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OEB Proposes Updated Rules for Consumers Switching Away From TOU Pricing

By Angela Oh and David Stevens

As discussed previously, the Government of Ontario has 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. In July 2020, the Ontario Energy Board (OEB) issued proposed changes to the Standard Supply Service Code (SSSC) pricing to enable customers to switch between TOU and RPP, and asked for comments from stakeholders (see here). On August 25, 2020, the OEB issued a revised Notice of Proposal to Amend the Standard Supply Service Code (SSSC), including changes prompted by stakeholder feedback. For the most part, the process set out in the July 2020 Notice remains unchanged. The revisions now proposed update discrete items, and “are intended to facilitate the timely, cost effective and efficient implementation of the new customer choice initiative by November 1, 2020.” The OEB has invited comments on these revisions, which are described below.

First, the OEB clarified the proposed requirement for distributors to rely on meter data provided by the Smart Metering Entity (SME). All distributors currently receive billing quantities for residential and general service less than 50kW TOU consumers from the Independent Electricity System Operator (IESO) in its capacity as the SME. A number of distributors commented that they would prefer to continue to receive billing quantities from the SME under the TOU “framing structure” used by the Meter Data Management/Repository (MDM/R) for the purpose of billing RPP consumers who have elected to be charged tiered pricing. In response, the OEB is proposing to revise the wording of the proposed new section 3.5.13 of the SSSC to make it clear that no changes to the MDM/R framing structure used by distributors are required for the purposes of billing consumers on tiered prices. More specifically, section 3.5.13 would require distributors to rely on the SME for “the provision of consumption amounts for billing purposes,” which does not expressly or by implication refer to any particular framing structure. The intent of this revision is to allow a distributor to continue billing based on meter data under the TOU framing structure, even after a consumer has moved to tiered prices, if that is the distributor’s preference. If, however, a distributor would prefer to use the data under the periodic framing structure, it may do so.

The second main revisions relate to consumer notification. In its July 2020 Notice, the OEB had proposed a four-step process for processing a consumer’s election to opt out of TOU prices. Stakeholders raised concerns about the second and fourth of these “steps”.

The second step requires the distributor to send a notification to the consumer within 10 business days of receiving the consumer’s notice of election in the same communication channel used by the consumer to make the election. Several distributors suggested that the restriction on the method of delivery be relaxed. Thus, the OEB now proposes modifications to the proposed new section 3.5.6 of the SSSC, to the effect that delivery of the customer verification would be according to “the customer’s preferred method of communication, if known, or otherwise by mail or any other means determined to be appropriate by the distributor.” The OEB notes that it is important for consumers to be advised about the status of their election, particularly about when they can expect their election to become effective.

Several distributors also expressed concern about the fourth and final step, which required a one-time on-bill message confirming that the consumer has been moved to a different price structure. Concerns raised by distributors were about the technical feasibility of adapting their systems to accommodate the on-bill message in time for November 1, 2020. In response, the OEB now proposes to not mandate such a message, and to not proceed with the related proposed reporting requirement that would have applied to any distributor that failed to include a message on the first bill to the consumer under the new price structure.

The last main revision is to clarify and elaborate on the proposed rules that would build consumer choice into certain consumer account changes. The OEB proposes to revise the wording of the new section 3.5.8 of the SSSC to make the OEB's expectation clearer in regard to ensuring a consumer is aware of its options when opening a new account. While a distributor will not be required to ask a consumer for their election between TOU and tiered pricing, the distributor will have to inform the consumer of their options and given them an opportunity to elect their chosen option. This will support continued use of automated systems to enroll new and moving consumers.

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