

Date:	November 29 2017
Ministry:	Energy
Name of Act:	Ontario Fair Hydro Plan Act, 2017
Name of Regulation:	O. Reg. 196/17 (Invoicing Requirements) & O. Reg. 195/17 (Fair Adjustment Under Part II of the Act)

Section 1: Proposal and Context

- On June 1, 2017, the *Ontario Fair Hydro Plan Act, 2017* (OFHPA) came into effect, which reduces electricity bills by an average of 25% for residential consumers.
- In the 2017 Long Term Energy Plan (LTEP), released on October 26, 2017, the Ministry of Energy (ENERGY) committed to redesign electricity bills to make them more understandable and to give consumers the information that they want on the bill.
- To better communicate the associated bill impacts of Ontario's Fair Hydro Plan (OFHP) to consumers, ENERGY is seeking to amend the Invoicing Regulation (O. Reg. 196/17) and the Fair Adjustment Under Part II of the Act Regulation (O. Reg. 195/17), both made under the OFHPA.
- The proposed amendments would require electricity vendors and unit sub-meter providers (USMPs), as defined in the OFHPA, to include customer-specific dynamic on-bill messaging showing the exact amount that each consumer has saved through the OFHP. These messaging requirements would apply to French invoices as well.
- All customers benefiting from OFHP would see the customer-specific savings on their invoices.

Section 2: Approach and Intended Outcomes

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MINISTRY APPROVAL FORM**

- Since July 1, 2017, electricity vendors and USMPs have been required to include general on-bill messaging about the Ontario Fair Hydro Plan (OFHP) savings. The current on-bill message states “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.”
- ENERGY has heard that the current on-bill message is confusing for consumers and doesn’t provide enough information about the savings.
- Accordingly, the proposed amendments would require electricity vendors and USMPs to provide a customer-specific dynamic calculation of savings associated with the OFHP for each billing period invoiced.
- The proposed amendments to O. Reg. 196/17 would prescribe the following language to be included on bills to present the OFHP savings:

*Ontario’s Fair Hydro Plan saved you [specified amount] on your bill. **This amount includes the 8% Provincial Rebate.***
- Proposed amendments to O. Reg. 196/17 would also prescribe a methodology for electricity vendors and USMPs to follow to determine the savings attributable to the OFHP (i.e. [specified amount]). The methodology to calculate the aggregate OFHP savings is as follows:
 - Electricity: Savings that account for the difference between the electricity prices, as the OEB would have set them, absent OFHP, and the prices set by the OEB under OFHP.
 - Delivery: Savings that account for the difference between the amount attributable to line losses from the differences in the electricity prices, absent OFHP and the prices under OFHP.
 - For customers who receive programs introduced under OFHP, such as distribution rate protection and First Nations Delivery Credit – the savings attributable to those programs would be included in the aggregate total of OFHP savings.
 - Regulatory: Savings that account for the difference in the regulatory charge associated with the removal of the OESP charge and the substantial lowering of the RRRP charge.
 - 8% savings associated with the 8% rebate, would be included in the total of OFHP savings.
 - HST: savings associated with a lower amount of HST payable by the consumer under Part IX of the *Excise Tax Act* (Canada) as relates to a lower total bill associated with OFHP savings.

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Section 3: Affected Stakeholders	Yes	No
Individuals (specific groups or consumers)	X	☐
Consumers will benefit from the increased clarity on their electricity bills with respect to how much they are saving as a result of the OFHP.		
Businesses	X	☐
The compliance costs for electricity vendors and USMPs will involve the expenditure of money to alter their billing systems in order to present the OFHP savings on the bill.		
Non-profit Groups	☐	X
Communities	☐	X
Governments	☐	X

Section 4: Type of Impact	Yes	No
Health and Safety	☐	X
Environment	☐	X
Social Impacts	☐	X
Trade	☐	X
Economy	☐	X
Other	☐	X

Section 5: Costs	Yes	No
Are direct compliance costs likely to exceed \$2 million per year?	☐	X
Is a full RIA required?	☐	X

Contacts		
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