

October 22, 2019

Backgrounder – November 1 electricity price change

<p>What is changing?</p>	<p>RPP Prices</p> <p>With changes in legislation, customers will see an increase in the prices on the Electricity line of their bills as prices will once again closely reflect the forecast cost of electricity supply. The new Regulated Price Plan (RPP) prices are effective November 1, 2019.</p> <p>Expanded Rebate</p> <p>An expanded rebate providing bill relief (the Ontario Electricity Rebate) will be applied to customers' bills and reduce the pre-HST amount of the bill. The rebate will largely offset the price changes on the Electricity line. It applies to consumption on and after November 1, 2019.</p> <p>New Bill Message</p> <p>A new bill message will start appearing for customers who, in addition to the rebate, benefit from one or more of the following existing provincial support programs: the Ontario Electricity Support Program; the Rural or Remote Electricity Rate Protection program; the Distribution Rate Protection program; and the First Nations Delivery Credit. That bill message will include an amount representing the sum of provincial support provided to the customer. Utilities have until February 1, 2020 to begin including this message on customers' bills.</p> <p>Learn more about the Ontario government's new rebate and changes to your bill.</p> <p>Winter TOU Hours</p> <p>Winter time-of-use (TOU) hours are also effective November 1.</p>
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<p>What is the RPP and how is it calculated?</p>	<p>The RPP provides stable and predictable electricity pricing, encourages conservation and ensures the price customers pay for electricity better reflects the forecast cost of supply. It has been in place since 2005.</p> <p>The OEB sets prices based on a 12-month forecast. Going forward, the OEB will resume reviewing prices twice a year (in the spring and fall) and will reset them as required to recover the forecast cost of supply.</p> <p>With TOU prices, customers pay prices that generally reflect the relative value of electricity supply at different times of the day. There are three TOU periods – on-peak, mid-peak and off-peak. Prices are highest during on-peak, lower during mid-peak and lowest during off-peak.</p> <p>Nearly all residential customers and many small business customers on the RPP pay TOU prices.</p> <p>A small number of customers are paying tiered prices. Under tiered prices, a customer can use a certain amount of electricity each month at a lower price. Once that limit is exceeded, the price goes up. The winter tier threshold is also effective November 1 for residential customers.</p> <p>Visit oeb.ca for more information about TOU prices and tiered prices.</p>
<p>Who is a “typical” residential customer?</p>	<p>The typical residential customer:</p> <ul style="list-style-type: none"> • pays RPP TOU electricity prices and has the TOU consumption profile of 64% in off-peak, 18% in mid-peak and 18% in on-peak; and • uses 700 kWh of electricity per month



<p>What is the Global Adjustment (GA)?</p>	<p>Most electricity generating companies get a guaranteed price for the electricity that they produce. The Global Adjustment (GA) is the difference between that guaranteed price and the money the generators earn in the wholesale marketplace. The GA also covers the costs of some conservation programs.</p> <p>For residential and small business customers that buy their electricity from their utility and pay RPP prices, their share of the GA is included in their RPP prices. Other customers, like those that have a contract with an electricity retailer, pay their share of the GA on top of their electricity price. The GA appears as a separate line item on their bills.</p>
<p>Will I be better off signing up with an electricity retailer?</p>	<p>Customers who are considering signing up with an electricity retailer should do their homework before entering into a contract. That means taking the time to compare the contract offer and the prices charged by your utility. Be sure to read and understand the contract and other information that the electricity retailer is required to give you if you choose a contract.</p> <p>For more information about energy contracts, visit oeb.ca.</p>
<p>What is the ratio between on/off-peak?</p>	<p>The on-peak price is about double the off-peak price. This encourages customers to shift their consumption and conserve power when it costs most.</p>
<p>Contact Us</p> <p>You can find all reports and documents related to RPP prices at oeb.ca or you can call us (toll-free) 1-877-632-2727.</p> <p>Media Inquiries</p> <p>Phone : 416-544-5171 Email : oebmedia@oeb.ca</p> <p><i>Ce document est aussi disponible en français.</i></p>	

