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## OEB Proposes to Amend the Standard Supply Service Code to Allow Consumers to Opt-Out of TOU Pricing

By Angela Oh and David Stevens

As discussed in a previous post, the Government of Ontario recently announced that Regulated Price Plan (RPP) consumers will be able to opt out of time-of-use (TOU) pricing in favour of tiered prices starting November 1, 2020. The tiered prices will include one rate up to a set limit of consumption, and then increased rate(s) for higher amount(s) of consumption.

In accordance with the government's initiative, the Ontario Energy Board has recently proposed amendments to the Standard Supply Service Code (SSSC) to enable RPP consumers to opt-out of TOU prices and elect to be charged tiered prices. The proposed amendments would also establish rules for how consumers can elect to opt out (switch to tiered pricing), including rules about the form and content of the notice to be provided by the RPP consumer to the distributor; the timing for the distributor to give effect to that notice; and an RPP consumer's ability to switch back to TOU prices after having elected to be charged tiered prices. As explained in the OEB's Notice of Proposal to amend the SSSC, the proposed amendments take account of suggestions and information provided through stakeholder consultation sessions.

The OEB proposes a four-step election process, as illustrated in the following diagram, and then described in more detail below.

First, the consumer must make an election to the distributor using a form available on the distributor's website. Distributors will need to use an OEB-approved election form, and distributors will be expected to make the election form as simple as possible. At a minimum, the distributor must accept forms provided by email and mail.

Second, the distributor must notify the consumer following review of the consumer's election stating either: (a) when the election will take effect, or (b) that the election cannot be processed, together with an explanation of how the form is incomplete or otherwise deficient. The notification must be given within 10 business days of receipt of the consumer's election form in the same form of communication that the consumer used to make the election. Consumers should also be notified, in the confirmation notice, of when the switch in pricing structures will become effective - the distributors must provide the consumer with the effective date of the switch or with a more generic message that refers to the change in pricing structure taking effect at the start of the consumer's next billing period.

Third, the distributor must make such changes as required to ensure that the RPP consumer's election is given effect. The OEB proposes that the price change be effective at the beginning of the consumer's first billing period after the election form is received, if it is received at least 10 business days before the beginning of that billing period. Otherwise, it must take effect at the beginning of the second billing period after the election form is received.

Finally, a confirmation must be provided to the consumer that the switch to tiered pricing has taken place. The OEB believes that this will be best accomplished by a one-time message on the consumer's first bill that reflects the switch to tiered prices.

Note that consumers establishing a new account are to be permitted to choose either TOU pricing or tiered pricing. These consumers are to be notified of their options at the time the account is being opened.

To enable the OEB to monitor implementation of these new processes, distributors will be required to retain all records of consumer interaction and notification generated through the TOU opt-out process, and any other records to demonstrate compliance with the TOU opt-out provisions of the SSSC for two years. If the distributor allows election to occur by telephone, all interactions pertaining to consumer choice must be recorded.

The OEB's proposal does not impose any limits on the frequency of switching. A switch back to TOU from tiered pricing will be subject to the same requirements that apply to the switch from TOU to tiered pricing. The OEB's proposal also does not change how distributors receive billing quantities for residential and general service less than 50 kW. The Independent Electricity System Operator in its capacity as the Smart Metering Entity will continue to perform this function and will provide billing quantities in relation to customers on both TOU and tiered pricing.

The OEB's Notice explains that it is "essential that consumers have access to information to assist them in understanding and assessing their pricing options." The OEB indicates an expectation that distributors make materials available to support decision making by their customers. The OEB is considering whether to develop standard materials that could be provided to a distributor's customers.

The OEB proposes that the amendments to the SSSC come into force on October 13, 2020, allowing distributors as much time as possible to implement the necessary system changes and make the election form available, while still enabling consumers to submit the form in time for the election to take effect in respect of a billing period that begins on or after November 1, 2020.

Interested parties are invited to provide comments on the OEB's proposal by July 29, 2020.

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