Ontario

MINISTRY OF
ENERGY

Electricity Rate Mitigation – Working Group

November 21, 2016

Context

- The *Ontario Rebate for Electricity Consumers Act, 2016*, (ORECA) puts in place an 8% rebate for residential, small business customers and farms, effective January 1, 2017.
- Two new regulations under the ORECA (General, Invoicing Requirements) also come into force on January 1, 2017 to provide the necessary regulatory framework to deliver the 8% rebate.
- This meeting is to provide a debrief for Local Distribution Companies (LDCs) and unit sub-meter providers (USMP) to facilitate implementing the 8% rebate.
- Additionally a debrief of the amendments to the Industrial Conservation Initiative (ICI) will be provided.

Agenda

(1) Invoicing Regulation

(2) General Regulation under ORECA
- **Eligibility**
- **Base Invoice Amount**
- **Reimbursement Approach**
- **Information Requirements**

(3) ICI

(4) Questions

1. Invoicing Requirements Regulation - On Bill

In order to ensure that consumers are made aware of the new rebate, a new regulation under the ORECA (Invoicing Requirements) prescribes certain invoicing requirements.

On Bill Messaging: 8% Rebate

Prescribed placement requirements

- Bill issuers (including USMPs) will be required to show the 8% rebate as a separate line item on the face of the invoice.
- The 8% rebate line must be below the itemized changes for electricity, delivery, regulatory charge, debt retirement charge and HST and below any line related to financial assistance under the Ontario Electricity Support Program, but above the net amount of the invoice after deducting the credit.

Prescribed label:

- Credit must be labeled: **8% Provincial Rebate**

Prescribed on-bill messaging:

- In a location where conservation or other utility messages to consumers are usually placed the following message statement is required: **The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST**

Timing

- The credit line shall not appear on a bill issuer's bill until such time as the credit is flowing to consumers and no later than on a bill issued on or after July 1, 2017.

French

- The regulation does not provide a French translation, but permits the equivalent wording in French

1. Invoicing Regulation - Bill Mock-Up

SAMPLE MONTHLY BILL STATEMENT

Anytown Hydro-Electric Limited

Account Number:
000 000 000 000 0000

Meter Number:
0000000

The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST

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	53.06
Regulatory Charges	4.79
Debt Retirement Charge	0.00
Ontario Electricity Support Program	(30.00)
Total Electricity Charges	109.00
HST	14.17
8% Provincial Rebate	(8.72)
Total Amount	**$114.45**

1. Invoicing Requirements Regulation – Envelope & Bill Insert

Envelope Messaging

Messaging for the 8% rebate

- Energy vendors will be required to include the following prescribed messaging on the envelope: **"Ontario is helping reduce electricity costs for families, businesses and farms".**
- Additionally the words **"8% Provincial Rebate"** must appear on the face of the envelope in a reasonably prominent font size.
- Bill issuers must include the prescribed messaging on all envelopes no later than the 1st invoice issued after July 1, 2017 through until the 1st invoice issued after July 1, 2018.

Bill Insert Messaging

Energy vendors will be required to include a bill insert with prescribed language. (See next slide for full text). In a reasonable prominent place, the Ontario government trillium logo must appear on the face of the insert as well as the words "8% rebate".

The bill insert must accompany the first 2 invoices that the 8% rebate appears on the invoice.

French

- The regulation does not provide a French translation, but permits the equivalent wording in French

Envelope 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 this rebate.

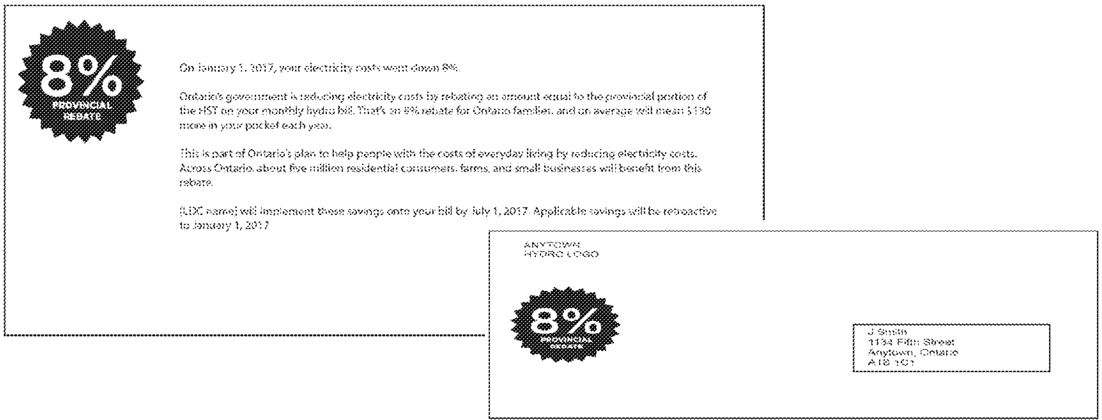
[LDC name] will implement these savings onto your bill by July 1, 2017. Applicable savings will be retroactive to January 1, 2017.

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)

Additional RRRP message for RRRP customers only

1. Invoicing Regulation: Design Requirements

- The specific design requirements for the bill insert and envelope message are not prescribed through regulation – other than the inclusion of the trillium and general direction on placement.
- The Ministry will provide camera-ready artwork for the bill inserts and guidelines for envelopes to assist in meeting the regulatory requirements. LDCs will be required to coordinate printing the bill inserts
- See below for some of the design options:



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2. General Regulation - Eligibility

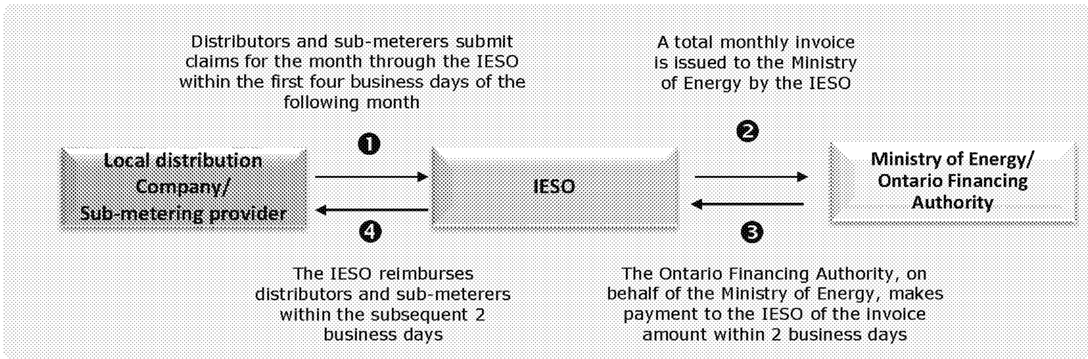
- Eligibility for the rebate is outlined in the ORECA. (See Appendix)
- The General Regulation under the ORECA does not prescribe a process that LDCs must follow in order to identify eligible customers in their service territory.
- LDCs must be prepared to identify eligible customers – including those who may not have received OCEB.
- LDCs may wish to develop processes to identify and assess claims for eligibility from customers.

2. General Regulation - Base Invoice Amount

- The base calculation process for electricity vendors is outlined in subsection 2 of the ORECA.
- The base amount includes commodity, rates and charges and any debt retirement charges, but excludes HST and additional charges that may appear on invoices like late payments, equipment rentals, or provision of other services.
- The General Regulation provides clarity on the treatment of the Ontario Electricity Support Program in the base amount calculation.
  - For customers who receive the OESP, the calculation of the rebase should include the OESP in the base amount. e.g. if the sub-total of the bill was $100 and the OESP was $30 – the base amount is $70.
- The General regulation provides clarity for calculating base invoice amounts for specific entities, such as Cornwall, Dubreuil and, the IESO.

2. General Regulation - Reimbursement Process

- The reimbursement process for the 8% rebate is provided in the General Regulation under the ORECA. The process established to deliver the OCEB was maintained to deliver the 8% rebate:
- Host distributors and unit sub-metering providers submit claims to the IESO in the amount of OCEB to which eligible consumers are entitled for the month and any adjustments to be made for earlier months
  - Reimbursement is made on the basis of these claims
- The reimbursement process occurs as follows:



2. General Regulation - Required Information

- ENERGY will be setting up an information portal similar to that used for OCEB required information.
- Updated contact information will be required by ENERGY at a management *and* staff level for any Portal issues.
- ENERGY intends to require the same information be reported for the 8% rebate as was required for the OCEB. Required info will include the following:
    1. Rebate claim, Number of eligible accounts, and volume of electricity, categorized by the following Consumer Rate Classes:
        1. Residential
        2. General Service > 50 kW
        3. General Service < 50 kW
        4. Other (remaining consumer rate classes)
    2. Information in 1) related to Multi-Unit Residential Buildings
    3. Information in 1) related to Retailer-Enrolled Accounts
    4. Short-Term Rebate Forecast (3 months)
    5. Additional Reporting Requirements (set-up information)
- The reporting process will require monthly reports and will coincide with the monthly rebate claims to the IESO.
- Please be prepared to interface with the information portal and provide this information by January 1, 2017 or the date you are operational.
- A Portal User Guide will be distributed prior to January 1, 2017 with detailed instructions and guidelines on how to use the new portal.

3. ICI Expansion – Overview

- Effective January 1, 2016, O. Reg. 429/04 is amended such that:
  - All electricity consumers with average monthly peak demand greater than 1 MW are eligible to participate in ICI.
  - Consumers between 1 and 5 MW that wish to participate will need to opt in to the program by June 15, 2017.
  - Consumers that opt-in will be billed as Class A starting July 1, 2017 (i.e., the beginning of the next adjustment period).
- The Ministry of Energy and IESO are currently in discussions in relation to potential engagement with smaller electricity consumers and LDCs. More details should be available after the reg. takes effect on January 1, 2017.
- Note: Newly eligible consumers in the program are expected to include: smaller industrial, institutional and commercial categories (i.e., automotive supply chain companies, office towers, large shopping malls, greenhouses and others).

Questions?

Appendix

Eligibility Criteria under the ORECA

From the ORECA

"eligible account" means, in respect of a consumer, an account with an electricity vendor, or with a person prescribed by the regulations, for the provision of electricity in Ontario if,

(a) the consumer has a demand for electricity of 50 kilowatts or less, or such other amount of demand for electricity as may be prescribed,

(b) the consumer annually uses not more than 250,000 kilowatt hours of electricity, or such other amount of use of electricity as may be prescribed,

(c) the consumer,

(i) carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993*, and

(ii) holds a valid registration number assigned under that Act or the consumer's obligation to file a farming business registration form was waived pursuant to an order made under subsection 22 (6) of that Act,

(d) the account relates to,

(i) a dwelling,

(ii) a property, within the meaning of the *Condominium Act, 1998*,

(iii) a residential complex, within the meaning of subsection 2 (1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act, or

(iv) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*, or

(e) the consumer or the account satisfies such conditions as may be prescribed by the regulations;

From the RTA:

"residential complex" means,

(a) a building or related group of buildings in which one or more rental units are located,

(b) a mobile home park or land lease community,

(c) a site that is a rental unit,

(d) a care home, and,

includes all common areas and services and facilities available for the use of its residents;