

November 8, 2022

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attn: Nancy Marconi
Registrar

Dear Ms. Marconi:

Re: **EB-2022-0160 Notice of Proposal to Amend the Standard Supply Service Code and the Regulated Price Plan Manual: Ultra-Low Overnight Time of Use Pricing**

These are the Electricity Distributors Association's comments on the Ontario Energy Board's (OEB) October 18, 2022, Notice of Proposal to Amend the Standard Supply Service Code (SSSC) and the Regulated Price Plan Manual (RPPM). Ontario's local distribution companies (LDCs) are the face of the industry to Ontario's small volume consumers who will be eligible to elect between Time-of-Use (TOU), Tiered Regulated Price Plans (TR), Retailer, or the new Ultra-Low Overnight Time of Use (U-LO). Our members want to be fully prepared to appropriately support our customers as they seek to comprehend, navigate, and potentially make decisions based on these changes.

We appreciate that the revised proposed amendments provide flexibility and consistency with respect to:

- Implementation date as early as May 1, 2023, and no later than November 1, 2023
- Consistent with existing customer choice processes established in 2020's customer choice initiative for tiered pricing

Our comments on the revised proposed amendments to the (1) SSSC and (2) RPPM are organized in the order of those outlined in the OEB's letter.

(1) Summary of Proposed SSSC Amendments

Eligibility

In its proposal to amend the SSSC OEB staff stated that "Under the proposed amendments to the SSSC, any RPP consumer **with a smart meter** would be eligible to select the new ULO price plan." During the consultation period LDCs requested more information from the OEB about how customer options in small consumer rate classes impact the billing requirements for net metered customers. It has been noted within these forums that not all LDCs are able to provide customer choice billing for net metering and changes may be needed at the MDM/R to allow

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for LDCs to accommodate net metered setups. As has been stated previously, OEB direction on this net meter billing issue is still required and must be addressed as soon as possible if the expectation of LDCs is to implement these choices effectively for all customers.

Transitional Rules

While LDCs are encouraged to offer U-LO as early as May 1, 2023, we greatly appreciate the flexibility provided to roll out the U-LO pricing option to customers by November 1, 2023. While there are no expected functional differences between the billing architecture design for tiered election and U-LO election, LDCs are currently waiting on detailed design requirements from their billing service vendors to evaluate and test all billing system changes required to implement U-LO, including managing customer switches among three varying RPP plans, and retailer pricing.

Existing Customer Choice Rules to be Continued

It is appreciated that the OEB has chosen to remain consistent with the existing customer choice rules established in 2020 for TR optionality, e.g., prospective changes only. This consistency is helpful to manage consumer expectations in the upcoming U-LO election process. Although the consistency is greatly appreciated, there are a couple items to note from a customer billing and customer choice perspective. While the third RPP option is manageable we do anticipate that in the future adding the fourth or fifth pricing option could be problematic for back-end systems. New customer choice initiatives continue to add workload to the LDC and for billing accuracy and verification they require incremental effort to ensure that the customer choices are successfully implemented and maintained.

Frequency of Switching between Price Plans

Our members continue to be concerned that the revised proposed amendments neither limit nor constrain the number of switches that consumers can request, apart from that any switches in price plans are prospective in nature. LDCs encourage the OEB to continue its review to limit the frequency of switching RPP consumers can choose. Holding customers to a limit provides customers with a sense of ownership of their electricity billing, and their knowledge between pricing plan options. LDCs support customer choice, but also seek efficiency in their billing practices, particularly as more RPP options are mandated. It is stated in the OEB report 'Frequency of Regulated Price Plan Switching Under Customer Choice' that they found 4% (13,261 customer meters) of electricity customers switched their price plan more than once, and LDCs recognize that there are customers who frequently switch plans under the current RPP choice. We suggest that the OEB consider establishing a quarterly limit on switched to eliminate any bill confusion for customers who elect to switch too frequently and result in bills that present up to 8 lines of RPP billing.

Bill Display

No Comment.

Housekeeping Amendments

No Comment.

(2) Summary of Proposed Amendments to the RPP Manual

Methodology

OEB staff should support the proposed amendments to the RPP Manual by also updating settlement templates and the Account 1588/1589 Accounting Guidance. These updates will be required because of the implementation of U-LO. These templates will affect the way in which each LDC settles with the IESO. Because of this, they should be provided as soon as possible as the methodology deemed fit by the OEB may impact the way the billing system will be set up.

Customer Information

We agree with the OEB that it will be critical that consumers have access to information to assist them in understanding and assessing their pricing options. The information conveyed must be factual and calculated, free of misinterpretation. It needs to be made clear to consumers the appropriate customer lifestyle that should seek to elect U-LO, TOU, or TR. Communication for the purposes of expectation formation is important, meaning additional communication from OEB should not only communicate 'Ultra-Low' rates, but also indicate and emphasize the On-Peak rate of 10X needs to be released to emphasize the entire plan, and not just the overnight rate provided. It is our concern that customers who misinterpret the new name of this alternative rate plan may become confused and upset if they are charged the high-rate period as well.

Bill Calculator

Ensuring the bill calculators are updated to provide not just calculations but also comparisons across the three RPP price plans will assist in ensuring these distinctions are made as clear as possible to customers. The OEB had previously noted it intends to have its communication materials updated by spring 2023. The calculator is a critical tool for LDCs' customer service departments discussions for alternative pricing choice.

Apart from bill calculator discussion, the OEB has not provided any details of the materials it is preparing that will educate consumers or support consumer decision making, when drafts or

working versions will be made available for review, or when the final version will be released. LDCs need to know these dates so that they can take appropriate steps to support their customers in both understanding and potentially acting on choice.

Changes to Consumer- Facing Materials for Retailers

No Comment.

Deferral Account

We appreciate that the OEB plans to establish a deferral account to allow the tracking of the revenue requirement impacts of material implementation costs. Development costs to capture could include recording the costs incurred to prepare for and deploy this program, as well as the costs incurred to process customer elections, particularly as options increase.

We seek to learn the nature of the costs that will be eligible to be tracked in the account (e.g., costs to amend or replace existing processes and systems, up-front or one-time costs, ongoing costs to maintain systems, ongoing processing costs, ongoing communications costs) and assume that the balances recorded in the account will attract carrying charges. All distributors will need to adapt and amend existing systems and processes to be able to support customer choice of RPP price plan (e.g., to program and test changes, to develop material to educate and support customers). All costs incurred to facilitate the provision of customer choice of RPP price plan should be eligible for inclusion in the deferral account.

Coming into Force

No Comment.

Conclusion

In closing, we note that the OEB needs to prioritize taking steps to finalize the Code amendments. Doing so will allow LDCs to appropriately prepare to support consumers and have certainty of the changes they need to make. Ultimately, the consumer will have clarity of the processes, timelines, and communications that their LDC is bound, as a condition of licence, to fulfill.

It is very important that the OEB address our concerns related to Net Metered billing of customers as it relates to customer choice price plans.

While we support providing customers with choice and control over their pricing plans, a rate design and cost recovery should be established which promotes fairness, equity, participation, and operational efficiencies. We also encourage the OEB to communicate and educate customers appropriately so there is no confusion, and the program results are maximized. It is incumbent upon the OEB to enhance the OEB bill calculator to be easily comparable among RPP

plans and load profiles. The current online calculator is an excellent tool that needs to be enhanced so that customers can make informed decisions when considering which pricing plan is appropriate for their consumption patterns.

Thank you again for providing the revised proposed amendments and the opportunity to comment on them. We look forward to the next step in the OEB's Code amendment process. If you have any questions, please do not hesitate to contact Brittany Ashby, Senior Regulatory Affairs Advisor, at bashby@eda-on.ca or at 416.886.4420.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa Sarkesian". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Teresa Sarkesian
President & CEO