Ontario

MINISTRY OF
ENERGY

Electricity Rate Mitigation

LRC

Delivering the Electricity Rate Mitigation Initiative

- On September 12, in the Speech from the Throne, the government committed to introducing measures that would provide consumers with rate relief on their electricity bills, including three main initiatives:
    1. Providing roughly 5 million eligible customers with an 8% rebate
    2. Expanding rate protection for eligible rural or remote customers
    3. Expanding eligibility under the Industrial Conservation Initiative (ICI)
- On September 12, the Ministry of Energy received Cabinet approval to introduce legislation that would enable a broader Electricity Rate Mitigation Strategy for electricity consumers across the province.
- On September 15, the Minister of Energy introduced Bill 13, the *Ontario Rebate for Electricity Consumers Act, 2016*, (ORECA) that puts in place an 8% rebate for residential, small business customers and farms. Bill 13 is scheduled to come into force on January 1, 2017.
    - The rebate could only be changed or removed by amending that Act.
    - The rebate is uncapped (regardless of your energy consumption consumers will receive the rebate)
- To implement the rate relief provided for under Bill 13, in addition to the other proposed a number of additional regulations and regulatory amendments are needed to support the electricity rate mitigation strategy.

Summary of Regulatory Package

- There are six regulations or regulatory amendments that are tracking for approval for LRC / Cabinet
- There is also one Minister's Regulation on Invoicing requirements that does not require LRC or Cabinet approval, however this will form part of the package to inform Cabinet of bill presentment decisions.

1. General Regulation to implement the 8%: Creating a new General Regulation made under the *Ontario Rebate for Electricity Consumers Act, 2016.*	• New regulation that would provide the necessary mechanics to support the implementation of the 8% rebate, including treatment of Independent Power Authorities (IPAs)
2. Rural or Remote Electricity Rate: Amending O. Reg. 442/01(Rural or Remote Electricity Rate Protection) made under the *Ontario Energy Board Act, 1998*.	• Amending a regulation to update the Rural or Remote Rate Protection (RRRP) program, to provide increased rate relief to eligible rural customers (low-density customers of Hydro One)
3. ICI: Amending O. Reg. 429/04 (Adjustments Under Section 25.33 of the Act) made under the *Electricity Act, 1998*	• Amending the regulation to expand eligibility for Class A status to all electricity consumers with an average peak demand over 1MW, regardless of sector. Newly eligible consumers will have to opt-in, should they wish to participate.
4. OCEBA Amending O. Reg. 495/10 (General) made under the *Ontario Clean Energy Benefit Act, 2010*	• Amending a regulation to prescribe a cut-off date for electricity consumers to submit Ontario Clean Energy Benefit claims to bill issuers and a second cut-off date for bill issuers to submit reimbursement claims
Consequential Amendments **5. Amending O. Reg. 275/04** (Information on Invoices to Certain Classes of Consumer of Electricity) **6. Amending O. Reg. 161/99** (Definitions and Exemptions) made under the Ontario Energy Board Act, 1998.	• Some minor regulatory amendments consequential to implementing 8% rebate. • Updating invoicing regulation to allow rebate line item to appear on invoices.
7. Creating a new Minister's Regulation on Invoicing Requirements	• Made under the *Ontario Rebate for Electricity Consumers Act, 2016*, including direction on required wording for line item, placement on invoice, bill inserts, and on-envelope messaging.

Minister's Regulation – Invoicing Requirements

- In order to ensure that consumers are made aware of the new rebate, a proposed new Minister's regulation under ORECA would be created to provide clear direction to energy vendors regarding.
- LDCs have indicated they will likely be operational by January 1 2017, however, the legislation gives LDCs until July 1 2017 to become operational in delivering the 8% rebate and associated messaging.

On Bill Messaging

- On bill messaging will be permanently displayed on electricity bills (e.g. as long as 8% rebate is in place).

Messaging for the 8% rebate

- After discussion with Ministry of Finance, the Ministry is proposing **[8% Provincial Rebate]** as the required line item phrasing.
    - At the Working Group, some LDCs flagged their billing systems have a 30 character limit. The above phrasing complies and should result in fewer exemption requests.
- Suggested call-out messaging is **[Ontario is providing a rebate on your electricity costs equal to the Provincial portion of HST].**

Messaging for RRRP (for H1 R2 customers only)

- RRRP will not be listed as separate line item on the invoice; however, a call-out message will be required: **[Your delivery charge is reduced through Rural or Remote Rate Protection by X per month].**

Envelope Messaging (See next slides)

Messaging for the 8% rebate

- Energy vendors will be directed to include prescribed messaging on the envelope to alert consumers to the new 8% rebate. (A 6 month transitional period will be permitted).
- Messaging on envelopes is required for a minimum of one year by LDCs

Bill Insert Messaging (See next slides)

- Energy vendors will be directed to include a bill insert with prescribed language providing consumers with information regarding the new 8% rebate. The bill insert is included once a customer starts receiving the 8% rebate.
- Customers of Hydro One (R2) who receive RRRP will be provided with additional information about the RRRP program on bill inserts targeted to those customers.

Envelope Design and Bill Insert Mock-Up

Envelope

Anytown Hydro Logo

8% Provincial Rebate

J. Smith
1134 Fifth Street
Anytown, Ontario
A1B 1C1

Ontario is helping reduce electricity costs for families, businesses and farms

Bill-Insert

On January 1, 2017, your electricity costs went down 8%.

Ontario's government is reducing electricity costs by rebating an amount equal to the provincial portion of the HST on your monthly hydro bill. That's an 8% rebate for Ontario families, and on average will mean $130 more in your pocket each year.

This is part of Ontario's plan to help people with the costs of everyday living by reducing electricity costs. Across Ontario, about five million residential consumers, farms and small businesses will benefit from thi rebate.

[LDC name] will implement these savings onto your bill by July 1, 2017. Applicable savings will be retroactive to January 1, 2017.

Eligible rural ratepayers will receive additional relief that will decrease total electricity bills by an average of $540 a year or $45 a month, inclusive of your 8% rebate. This decrease will be reflected in the delivery charge, as a result of the enhanced Rural or Remote Rate Protection (RRRP)

To learn more visit Ontario.ca/energy

Additional RRRP message for RRRP customers only

Bill Mock-Up

SAMPLE MONTHLY BILL STATEMENT

Anytown Hydro-Electric Limited

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.700 ¢/kWh	41.20
Mid-Peak @ 13.200 ¢/kWh	16.35
On-Peak @ 18.00 ¢/kWh	23.60
Delivery	53.07
Regulatory Charges	4.79
Debt Retirement Charge	0.00
Total Electricity Charges	**$139.00**
HST	18.07
8% Provincial Rebate	(11.12)
Total Amount	**$145.95**

All eligible customers will see 8% rebate line on their bill

Bill Mock-Up (RRRP Customer)

SAMPLE MONTHLY BILL STATEMENT

Hydro One Networks Inc. - Residential - Low Density (R2)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges

Electricity	
Off-Peak @ 8.700 ¢/kWh	57.16
Mid-Peak @ 13.200 ¢/kWh	22.60
On-Peak @ 18.00 ¢/kWh	32.57
Delivery *	81.77
Regulatory Charges	7.68
Total Electricity Charges	**$201.78**
HST	26.23
8% Provincial Rebate	($16.14)
Total Amount	**$211.87**

* Your delivery charge is reduced through Rural or Remote Rate Protection by X per month

R2 customers will see additional messaging on RRRP on their bill. H1 has suggested an * on the Delivery line with messaging immediately below the line items on the bill

Bill Inserts and Envelope Design

- The language for the bill inserts and on-envelope messaging will be prescribed in regulation, as well as broad direction on message placement. However the specific design requirements will not prescribed through regulation.

- The Ministry will work with LDCs to provide some design suggestions that could be incorporated into the design of the insert and envelope that LDCs work up. See below for some of the design options: