

Ms. Nancy Marconi
Acting Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

March 2, 2022

EB-2022-0074 – Design of an “Optional Enhanced” Time of Use (TOU) Rate
Pollution Probe Comments

Dear Ms. Marconi:

In accordance with the letter from the OEB dated February 18, 2022 for the above-noted consultation, please find below Pollution Probe’s comments related to the design of an optional enhanced time of use (TOU) rate. Pollution Probe commends the Minister of Energy for requesting that the Ontario Energy Board (OEB) report back and advise on the design(s) of an optional enhanced time of use (TOU) rate to further incent demand-shifting away from peak periods to lower demand periods. Pollution Probe also thanks the OEB for the consultation session to walk stakeholders through its draft proposal and this opportunity to provide additional feedback. This is one small step toward leveraging the power of consumers to help Ontario meet its energy and emissions challenges and Pollution Probe encourages the Ministry and OEB to consider the broader set of options to help Ontario consumer manage their energy use, decrease emissions and reduce costs. Related tools include, but are not restricted to Conservation and Demand Management (CDM) programs. Just shifting load when there is an opportunity to also decrease overall load is a lost opportunity. To meet Ontario’s clean energy needs, significant incremental clean electricity will be required and reducing both on-peak and off-peak provides opportunity for energy storage which has been successfully used in other jurisdictions.

Pollution Probe supports the OEB proposal in general. However, just providing a rate incentive without enabling support for programs and technologies will fail to maximize the benefits of time of use rates. The OEB and Ministry should consider the broader tools that will be required to achieve long term objectives. Net metering, CDM, renewables and energy storage all make up part of the solution to provide affordable clean energy to Ontario consumers and. Pollution Probe encourages the Ministry to direct the OEB and IESO to work together to build a comprehensive solution that can be implemented.

Pollution Probe support the “Ultra Low Overnight Price” alternative that the OEB is recommending, with an approximate 10-1 ratio. The highest incentive possible should be leveraged to support TOU switching and coupled with incentives to reduce overall energy usage. Load switching that increases overall energy use will not result in long-term benefits to Ontario since it removes the options for energy storage to be used at peak times or support grid outages.

There is also significant opportunity for the OEB to align future work phases of the Future of Energy Innovation (FEI) to consider how TOU, DER and related tools can be used from a broader consumer and system perspective to meet Ontario’s future energy needs. The current phase of FEI is focused on

immediate short-term options and it is a logical progression to consider these issues as part of the mid-long term.

Energy rates and options can be confusing to typical consumers. The more clear the options and the benefits to them, the more likely a consumer will select a TOU option. Consumers are bombarded with a lot in their daily life and combining communications in a useful consolidated manner is helpful. The Ministry has been a long-time supporter of increased energy literacy and communications and a TOU program provides an opportunity to bundle this with other related topics such as energy efficiency.

Pollution Probe would note that there is a lot of industry activity ongoing for regulatory innovation and modernization that the OEB should consider. Pollution Probe is open to additional discussions on these issues and to share best available information in the future. A few references that the OEB may be interested in include:

- Octopus Energy in the UK (<https://octopus.energy/agile/>)
- IRENA (https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2019/Feb/IRENA_Innovation_ToU_tariffs_2019.pdf?la=en&hash=36658ADA8AA98677888DB2C184D1EE6A048C7470)

Some additional areas that Pollution Probe offers for the OEB to consider are:

- Ensure that any TOU program proposal does not result in increased GHG emissions. It is typical for off-peak energy to be the cleanest, but the OEB should ensure that any program aligns with the objective of energy efficiency and reducing emission, per the OEB Mandate letter dated November 15, 2021.
- There is a clear benefit for EV charging. Collaborating with EV industry partners to communicate the information would be beneficial and reduce communication costs.
- What is the method to measure and evaluate the impact of the program? It would be of value to learn from response to the program and publish the results.
- Consider revisiting the program after a few years to consider any adjustment that may be required.

Respectfully submitted on behalf of Pollution Probe.



Michael Brophy, P.Eng., M.Eng., MBA
Michael Brophy Consulting Inc.
Consultant to Pollution Probe
Phone: 647-330-1217
Email: Michael.brophy@rogers.com

cc: Richard Carlson, Pollution Probe (via email)