

Edgecom Energy: Feedback on Non-RPP Class B Dynamic Pricing Options (EB-2022-0079)

October 8, 2024

Edgecom Energy appreciates the opportunity to contribute feedback on the Ontario Energy Board's initiative concerning dynamic pricing options for Non-RPP Class B electricity consumers (EB-2022-0079).

We see the Class B Dynamic Pricing initiative as a pivotal advancement in the ongoing transformation of Ontario's energy landscape. This initiative holds significant promise for enhancing the efficiency of the electricity grid, encouraging greater investment, and providing consumers with both price stability and increased flexibility in managing their energy consumption. By aligning pricing with real-time demand, this approach can help balance the grid, reduce peak usage, and create long-term benefits for both the economy and the environment.

Edgecom Energy is concerned that the proposed TOU model Off:Mid:On ratio of 1:3:4 lacks the necessary incentives to drive meaningful curtailments during critical peak periods. Without incorporating seasonal price adjustments, the model fails to offer Class B customers compelling reasons to participate, leading to missed opportunities for demand side management. Of the two options presented by OEB, Edgecom Energy believes the RTP40 option offers a more effective solution for encouraging meaningful changes in consumer behavior by enabling behind the meter solutions. However, we believe both models have significant shortcomings that need to be addressed:

- **Inadequate Price Differentials:** The proposed price differentials are insufficient to drive meaningful changes in consumer behavior or to encourage investment in energy-efficient technologies. The price signals currently presented do not create a strong enough business case for consumers to invest in behind-the-meter assets, such as energy storage systems or other load management services. Without more compelling price signals, customers are unlikely to shift consumption patterns or invest in solutions that could help reduce grid stress during peak demand. Based on our analysis, we suggest that the highest peak prices in the RTP model should be in the range of \$6.25/kWh.
- **Providing a Clear Timeline:** To fully maximize the benefits of this policy, all market participants need a clear timeline (e.g. May 2026) for implementation to begin appropriate planning. Clear milestones would help businesses and consumers alike prepare for the transition, align investments, and optimize their energy management strategies to adapt to the new pricing model.

Whatever model is ultimately chosen, Edgecom Energy strongly urges the OEB to ensure that peak prices are set high enough to incentivize Class B customers to actively participate in reducing consumption during critical periods and make long-term investments in energy efficiency. We appreciate the Ontario Energy Board's valuable efforts on this important initiative and continued development of effective dynamic pricing solutions that supports both grid reliability and consumer engagement. Edgecom Energy looks forward to collaborating on solutions that will benefit the electricity system and its users for years to come.