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May 30, 2019

To: All Rate Regulated Electricity Distributors

All Other Interested Parties

Re: Approved Supplementary Price and Structure for Electricity Pricing Pilot

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.

The OEB has recently granted approval to Alectra Utilities to proceed with a variant of its RPP pricing pilot for a 5-month period. This variant, which will test the application of 9 rather than 6 critical peak pricing events, is described in Appendix A. The design of this price plan variant, entitled Alternate Variable Peak Pricing with CPP, follows substantially the same price-setting methodology used for the originally-approved pilots as described in the OEB's Approved Prices and Structures for Electricity Pricing Pilots.

Sincerely,

Original signed by

Kirsten Walli Board Secretary

Appendix A

This Appendix supplements the OEB's <u>Approved RPP Pilot Structures and Prices and will be effective June 1, 2019</u>. Note that, for the sake of brevity, the term "weekdays" refers only to weekdays that are not holidays¹ and the term "weekends" refers to weekends and holidays.

C2. Alternate Variable Peak Pricing with CPP

- Removal of mid-peak price period
- On-peak price period occurs later in the day
- On-peak prices vary depending on system demand
- 6 CPP events in winter (November through April)
- 9 CPP events in summer (May through October)
- Expires October 31, 2019

Price Period	Hours	Price (¢/kWh)
Off-Peak	Weekdays: 12am-3pm and 9pm-12am Weekends: all day	4.9
Low On- Peak	51% of Weekdays: 3pm-9pm	10.0
Medium On-Peak	30% of Weekdays: 3pm-9pm	20.0
High On- Peak	19% of Weekdays: 3pm-9pm	40.0
Critical Peak Price	On top six system peak days in winter and nine system peak days in summer, each event lasting four hours. Start time of events determined by peak demand hour of event day.	50.0

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¹ 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.