

RE: TOU arguments

From: "Esdaile, Trevor (ENERGY)" <trevor.esdaile@ontario.ca>
To: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>
Cc: "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Date: Mon, 05 Jun 2017 11:27:55 -0400
Attachments: Final_Analysis_of_Ontarios_Full_Scale_Roll-Out_of_TOU_Rates.pdf (2.53 MB)

The results really aren't that great but I believe that the attached study is what the NDP are quoting. Overall it showed an initial shifting of load by residential customers but that the behaviour has continued to diminish as the years since TOU implementation go on.

From: Nekolaichuk, Colin (ENERGY)
Sent: Monday, June 05, 2017 11:25 AM
To: Esdaile, Trevor (ENERGY); Whittington, Matt (ENERGY); Coker, Meaghan (ENERGY)
Cc: Berry, James (ENERGY)
Subject: RE: TOU arguments

Thanks Trevor, these are great points. I think Meaghan had some ideas too. I'll check with Ministry on what data they can provide, and we'll go from there.

Colin Nekolaichuk | Press Secretary
Office of the Hon. Glenn Thibeault | Minister of Energy
T: 416-325-2690 C: 647 -504-4928
colin.nekolaichuk@ontario.ca

From: Esdaile, Trevor (ENERGY)
Sent: June-05-17 11:16 AM
To: Nekolaichuk, Colin (ENERGY); Whittington, Matt (ENERGY); Coker, Meaghan (ENERGY)
Cc: Berry, James (ENERGY)
Subject: RE: TOU arguments

For the latest reports we would have to check in with ministry and I'm not sure they would have a quick turn around time but could be worth asking to have the latest data but in the short term you could add something along the lines of the following:

- Time-of-use pricing allows customers to better manage their costs by shifting consumption to off-peak times.
 - Shifting power helps the province avoid the need for new generation and transmission investments – this saves consumers money in the long run.
 - Moving away from TOU pricing would increase the use of our most costly peaking generation assets and would increase overall system costs.
-

From: Nekolaichuk, Colin (ENERGY)
Sent: Monday, June 05, 2017 10:52 AM
To: Whittington, Matt (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY)
Cc: Berry, James (ENERGY)
Subject: TOU arguments

Hey policy team, just putting together some materials to push against Andrea's platform to eliminate TOU

pricing. Some media are asking for it, and I'd like to get it to them today/tomorrow.

Below I have the NDP platform, followed by our main messaging points. Anything you can point to in terms of reports, data or evidence would be helpful. Perhaps offering a conversation with Toronto Hydro would be useful here as well. Let me know your thoughts, and I can start to package something together.

Thanks!

Ending mandatory Time of Use

Time-of-use pricing (TOU) was meant to incentivize people and businesses to shift their consumption to "off-peak" hours. The promise was that TOU pricing would shift demand and help businesses and people save money by using electricity at off-peak times. Data shows it is not working.

The government planned TOU to shift 308 MW in residential consumption; data shows a province-wide residential peak demand reduction of only 55 MW. Instead, there are more effective ways to reduce peak demand, such as Peaksaver Plus or industrial conservation programs.

As noted by an independent report prepared for the IESO, "General service class [nonresidential] customers show little evidence of load shifting behavior and are less responsive to the TOU prices than residential customers."

Anecdotally, TOU billing is a source of stress for Ontarians, especially those who are unable to shift their use to off-peak times such as seniors living at home, people at home during the day caring for children, or people with specific needs that cannot be shifted to off-peak hours.

Ending mandatory time-of-use will take significant stress off families and save money for people unable to shift demand to off-peak hours. Ontario would eliminate peak prices, and move to the lowest fixed rate.

Based on current OEB rates, this is 10.3 cents kW/h.

For example a senior unable to move consumption off peak because they are at home during the day, their home-help service helps with laundry and dishes during a day visit, consuming 50 per cent of their electricity during peak and mid-peak hours, would see 10 per cent savings based on eliminating TOU prices. Small businesses on TOU would also realize savings which would be based on their usage.

MO Points:

- Independent analysis has confirmed that over 1/3 of Ontario households have changed their consumption based on TOU pricing
- Analysis by OEB and former OPA has shown that TOU is meeting the objective of reducing peak demand
- Anthony Haines, CEO of Toronto Hydro, said that the smart meter program is the best thing we've done in a decade
 - Toronto Hydro saw a 3 per cent reduction in demand due to TOU pricing, equivalent to the power used by 97 condo towers

Colin Nekolaichuk | Press Secretary
Office of the Hon. Glenn Thibeault | Minister of Energy
T: 416-325-2690 C: 647-504-4928
colin.nekolaichuk@ontario.ca