
Redesign Action Plan (RAP)

Status Update

August 17, 2017

Overview of the Redesign Action Plan

- The **Redesign Action Plan (RAP)** was launched with the aim of revising the regulatory framework on invoicing to improve the value of electricity bills to all consumers in Ontario.
- As part of this plan, the Ministry has formed a **RAP Working Group** to seek the best advice from industry on how to develop new invoicing requirements.
- The RAP Working Group consists of a cross-section of Local Distribution Companies (LDCs), industry associations, agencies and unit sub-meter providers (USMPs). See Appendix for a list of RAP Working Group members.
- The RAP Working Group launched on August 1st, with a meeting that included presentations from the Ministry, Hydro One and BEworks on the topic of bill redesign and the importance of developing customer-centric billing practices.
- This working group is expected to meet throughout August and September, wherein the Ministry will seek feedback on specific topics including:
 - Key design elements,
 - Technical considerations, and
 - Revised regulatory frameworks.

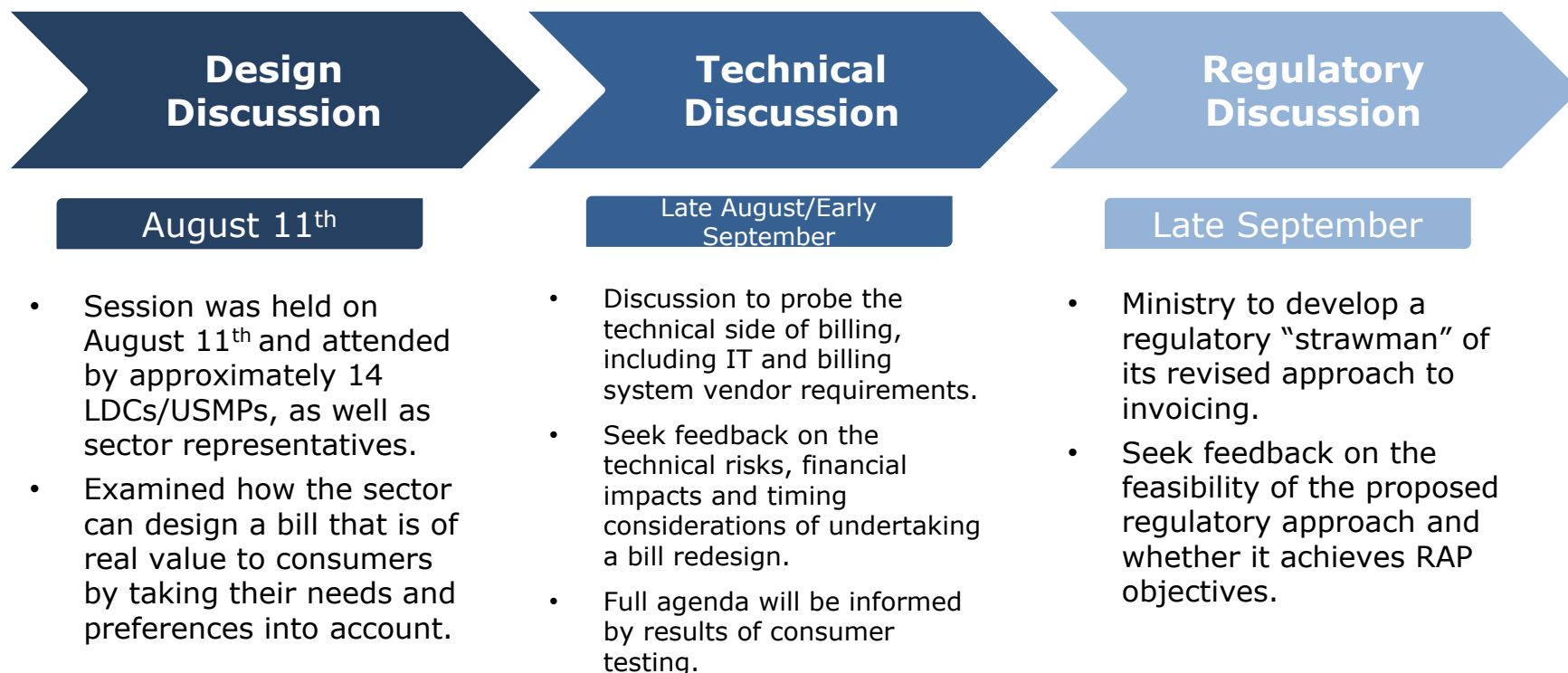
Objectives of the Redesign Action Plan

- The RAP process has identified the following objectives:

- 1 Enhance the customer experience** by:
 - Improving accessibility and reducing frustration
 - Providing more useful information
 - Encouraging the adoption of consumer-oriented invoicing processes (e.g., consumer-tested design, mobile-compatible invoices)
- 2 Promote greater understanding** of the contents of bills, and energy literacy, across the province.
- 3 Consolidate the regulatory framework** governing invoicing requirements; and
- 4 Better communicate government programs** in place to assist ratepayers.

RAP Working Group – Engagement Topics

- RAP Working Group sessions are intended to be interactive; providing an opportunity for the sector to engage with one another and inform the Ministry's bill redesign process.
- The Ministry plans to hold three working group meetings to address three key components of this bill redesign challenge: design, technical, and regulatory.



Overview of the Design Discussion

Design Discussion

- The first RAP Working Group session was held at the MaRS Discovery District on August 11th and focused on identifying design aspects of the bill that could make bills more useful for customers.
- Representatives from **Hydro Ottawa** and **Newmarket-Tay Power** provided presentations about their bill redesign initiatives, offering further evidence in support of using behavioural science and customer research when redesigning electricity bills.
- During the second half of the session, participants were asked to rotate among various “**breakout tables**”, led by Ministry staff, to discuss the following topics:

Standardization and Flexibility	Asked to identify the optimal blend of provincial standardization and LDC flexibility to best serve customers.
Line Items and Definitions	Asked to consider how the presentation and description of charges can help consumers understand their bills.
Key Information	Asked to identify the information that consumers care most about and how to provide it in a simple and accessible manner.
Broader Messaging	Asked to discuss what messaging is important to consumers and how to best communicate savings opportunities to ratepayers.
Digital Platforms	Asked to consider how new digital platforms can provide useful information and services to consumers.

Key Themes from LDCs

Design Discussion

- **Increased flexibility:** LDCs expressed the need for increased flexibility over how to design their bills, including the ability to prioritize key information and how to best communicate messaging to customers.
- **Consistency in line items:** There was general agreement that the names of the line items (e.g., Delivery, Regulatory) should be standardized to maintain consistency across the province, though there is room for improvement.
- **Display of volumetric and fixed charges:** LDCs are interested in recalculating the line item “buckets”, such that fixed and volumetric charges appear separately.
- **Simplified definitions:** The definitions must be made more accessible and easier to understand. Opinions vary on whether the definitions should be standardized or customizable by LDCs.
- **Information available at a glance:** LDCs agree customers care most about: how much they owe, when payment is due, how their consumption compares and how to contact the utility. LDCs require increased flexibility and bill real estate to prominently display these items.
- **Opportunity to enhance effectiveness of messaging:** LDCs seek more discretion in when and how to provide broader messaging. They hope to target relevant messages to customers; providing information that can be used to make smart choices.
- **Digital Platform:** Government should consider ways to increase the uptake and evolve the in e-billing digital presentation of bills and customer data without over-regulating this format.

Regulatory Approach: Current Status

- Informed by LDC feedback, Hydro One behavioural analysis, and other research, Ministry staff are currently exploring the value of a revised regulatory framework along the following lines:

1. Elements to Remain Prescriptive:

- A revised framework could require LDCs to provide simplified front page information similar to Hydro One's approach, with the addition of OFHP savings.
- A detailed breakdown on the second page could include restructured line items to make more clear the division between variable and fixed charges, and to provide more useful line item names.
- The Ministry will work with the Ontario Digital Services Lab to test these concepts with consumers.

2. Less Prescriptive Requirements:

- Items such as definition of charges, graphic displays of consumption information, and broader government messaging can be required by regulation.
- However a more flexible approach would empower LDCs to determine when and how to provide this information to consumers (not necessarily directly on the paper invoice).

3. Broader Design Elements

- Hydro One research has shown how the design/layout of the invoice is an important factor in how consumers perceive the value they receive from the sector.
- Prescribing these elements would likely run into technical challenges and would not be in spirit of providing LDCs with more flexibility.
- An ideal approach would be to prescribe steps LDCs must take in preparing their invoice layout (ex: consult with customers). More legal analysis is required to determine the Ministry's authority in this area (legislative amendment may be required).
- Alternative approaches include working with OEB to promote through license requirements/code amendments, or use non-legal measures (providing sample bills, creating community of practice) to encourage LDCs to undertake on their own.

Areas for Consumer Testing

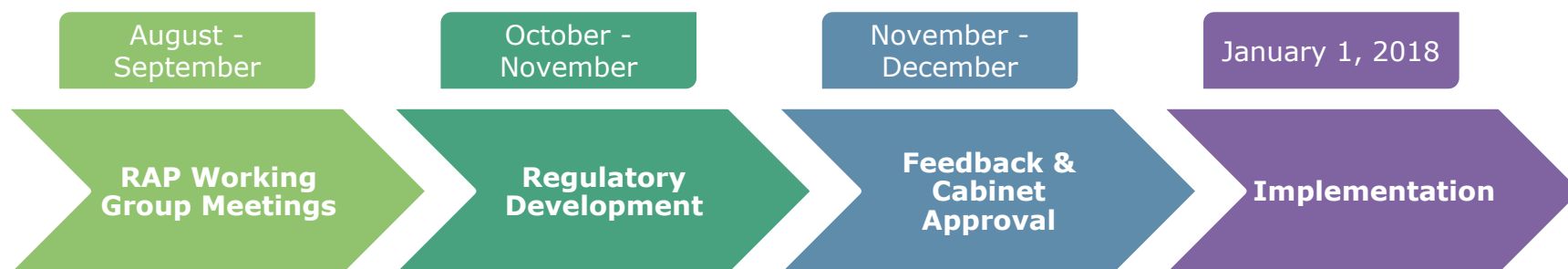
- The Ministry will work with the Ontario Digital Services* (ODS) laboratory to engage consumers and test these concepts to inform the regulatory approach.
- Appropriate testing procedures would not assume the answer but allow consumers to self-generate their preferred invoice design. This process may explore the following areas:

Key Information	• What information customers want to see on their bill. • What visualizations might improve customer comprehension (e.g., graphics, simplified bill structure).
Line Items	• Current names vs. new names for line items. • Display of volumetric and fixed charges as separate line items.
Definitions	• Current definitions vs. plain language definitions of terms. • Most effective location for definitions (e.g., underneath line items, on the back of the bill, or not on the bill).
Government Messaging	• Impact of moving messaging onto non-bill space (e.g., online), or to clearly designated spaces on the bill. • Response to dynamic vs. standardized messaging.
Digital Alternatives	• What customers want to see on paper vs. e-bills. • Methods for increasing consumer adoption of e-billing. • How the bill is positioned within the broader world of digital platforms and new forms of data/services that consumer may be interested in.

- The Ministry is working with ODS to understand methodology and what can be done under compressed timelines. Expediting work raises risks the results will not be reflective of consumer preferences.

Projected Timeline

- As the RAP process advances toward the goal of having a new regulatory framework in place by January 1, 2018, the following intermediary steps must occur:
 - The RAP Working Group consultations must continue, with technical and regulatory discussions planned for August/September.
 - The ODS Lab must begin prototyping revised bill designs and user-testing new options, the results of which the Ministry must incorporate in future working group sessions.
 - The Ministry must consider its regulatory and legislative authority over the invoicing process, and how this can be applied to the RAP initiative.



Appendix

RAP Working Group – Participant List

Alectra Utilities	Lakefront Utilities Inc.
Bluewater Power Distribution Corp.	London Hydro Ltd.
Burlington Hydro Inc.	Newmarket-Tay Power Distribution Ltd.
Cornerstone Hydro Electric Concepts (CHEC)	Niagara Peninsula Energy Inc.
Electricity Distributors Association (EDA)	Northern Ontario Wires
Enercare Connections Inc.	Ontario Energy Association (OEA)
Guelph Hydro Electricity Systems Inc.	Ontario Energy Board (OEB)
Hydro One	Thunder Bay Hydro
Hydro Ottawa	Toronto Hydro
Independent Electricity System Operator (IESO)	Veridian Connections Inc.

Ontario Digital Service Lab

- Based in Kitchener, the Ontario Digital Service (ODS) Lab applies user-centred design approaches to help government better understand problems, and rapidly develop proof-of-concept prototypes to improve services provided to Ontarians.
- The Ministry has been working with the ODS Lab to apply the principles of a user-centred approach to develop a method aimed at improving electricity bills.
- The intent is to incorporate the feedback of the RAP Working Group in determining aspects of the bill to prototype, test with users and ultimately incorporate into a regulatory framework.
- The ODS Lab will utilize the following methods in applying a user-centred design approach to electricity bills:

Design studio	The lab would use its digital tools to translate user research output into billing prototypes that are tested and validated with users.
Empathy lounge	The lab would conduct user research in an environment designed to mimic how users likely interact with their electricity bills.
User observation	The lab would also study body language, behaviour and responses in a separate observation area; gaining key insights into users' problems and pain points related to electricity bills.



Summary of the RAP Launch Meeting – August 1st

- BEworks and Hydro One provided evidence that the **usefulness of the bill** as a touchpoint with consumers is **being overlooked** and presents a missed opportunity for improving customer satisfaction.
- BEworks pointed to **behavioural science research**, which suggests the design of the bill can have a dramatic impact on customers':
 - understanding of the electricity system,
 - attitudes towards what they are being asked to pay for, and
 - feelings towards the sector-at-large.
- In redesigning their bill, which is set to be released starting in November 2017, Hydro One worked with BEworks to conduct consumer research and identify several behavioural intervention points for achieving effective bill design.
- The Ministry also signaled its intention to **simplify the regulatory framework** on invoicing; providing LDCs and other billing agents with increased flexibility to develop user-friendly bills.
- By working together and adopting these principles, the sector has the opportunity to design **electricity bills of real value to consumers**.