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April 23, 2019

To: All Rate Regulated Electricity Distributors

All Other Interested Parties

Re: Updated Prices for Electricity Pricing Pilots

Ontario Energy Board File No. EB-2016-0201

On November 16, 2015, the Ontario Energy Board (OEB) issued its <u>Regulated Price Plan Roadmap</u> setting out a multi-year plan to redesign the Regulated Price Plan (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. OEB-approved pilot projects have been in the field for some time and a number are nearing the end of their testing periods.

As stated in the <u>Guidelines for Pilot Projects on RPP Pricing</u> issued on July 18, 2016, the OEB has responsibility for approving the prices used in each pilot. As at April 23, 2018, the OEB had approved 13 such pilot prices.

Each pilot is designed so as to recover the same revenue as would be expected to be recovered from the RPP time-of-use prices in effect at the time of consumption. Given that the OEB has reset RPP time-of-use prices for the period commencing May 1, 2019, it is necessary to update the prices for ongoing pilot projects accordingly.

The OEB has therefore updated the prices of four pilot price plans, applicable to pilots which will continue past April 30, 2019. These updated prices will come into effect May 1, 2019.

The updated prices for the four pilot price plans are listed in Appendix A, which amends the OEB's April 23, 2018 Approved RPP Pilot Structures and Prices resulting in an updated list of <u>Approved RPP Pilot Structures and Prices</u>. All other price plans are revoked effective May 1, 2019 as they are no longer needed.

Sincerely,

Original signed by

Kirsten Walli Board Secretary

Appendix A

Amended Pilot Prices Effective May 1, 2019

This Appendix amends the OEB's April 23, 2018 <u>Approved RPP Pilot Structures and Prices</u>.

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)
Off-Peak	Weekdays ¹ : 12am- 7am, 7pm – 12am Weekends: All day	Weekdays: 12am- 7am, 7pm – 12am Weekends: All day	4.4
Mid-Peak	Weekdays: 7am – 11am and 5pm – 7pm	Weekday: 11am – 5pm	13.2
On-Peak	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)
Overnight Off-Peak	12am to 6am	12am to 6am	2.0
Off-Peak	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	Weekdays: 6am – 7am and 7pm – 12am Weekends: 6am – 12am	6.5

¹ Note that, for the sake of brevity, the term "weekdays" refers only to weekdays that are not holidays and the term "weekends" refers to weekends and holidays. 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.

Mid-Peak	Weekdays: 7am – 11am and 5pm – 7pm	Weekday: 11am – 5pm	9.2
On-Peak	Weekday: 11am – 5pm	Weekdays: 7am – 11am and 5pm – 7pm	18.5

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)
Off-Peak	Weekdays: 12am-3pm and 9pm-12am Weekends: all day	4.9
Low On- Peak	50% of Weekdays: 3pm-9pm	10.0
Medium On-Peak	30% of Weekdays: 3pm-9pm	20.0
High On- Peak	20% of Weekdays: 3pm-9pm	40.0
Critical Peak Price	On top six system peak days in each season, each event lasting four hours. Start time of events determined by peak demand hour of event day.	50.0

E2. Seasonal Time-of-Use

- 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)
Off-Peak	Weekdays: 12am- 7am, 7pm – 12am Weekends: All day	Weekdays: 12am- 7am, 7pm – 12am Weekends: All day	N/A	5.4
On-Peak	Weekdays: 7am – 7pm	Weekdays: 7am – 7pm	N/A	13.6
Shoulder	N/A	N/A	All hours	8.2