Briefing Note
The IESO seeks alternative OFHP invoicing process and wording to be authorized by the Minister

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Issue:

The IESO requests the Minister's authorization to forgo the inclusion of OFHP on-bill messaging and bill inserts, as these regulatory requirements are deemed cost-prohibitive and only affect two specified consumer accounts. Instead, IESO suggests issuing monthly emails to these consumers to provide information on OFHP.

Context:

- As of July 1, 2017, section 1 of O. Reg. 196/17 (Invoicing Requirements) ("the Regulation") made under *Ontario's Fair Hydro Plan Act*, 2017, requires electricity vendors, including the IESO, to include the following statement on invoices in a location where conservation or other utility messages to consumers are usually placed.

  English on-bill message:

  Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

- Section 2 of the Regulation also requires paper invoices issued to be accompanied by a bill insert once every quarter for a 12-month period, beginning with the first invoice issued on or after July 1, 2017, until the first invoice issued on or after July 1, 2018.

- Under section 3 of the Regulation, electricity vendors can seek an alternative to the wording and/or invoicing process by submitting a written request to the Minister, outlining the technical and/or operational reasons why they are unable to comply, and providing a proposed alternative.

- If the Minister is satisfied that it would be impossible, impractical or unreasonably difficult for the vendor to use the specified wording, and/or to follow an invoicing process required by the Regulation, the Minister can provide different wording and/or an alternative invoicing process for the vendor to follow.

- If the vendor receives written notice from the Minister authorizing their request, the vendor is required to use the wording and/or follow the invoicing process specified in the letter instead of the Regulation.

Request from the IESO:

- On July 14, 2017, the IESO sent a letter requesting the Minister's permission to send monthly emails describing OFHP initiatives to its two specified consumers instead of including on-bill messaging across all of its invoices and providing quarterly bill inserts.

- The IESO indicates their billing system does not easily incorporate new on-bill messaging. Furthermore, any changes made to their invoicing process would be adopted system-wide; impacting the invoices of all market participants, including consumers, generators, importers, exporters and program participants.

- Ultimately, the IESO indicates it would cost approximately $40,000 and require close to 400 person-hours to implement these changes for two consumer accounts.

- Instead, the IESO proposes sending the following email message to the specified consumers at the same time their invoices are issued. These monthly emails would continue for the 12-month period the bill inserts are required (i.e., until July 1, 2018).

    <u>Proposed email message:</u>

    You have received your monthly IESO invoice inclusive of Ontario's Fair Hydro Plan. Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

- Note, aside from the introductory sentence, the proposed email message contains the same text as the required on-bill OFHP messaging (see s. 1, O. Reg. 196/17).

- The IESO indicates they require a response no later than August 14, 2017 in order to meet internal deadlines.

Recommendation:

- The Ministry recommends granting the IESO's request not to include OFHP on-bill messaging or provide quarterly bill inserts.

- The IESO's proposed alternative, to send a monthly OFHP email targeted to the affected customers, satisfies the spirit of the regulatory requirements without imposing unreasonable costs and operational burdens.

Date Prepared: July 18, 2017