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BY EMAIL

May 30, 2019

Dennis Nolan
Corporate Secretary and Executive Vice President
Alectra Utilities
161 Cityview Blvd
Vaughan ON L4H 0A9
dennis.nolan@alectra.com

Dear Mr. Nolan:

Re: Alectra Utilities Regulated Price Plan Pilot – Approval of Proposed Pilot Extension and Modification (Board File No. EB-2016-0201)

On February 15, 2019, the OEB approved Alectra Utilities' (Alectra) request to extend the duration of its RPP pilot projects to May 31, 2019 in order to accommodate Alectra's preparation of a fully developed proposal to extend its pilot project price plans. At the time, the OEB indicated that it was not prepared to entertain a more complete proposal until it had reviewed and accepted Alectra's Interim Results Report. The OEB's acceptance of Alectra's Interim Results Report was confirmed by letter dated April 8, 2019.

On May 9, 2019, Alectra filed its proposal outlining proposed extensions to and modifications of each of the three price plans, including a proposal to increase the frequency of Critical Peak Pricing (CPP) events for a portion of the customers enrolled in its variable peak pricing plan pilot, referred to as the "Dynamic" plan.

The OEB has approved the following two proposals in respect of Alectra's Dynamic plan pilot:

- i. An extension to the Dynamic plan for an additional summer period, through to October 31, 2019. This will enable an assessment of the persistence of the consumption and demand response observed in the summer of 2018.
- ii. Testing of an increase in the frequency of the Dynamic plan CPP events throughout the additional summer period to October 31, 2019. This will help to

evaluate the degree to which customer response to CPP events may be a function of their frequency.

These proposals will not require additional customer recruitment. As set out in Alectra's proposal, customers already enrolled in the Dynamic plan pilot will be randomly assigned into one of the two CPP treatment groups.

The OEB is not approving the proposed extension of and modifications to Alectra's other pilot price plans. For the "Enhanced" plan, Alectra had proposed a five-month extension and the application of an opt-in procedure. For the "Overnight" plan, Alectra had proposed to adjust prices and extend the pilot for five months, as well as adding nudge reports as a communications treatment. In the OEB's view, these proposals are unlikely to produce results that yield significant incremental research value, particularly when considered in light of the design of pilots being deployed by other utilities.

As a next step, the OEB requests that Alectra submit an updated budget and schedule in respect of the above changes within 15 days of the date of this letter in order to support the monitoring of the Dynamic plan pilot's performance against project timelines and budget.

Alectra is expected to manage the incremental cost of the above changes to the duration and scope of its Dynamic plan pilot within the overall OEB-approved budget envelope of \$9.292M. No further funding will be made available. The OEB understands that despite the recent revocation of the Minister of Energy's December 2016 Direction to the Independent Electricity System Operator (IESO), the IESO can accommodate changes to OEB-approved pilot projects under existing contracts as long as no additional funding is provided for.

The OEB's approval of changes to the Dynamic plan pilot necessitates a change to Alectra's results reporting. Alectra is already expected to submit a results report on August 31, 2019 covering results for all three of its pilot price plans through May 31, 2019. Alectra will now also be required to provide a further report, due December 31, 2019, that reports all results for the Dynamic plan pilot from its deployment in the spring of 2018 through to the end of the extension period on October 31, 2019. This new report will constitute the Final Results Report for the purposes of Alectra's reporting milestones and settlement with the IESO.

The form and content of all results reports are expected to follow guidance provided by the OEB.

Sincerely,

Original signed by

Mary Anne Aldred
COO & General Counsel