



Hon. Glen Thibeault
Minister of Energy
Hearst Block, 4th Floor
900 Bay St.
Toronto, ON M7A 2E1

June 2, 2017

Delivered by Email: glenn.thibeault@ontario.ca

Dear Minister Thibeault:

Regulations under Bill 132 (Fair Hydro Act, 2017)

Planet Energy appreciates the opportunity to comment on the regulations that are being developed in connection with the implementation of Bill 132 (Fair Hydro Act, 2017).

Planet Energy's comments focus specifically on the treatment of low-volume consumers who have contracted with an electricity retailer. It is important that the regulations ensure that the benefits of the Fair Hydro Plan are extended to such retail customers on terms that are equivalent to those applicable to consumers who are "regulated rate customers" within the meaning of Bill 132. Such an approach would be consistent with the Government's commitment that the Fair Hydro Plan will apply to all "households that pay for electricity".

Background Regarding Planet Energy

Planet Energy is a licensed retailer of natural gas and electricity to residential and business consumers in Ontario, Manitoba and British Columbia. We currently employ over fifty people full-time in our Toronto head office. Our annual payroll is approximately \$3.4 million. We serve approximately 30 thousand electricity customers in Ontario.

Planet Energy offers a wide range of electricity and natural gas price plans that are not available through the regulated distributors. For example, Planet Energy's Peak Protection plan offers residential consumers a fixed rate during high priced on-peak hours and a low price variable rate during off-peak hours. The plan is attractive, for instance, to families tending to elderly or infirm relatives during the day, as well as to other consumers who simply cannot shift their consumption to off-peak hours. Planet Energy also offers a full range of fixed price electricity and natural gas products.



Planet Energy does not conduct “door to door” marketing and was strongly supportive of the Government’s recent decision to ban “door to door” sales. All our sales and marketing activities are conducted via the internet and direct mail. Planet Energy maintains an A+ rating with the Better Business Bureau (the “BBB”) and is also accredited by the BBB. We are the only major Ontario based energy retailer to achieve such a high rating.

Planet Energy believes strongly in the importance of constructive engagement with Government and its agencies regarding policies and initiatives in the energy sector, particularly those that may impact its customers. Our comments below regarding the implementation of the Fair Hydro Plan are offered in that context.

Planet Energy’s Comments Regarding Regulations under the Fair Hydro Plan

Planet Energy notes that the Fair Hydro Plan is based on the premise that the costs of recent large-scale infrastructure investments in the electricity sector should be recovered over a period that is longer than the term of the commercial contracts governing those investments. The costs associated with those investments are recovered through the Global Adjustment charges payable by all electricity customers. In the case of electricity customers on the Regulated Price Plan, a forecast of applicable Global Adjustment charges is included in the Regulated Price Plan prices. By comparison, in the case of those consumers who are customers of electricity retailers, the applicable Global Adjustment charges are set out in a separate line of the monthly bill. Despite this difference, the governing regulatory framework includes a true up mechanism that ensures, over the course of a year, that RPP customers and retailer customers are treated equally in terms of Global Adjustment charges.

Accordingly, Planet Energy submits that the regulatory framework applicable to bill relief, granted under the Fair Hydro Plan, should operate on the same basis. That is, even though that reduction is reflected, on a forecast basis, in the Regulated Price Plan prices paid by RPP customers, the regulatory framework must include a true up or similar mechanism to ensure that RPP and retailer customers are treated equally in terms of the bill reductions granted by the Fair Hydro Plan.

This approach is consistent with statements made by the Government regarding the objectives and scope of the Fair Hydro Plan. For instance, when announcing the Fair Hydro Plan on March 2, Premier Wynne said as follows:

“Electricity rates in Ontario will come down significantly, they're going to stay down and everyone will benefit.



Let me emphasize that last point -- the cut will go to all households that pay for electricity. There will be no asterisks, no loopholes and no exceptions."

Similarly, your own letter to the Ontario Energy Board, dated April 10, confirmed as follows:

"The resulting savings are expected to benefit all Ontario customers that are eligible for the RPP, including those that have opted out of the RPP in favour of market-based pricing or a retail contract, as well as non-RPP eligible customers that are eligible for the 8 per cent rebate [under the Ontario Rebate for Electricity Consumers Act, 2016]".

Planet Energy submits that these commitments underscore the importance of ensuring that the regulatory framework treats RPP customers and retailer customers in an equivalent manner.

Thank you again for the opportunity to share these observations with you. We hope that you find them helpful and constructive.

I would be pleased to address any questions that you or your staff may have about the implementation of the Fair Hydro Plan.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Nino C. Silvestri", written over a horizontal line.

Nino Silvestri

Co-CEO
Planet Energy (Ontario) Corp.