

AMENDMENTS TO O. REG. 196/17: INVOICING REQUIREMENTS

- 1. Amending O. Reg. 196/17 (Invoicing Requirements) made under the *Ontario Fair Hydro Plan Act, 2017*. The amendment will come into force on the day it is filed.**

Current Regulation	Proposed Amendment	Rationale for Change
Information to be included on invoices 1. Invoices issued to a specified consumer by an electricity vendor, other than Hydro One Inc., or a unit sub-meter provider must set out, in a location where conservation or other utility messages to consumers are usually placed, the following statement: “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.”	Information to be included on invoices 1. (1) Subject to section 1.1, this section applies in respect of invoices issued to a specified consumer by an electricity vendor or unit sub-meter provider. (2) Every electricity vendor and unit sub-meter provider shall comply with this section, (a) as soon as is practicable after the day this section comes into force; and (b) in every case, no later than March 31, 2018. (3) The electricity vendor or unit sub-meter provider shall ensure that the invoice in respect of each billing period sets out, in a location where conservation or other utility messages to consumers are usually placed, the following statement: “Ontario’s Fair Hydro Plan saved you <i>[insert specified amount]</i> on your bill. This includes the 8 % Provincial Rebate.”	Replacing current Ontario Fair Hydro Plan (OFHP) message with a customer-specific message that shows OFHP savings each month.

Current Regulation	Proposed Amendment	Rationale for Change
	(4) For the purposes of the statement mentioned in subsection (3), the specified amount to be inserted shall be calculated for each invoice in accordance with section 1.2 or 1.3, as the case may be.	
N/A	Exceptions 1.1 Sections 1, 1.2 and 1.3 do not apply in respect of an invoice issued by an electricity vendor or unit sub-meter provider to a specified consumer for a billing period if the electricity distributed to the consumer by the electricity vendor or unit sub-meter provider for the billing period, (a) is electricity conveyed to a distribution system under a net metering agreement between the consumer, the distributor and any other person; or (b) is electricity conveyed in respect of an electricity price pilot project specified by the Board in accordance with subsection 6 (3) of Ontario Regulation 95/05 (Classes of Consumers and Determination of Rates) made under the <i>Ontario Energy Board Act, 1998</i>.	New section that does not require electricity vendors and unit sub-meter providers to provide the customer-specific savings message on invoices issued to customers with net metered accounts or customers that are part of pricing pilot projects, as the savings message would be confusing.

Current Regulation	Proposed Amendment	Rationale for Change
N/A	Specified amount, regulated rate consumer 1.2 (1) Subject to subsection (2), for the purposes of subsection 1 (4), if the specified consumer is a regulated rate consumer, the specified amount shall be the amount calculated in respect of the consumer by taking the following steps: 1. Calculate the difference between the following amounts in respect of charges relating to electricity: i. The sum of the following amounts: A. If the electricity was consumed on or before April 30, 2018 and the invoice in respect of the electricity is issued on or after January 1, 2018, the amount calculated by multiplying the following rate by the amount of electricity consumed by the specified consumer: the rate that would have been effective on January 1, 2018 if it had been determined by the Board using the method prescribed by regulations	New section that prescribes the methodology to calculate the OFHP savings that will appear on a regulated rate consumer's electricity bill.

Current Regulation	Proposed Amendment	Rationale for Change
	under clause 79.16 (1) (b) of the <i>Ontario Energy Board Act, 1998</i> and which is published by the Board under its Regulated Price Plan Report (dated May 1, 2017 to April 30, 2018). B. If the electricity was consumed during the period beginning on May 1, 2018 and ending on April 30, 2019, the amount calculated by multiplying the following rate by the amount of electricity consumed by the specified consumer: the rate that would have been effective on May 1, 2018 if it had been determined by the Board using the method prescribed by regulations under clause 79.16 (1) (b) of the <i>Ontario Energy Board Act, 1998</i>, and which is published by the Board in accordance with subsection 5 (5) of Ontario Regulation 195/17 (Fair Adjustment Under Part II of the Act) made under the Act. ii. The sum of the following amounts:	

Current Regulation	Proposed Amendment	Rationale for Change
	A. If the electricity was consumed on or before April 30, 2018 and the invoice in respect of the electricity is issued on or after January 1, 2018, the amount calculated by multiplying the following rate by the <i>amount</i> of electricity consumed by the specified consumer: the rate determined under section 3 of Ontario Regulation 195/17 made under the Act. B. If the electricity was consumed during the period beginning on May 1, 2018 and ending on April 30, 2019, the <i>amount</i> calculated by multiplying the following rate by the amount of electricity consumed by the specified consumer: the rate determined under subsection 5 (1) of Ontario Regulation 195/17 made under the Act. 2. If applicable, calculate the amount in respect of the electricity vendor's specific loss adjustment factor, if any,	

Current Regulation	Proposed Amendment	Rationale for Change
	by applying the following steps: i. Multiply the amount calculated under subparagraph 1 i by the electricity vendor's specific loss adjustment factor as determined by the Board. ii. Multiply the amount calculated under subparagraph 1 ii by the electricity vendor's specific loss adjustment factor as determined by the Board. iii. Subtract the amount calculated under subparagraph ii from the amount calculated under subparagraph i. 3. Calculate the sum of the following amounts: i. The amount of any rate protection provided to the consumer under section 79.3 of the <i>Ontario Energy Board Act, 1998</i> and Ontario Regulation 198/17 (Distribution Rate-Protected Residential Consumers) made under that Act.	

Current Regulation	Proposed Amendment	Rationale for Change
	ii. The amount of any rate protection provided to the consumer under section 79.4 of the <i>Ontario Energy Board Act, 1998</i> and Ontario Regulation 197/17 (First Nations Delivery Credit (On-Reserve Consumers Under Section 79.4 of the Act)) made under that Act. 4. Calculate the difference between the following amounts in respect of regulatory charges: i. The sum of the following amounts as set out in the Board's Order EB-2016-0362 dated December 15, 2016: A. The amount that the consumer would have been required to contribute under subsection 79 (4) of the <i>Ontario Energy Board Act, 1998</i>. B. The amount that the consumer would have been required to contribute under subsection 79.2 (10) of the <i>Ontario Energy Board Act, 1998</i>.	

Current Regulation	Proposed Amendment	Rationale for Change
	ii. The sum of the following amounts: A. The amount that the consumer is required to contribute under subsection 79 (4) of the <i>Ontario Energy Board Act, 1998</i>, as set out in the Board's Order EB-2017-0234 dated June 22, 2017. B. The amount that the consumer is required to contribute under subsection 79.2 (10) of the <i>Ontario Energy Board Act, 1998</i> as set out in the Board's Order EB-2017-0135 dated March 23, 2017. 5. Calculate the amount of the financial assistance provided to the specified consumer pursuant to the <i>Ontario Rebate for Electricity Consumers Act, 2016</i>. 6. Calculate the difference between the following amounts in respect of tax payable under Part IX of the <i>Excise Tax Act (Canada)</i>:	

Current Regulation	Proposed Amendment	Rationale for Change
	i. The amount of harmonized sales tax that would have been payable by the consumer under Part IX of the <i>Excise Tax Act</i> (Canada) in respect of the amounts mentioned in paragraphs 1, 2, 3 and 4 if each of those amounts is calculated without taking into account any forecasted impact of any provision of the Act and sections 1, 2 and 4 of Schedule 2 of the <i>Fair Hydro Act, 2017</i>. ii. The amount of harmonized sales tax that is payable by the consumer under Part IX of the <i>Excise Tax Act</i> (Canada) by the consumer in respect of the amounts mentioned in paragraphs 1, 2, 3 and 4. 7. Calculate the sum of the amounts calculated under paragraphs 1 to 6. (2) In the case of an invoice in respect of electricity conveyed by a unit sub-meter provider, the calculations under paragraphs 2 and 3 of subsection (1) do not apply and the sum calculated under paragraph 7 of subsection (1) shall not include such amounts.	

Current Regulation	Proposed Amendment	Rationale for Change
	(3) For the purposes of paragraph 4 of subsection (1), a reference to subsection 79.2 (10) of the <i>Ontario Energy Board Act, 1998</i> is a reference to that subsection as it read on the day this section comes into force.	
N/A	Specified amount, other specified consumer 1.3 (1) Subject to subsection (2), for the purposes of subsection 1 (4), if the specified consumer is not a regulated rate consumer, the specified amount shall be the amount calculated in respect of the consumer by taking the following steps: 1. Calculate the sum of the following amounts in respect of charges relating to electricity: i. If the electricity was consumed on or before April 30, 2018 and the invoice in respect of the electricity is issued on or after January 1, 2018, the amount calculated by multiplying the dollar per megawatt hour amount determined under subsection 4 (1)	New section that prescribes the methodology to calculate the OFHP savings that will appear on a non-regulated rate consumer's electricity bill.

Current Regulation	Proposed Amendment	Rationale for Change
	of Ontario Regulation 195/17 (Fair Adjustment under Part II of the Act) made under the Act by the amount of electricity consumed by the specified consumer. ii. If the electricity was consumed during the period beginning on May 1, 2018, and ending on April 30, 2019, the amount calculated by multiplying the dollar per megawatt hour amount determined under subsection 6 (1) of Ontario Regulation 195/17 made under the Act by the amount of electricity consumed by the specified consumer. 2. If applicable, calculate the amount in respect of the electricity vendor's specific loss adjustment factor, if any, by multiplying the amount calculated under paragraph 1 by the electricity vendor's specific loss adjustment factor as determined by the Board. 3. Calculate the sum of the amounts referred to in subparagraphs 3 i and ii of	

Current Regulation	Proposed Amendment	Rationale for Change
	subsection 1.2 (1). 4. Calculate the amounts referred to in paragraphs 4, 5 and 6 of subsection 1.2 (1) in respect of the consumer. 5. Calculate the sum of the amounts calculated under paragraphs 1 to 4. (2) In the case of an invoice in respect of electricity conveyed by a unit sub-meter provider, the calculations under paragraphs 2 and 3 of subsection (1) do not apply and the sum calculated under paragraph 5 of subsection (1) shall not include such amounts.	

AMENDMENTS TO O. REG. 195/17: FAIR ADJUSTMENT UNDER PART II OF THE ACT

- 1. Amending O. Reg. 195/17 (Fair Adjustment under Part II of the Act) made under the *Ontario Fair Hydro Plan Act, 2017*. The amendment will come into force on the day it is filed.**

Current Regulation	Proposed Amendment	Rationale for Change
Subsequent adjustments, regulated rate consumers, s. 11 (1) (a) of the Act 5. (1) For the purpose of determining the electricity rates payable by regulated rate consumers for the period beginning on May 1, 2018 and ending on April 30, 2019, the Board shall, (a) if the rate of inflation is a negative amount or is zero, determine electricity rates for regulated rate consumers in accordance with subsection (2); or (b) in any other case, determine electricity rates for regulated rate consumers in accordance with subsection (3). (2) For the purposes of clause (1) (a), the Board shall determine the rates that would, when applied for the	(4) The Board shall, for the purposes of allowing an electricity vendor or unit sub-meter provider to comply with Ontario Regulation 196/17 (Invoicing Requirements) made under the Act, calculate the time-of-use and tiered rates that would have been effective on May 1, 2018 if they had been determined using the method prescribed by the regulations made under clause 79.16 (1) (b) of the <i>Ontario Energy Board Act, 1998</i> and without taking into account any forecasted impact of any provisions of the Act. (5) The Board shall publish on its website the rates calculated under subsection (4) at the same time that it publishes the rates determined under subsection (1).	In order to support the savings calculations prescribed under O. Reg 195/17, the OEB is required to calculate and publish the time-of-use and tiered rates that would have been effective May 1, 2018, absent the provisions established under the <i>Ontario Fair Hydro Act, 2017</i>.

Current Regulation	Proposed Amendment	Rationale for Change
purposes of determining the commodity price of the electricity included in Total Invoice Amount C, result in Total Invoice Amount C being equal to Total Invoice Amount B. (3) For the purposes of clause (1) (b), the Board shall determine the rates that would, when applied for the purposes of determining the commodity price of the electricity included in Total Invoice Amount C, result in Total Invoice Amount C being greater than Total Invoice Amount B by the rate of inflation.		
<i>Subsequent adjustments, other specified consumers, s. 11 (1) (b) of the Act</i> 6. (1) For the purpose of determining adjustments to be applied in respect of specified consumers who are not regulated rate consumers for the period beginning on May 1, 2018 and ending on April 30, 2019, the Board shall determine a dollar per megawatt hour amount that represents the difference between the following:		In order to support the savings calculations prescribed under O. Reg 195/17, the OEB is required to to publish the dollar per megawatt hour amounts determined under subsection (1).

Current Regulation	Proposed Amendment	Rationale for Change
1. The rates mentioned in subsection (4). 2. The rates determined by the Board under subsection 5 (1). (2) The adjustment to be applied by electricity vendors in respect of each billing period for the period beginning on May 1, 2018 and ending on April 30, 2019 with respect to specified consumers who are not regulated rate consumers shall be determined as follows: 1. The electricity vendor shall multiply the dollar per megawatt hour amount determined by the Board under subsection (1) by the total volume of electricity consumed by the specified consumer during the billing period. 2. The electricity vendor shall deduct the amount determined under paragraph 1 from the amount otherwise payable by the specified consumer in respect of a billing period for adjustments made under section 25.33 of the <i>Electricity Act, 1998</i>. (3) For the purposes of paragraph 1 of	(6) The Board shall publish on its website the dollar per megawatt hour amounts determined under subsection (1) at the same time that it publishes the rates determined under subsection 5 (1).	

Current Regulation	Proposed Amendment	Rationale for Change
subsection (2), the total volume of the electricity consumed by a specified consumer in a billing period shall be, (a) in the case of a specified consumer that is a market participant as defined in the <i>Electricity Act, 1998</i>, the net volume of electricity withdrawn from the IESO-controlled grid by the specified consumer during the billing period, as determined in accordance with the market rules made under section 32 of that Act; or (b) in any other case, the volume of electricity distributed to the specified consumer during the billing period by the electricity vendor, adjusted for total losses as defined in and in accordance with the Retail Settlement Code issued by the Board under the <i>Ontario Energy Board Act, 1998</i>. (4) The rates referred to in paragraph 1 of subsection (1) are the rates that would have been effective May 1, 2018 if they had been determined by the Board using the method prescribed by		

Current Regulation	Proposed Amendment	Rationale for Change
regulations made under clause 79.16 (1) (b) of the <i>Ontario Energy Board Act, 1998</i>, without taking into account any forecasted impact of any provision of the Act. (5) For greater certainty, if the amount determined under paragraph 2 of subsection (2) in respect of a billing period is a negative amount, that amount shall be a credit for the specified consumer for that billing period.		

Communications Snapshot

Electricity Bill Redesign

November 27, 2017

Communications Objectives

- Raise awareness about Ontario's work to support redesigned electricity bills that are clear, informative and easy to read.
- Inform Ontarians of revisions to the regulatory framework on invoicing to prescribe content and language on electricity bills.
- Highlight changes to the regulation that are meant to make it easier for customers to find the information they are looking for on their bills and for bills to be more consumer friendly – including definitions.
- Prepare mitigation strategy to manage potential negative reaction and issues.

Context

- The current regulatory framework governing electricity invoices has been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers.
- Electricity bills are a customer's main window into the electricity system. Through the Long-Term Energy Plan consultation process, the government heard that customers find their current bills confusing and inaccessible.
- In the 2017 Long-Term Energy Plan released on October 26, 2017, the Ministry of Energy committed to redesign electricity bills to make them more understandable and to give consumers the information they want on a more consumer friendly bill.
- Hydro One has been a leader in consumer research on ways to improve the appearance and comprehension of its bill. Hydro One enlisted the services of a behavioural research firm and engaged with thousands of customers to develop a new bill design which has been observed to increase customer satisfaction and comprehension.
- Building on this research, the Ministry launched the Bill Redesign Action Plan (RAP) with the aim of revising the regulatory framework on invoicing to improve the value of electricity bills for consumers.
- The Ministry engaged with industry and consumers to better understand consumer concerns and preferences with respect to the bill to ensure that any proposed changes to the bill's design will meet consumer's needs. As part of this approach, the Ministry:
 - Engaged with Hydro One and BEWorks to learn more about how consumers react to the information presented on bills.
 - Formed the RAP Local Distribution Companies (LDC) Working Group to seek the best advice from industry on how to develop new invoicing requirements.
 - Undertook qualitative consumer engagement to hear directly from customers on their billing preferences.
- The Ministry will be informed by its own qualitative and quantitative research on the content of electricity bills in an effort to represent the interests of a broader set of regionally diverse consumers across Ontario.
- One of the proposed amendments would require customer-specific Ontario's Fair Hydro Plan savings to appear on invoices – this initiative is the first step as part of the broader re-design initiative.
- The Ministry intends to bring forward a broader bill-redesign framework in early 2018.

Target Audiences

- Ontario families and businesses that receive an electricity bill
- Industry partners (e.g., LDCs, associations)
- Internal and other energy sector partners (e.g., Hydro One, intra-ministry)

Key Messages

- Electricity bills are changing to better meet the needs and expectations of customers
- Electricity bills will be clear, informative and more consumer friendly with the essential information about electricity costs and usage

Strategic Approach

- Build on work by Hydro One in the redesign of their bill
- High profile Minister's announcement of the ministry's regulatory amendments and plans to support the redesign for all Ontarians (TBC)
 - January/February 2018 media event with Minister and representatives from Hydro One
 - Enlarged examples of current and redesigned bills will be on display
- Integrated communications strategy – including digital – in development

Issues & Mitigation

- If proposed regulatory amendments are approved, local distribution companies may react negatively to the proposed timelines by which they would be expected to comply, and the associated costs to implement design changes to their bills.
 - There is a mitigation strategy in place to manage this potential reaction
- Electricity customers may be concerned about the costs of redesigning the bill—and why the costs were not applied to reduce their current bills.
 - There will be issues management and key messages to address these issues.

Issue/Consideration	Mitigation Strategy	Key Message
Focus on bill design ▪ Electricity customers may question whether the government's focus should be on bill design or on the amount people have to pay.	▪ Convey sensitivity to the cost pressures on electricity consumers and acknowledge that much-needed investments in our electricity system have led to higher electricity prices.	▪ Ontario's Fair Hydro Plan reduced electricity bills for all residential customers by an average of 25 per cent and will hold any increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting. ▪ Through the 2017 Long-Term Energy Plan (LTEP) consultation process, the government heard that consumers find their current bills confusing and inaccessible. ▪ To address these concerns, the Ministry is working with consumers and industry partners to redesign electricity bills to ensure bills are clear, informative and more consumer friendly.

Issue/Consideration	Mitigation Strategy	Key Message
Hidden increases Electricity customers may wonder whether the government is hiding increases in redesigning the bill.	Provide clarification that the redesign is to make bills are clear, informative and more consumer friendly.	- Redesigning electricity bills is about making bills clear, informative and more consumer friendly with the essential information about electricity costs and usage. - Electricity bills are changing to better meet the needs and expectations of customers.
Cost impact of new design Electricity customers will want to know the impact of the redesign on their bills.	Convey sensitivity to cost impact.	- Each Local Distribution Company will have different costs to implement a re-designed bill depending on current billing and customer information systems. - Changes to billing systems are a part of an LDC's cost of doing business.

Tactics & Rollout

Launch Event

Proposed Date and Time	Location
Launch date: TBD	TBD
Description <i>(What is the event, who is leading it? If it's a third party event, how does it connect to the announcement?)</i> - Minister's event - Presenters will provide an overview of the electricity bill redesign initiative - Minister will be invited to deliver short speech - Minister will be available for questions from the media	
Visual/Photo-op <i>(Describe the backdrop (e.g., protected greenbelt forest) and describe any planned photo ops (e.g., boarding a new TTC streetcar).</i> - Podium sign - Other visual items (e.g., images)	
Speakers & Attendees - Minister of Energy - Deputy Minister of Energy - ADM leads on the bill redesign file	

Other speakers:

- TBD

Estimated number of attendees:

- TBD

	Pre-Launch	Launch	Post-Launch
Regional Rollout Examples: - MPP Template - Speeches - Media event - Op-ed, media pitch - Editorial board meeting			- Regional/ local echo media events to leverage good news stories
Earned Examples: - News release, etc. - Remarks - Event - Calls/emails to targeted audiences - Multilingual media - Fact sheets - House Statement	- Redesigned electricity bill sample (mocked up based on research and customer feedback)	- Minister's event - Media kit, including News Release and Background(s) - And one or more of: ▪ House statement ▪ Speech for the Minister of Energy	- Targeted stakeholder briefings - Stakeholder correspondence - Evaluation
Digital / Social Examples: - Web content - Twitter/Facebook - Keyword / interactive web - Blogger outreach - Videos		- Web page – Ontario.ca - Social media content in development	- Organic social media - Evaluation
Paid <i>(must include budget)</i> Examples: - TV/radio/newspaper - Online banners/ads - Advertorial - Householder/direct mail	n/a	n/a	n/a

Evaluation

News media

- Use media measurement system to evaluate, track and record each news article and editorial (broadcast, print, web) including re-prints of wire services and broadcast syndication, record verified reach, apply a scale to evaluate key message pickup, photo and tone

Social media

- Reach and engagement for organic posts

Website

- Measure unique visitors and engagement to ERB page

Correspondence

- Track the number of letters and emails referring to the redesigned electricity bill