pm	10.0
<b>Medium On-Peak</b>	30% of Weekdays: 3pm-9pm	19.9
<b>High On-Peak</b>	20% of Weekdays: 3pm-9pm	39.8
<b>Critical Peak Price</b>	On the top six system peak days in summer and winter, each event lasting four hours. Start time of events determined by peak demand hour of event day.	49.8

**D. Quick-Ramping CPP**

- Discounted off-peak rate
- 48 Quick-Ramping CPP events
- Participants equipped with load control devices to respond to Quick-Ramping CPP events

Price Period	Summer Hours (May through Oct)	Winter Hours (Nov through April)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	5.5
<b>Mid-Peak</b>	Weekdays: 7am – 11am and 5pm – 7pm	Weekdays: 11am – 5pm	9.5
<b>On-Peak</b>	Weekdays: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	13.2

<b>Quick-Ramping Critical Peak Price</b>	On the top eight system peak days in July and August, and the top four system peak days in June and September: two highest consecutive demand hours between 4pm-8pm	On the top eight system peak days in January and February, and the top four system peak days in December and March: two highest consecutive demand hours between 4pm-8pm	49.9
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**E. Seasonal Time-of-Use with CPP**

- Removal of mid-peak price period
- Discounted off-peak rate
- Introduction of a flat rate in the shoulder months of September-November and March-May

Price Period	Summer Hours (June through Aug)	Winter Hours (Dec through Feb)	Shoulder Hours (Sept through Nov, Mar through May)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	N/A	5.3
<b>On-Peak</b>	Weekdays: 7am – 7pm	Weekdays: 7am – 7pm	N/A	13.2
<b>Shoulder</b>	N/A	N/A	All hours	7.9
<b>Critical Peak Price</b>	On the top four system peak days in July and August, and the top two system peak days in June: 4pm-8pm	On the top four system peak days in January and February, and the top two system peak days in December: 4pm-8pm	N/A	26.4

**F. Super-Peak Time-of-Use**

- Removal of mid-peak price period
- Introduction of a Super-Peak period on summer weekday afternoons

Price Period	Summer Hours (June through Aug)	Winter Hours (Sept through May)	Price (¢/kWh)
<b>Off-Peak</b>	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	Weekdays: 12am-7am, 7pm – 12am Weekends: All day	6.3
<b>On-Peak</b>	Weekdays: 7am – 1pm	Weekdays: 7am-7pm	9.5
<b>Super-Peak</b>	Weekdays: 1pm-7pm	N/A	25.3