

Enabling Customer Choice for RPP TOU Customers

Working Group Meeting 1

June 16, 2020

EB-2020-0152

Agenda

- 9:30 a.m. – Welcome and logistics
- 9:45 a.m. – Presentation and discussion
- 10:45 a.m. – Break
- 11:00 a.m. – Presentation and discussion
- 12:00 p.m. – End

Recap of Objectives

The objectives for implementing customer choice are to:

- Ensure that the TOU opt-out mechanism is in place for November 1
- Smooth the transition between price structures for customers
- Smooth the implementation for regulated entities – including finalizing the rules as early as feasible
- Minimize costs of implementation
- Maximize consistency of implementation across the province
- Support informed decision-making by customers – what their options are and how to choose the price structure that is best for them

Topics for Discussion

The topics for discussion at today's meeting include:

1. Rules regarding account changes
2. Rules and other items regarding the process design
3. Processing times for notification and implementation of election
4. Frequency of switching
5. Next steps

Rules Regarding Account Changes

Rules Regarding Account Changes

TOU continues to be the default price structure unless a customer cannot be provided with TOU or specifically makes an election to switch.

Based on the last meeting, staff's proposals on account changes include:

- New accounts or customers switching from retail contracts or spot market prices will be on TOU unless customers elect to switch.
 - These customers must be allowed an advance opportunity to choose tiered pricing instead of TOU as their new price structure.

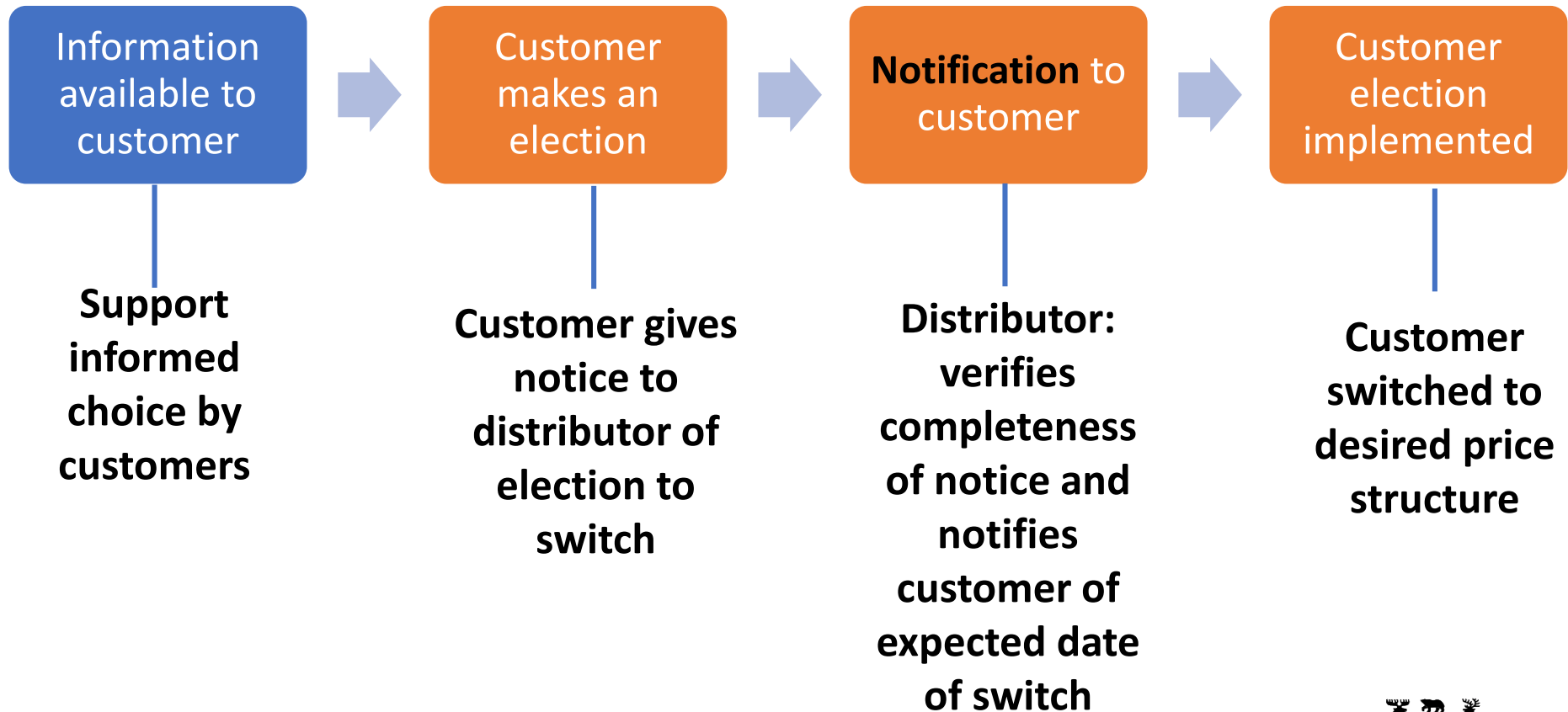
Rules Regarding Account Changes

Questions:

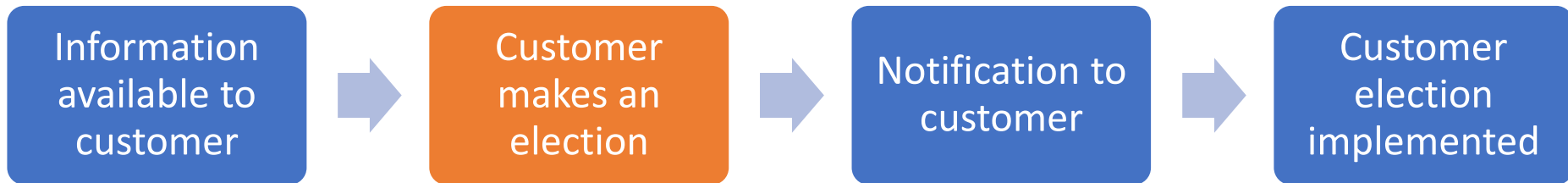
- What other rules around account changes need to be considered?
- What are the implications of opting out of TOU for a customer on an equal billing plan?

Process Design Rules

Process Design



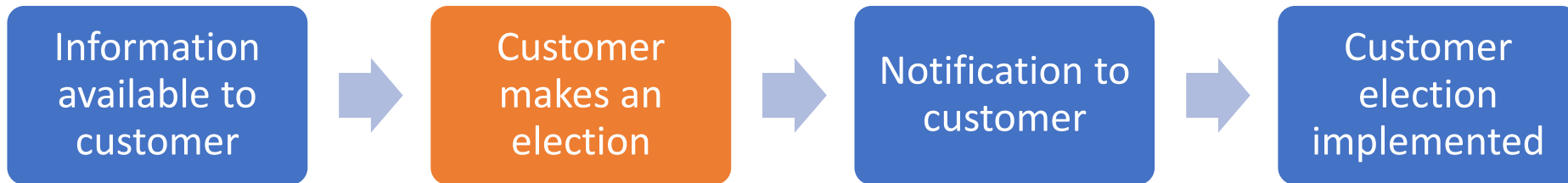
Methods for Making Election



Staff's proposal:

- All distributors are required to provide mail as a way for customers to make an election.
 - Distributors should also make one or more other cost effective means available for their customers to make elections.
- Any customer election method used, including telephone, should generate records/be auditable in the event of a customer dispute.

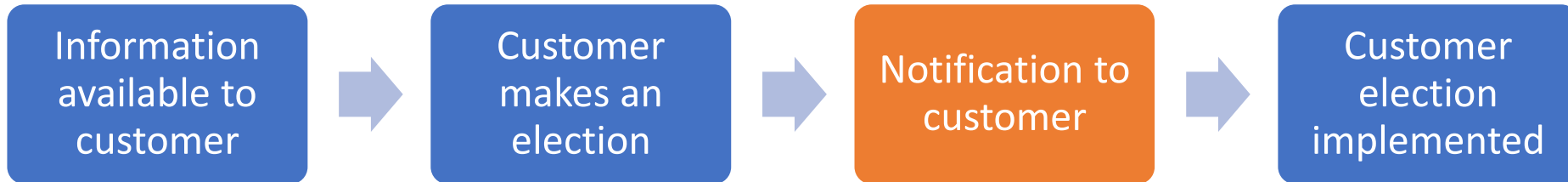
Methods for Making Election



Questions:

- Other than mail, what methods of giving notice of election can be implemented for customers November 1 (e.g., telephone, email, fax, online)?
 - Are there different cost consequences for each method?
- What minimum information is required to process an election?
- Would a standardized form for the election process be helpful for some or all methods?

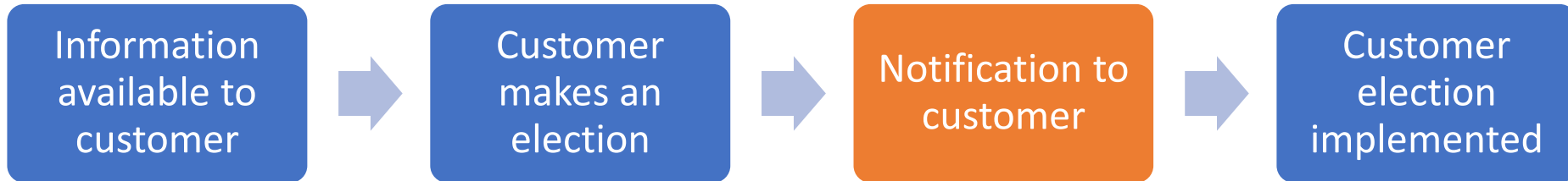
Notification to Customer



Staff's proposal:

- All elections found to be complete will require written notification to customer that the switch is pending. The customer is not expected to respond to this notification.
- Customers will be notified by the distributor if the election is found to be incomplete. These customers will have the opportunity to submit a new election.
- The notification to a customer must be separate from other communications to the customer.
- The distributor must include a notice on the first bill in which the switch has occurred notifying the customer they are on a different pricing structure.

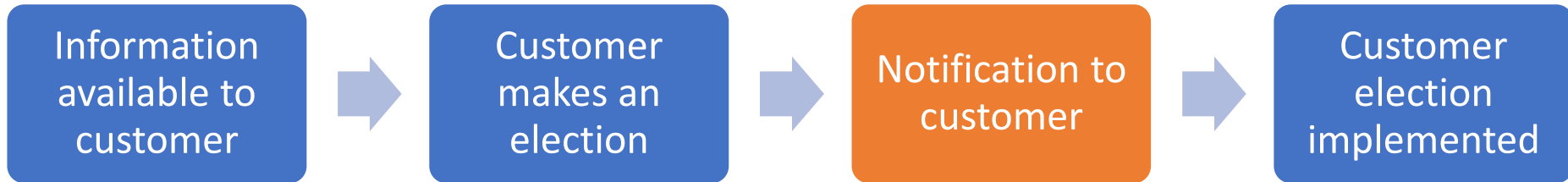
Notification to Customer



- The notification to customers must at minimum confirm that the switch is pending.
- What level of customer-specific information can be included? For example, should it:
 - Identify the specific date on which the customer will begin to be charged under the new price structure?
 - Indicate on which bill (i.e., “on your next bill”) the customer should expect to see it effective?
- What are the timing or other implications of different approaches to customer-specific information?

Processing Times for Notification and Implementing Election

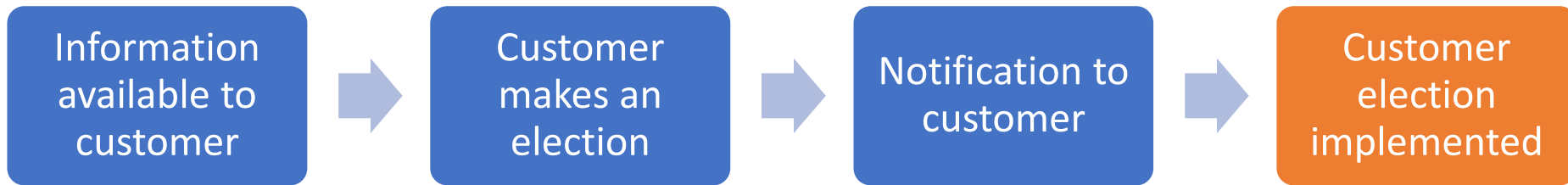
Timing Requirements



Staff's proposal:

- All elections must be assessed for completeness within a maximum of X of days of receipt, independent of the method the customer has used to notify the distributor of the election.
- The notice to the customer must be issued by the day following $(X + 1)$ the conclusion of the assessment for completeness.

Timing Requirements



Staff's proposal:

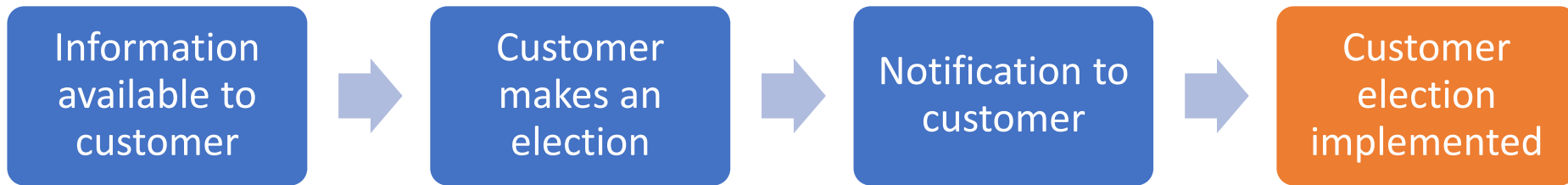
- **Option 1:** Any election assessed by the distributor to be complete will become effective at the beginning of the next billing period provided that completeness has been determined at least Y days prior to that billing period.

OR

- **Option 2:** Any election received by the distributor at least $X+Y$ days prior to the next billing period will be effective at the beginning of that billing period provided it is complete.

- All elections submitted less than [Y or $X+Y$] days prior to the next billing period shall be effective at the beginning of the following billing period.

Timing Requirements



Questions:

- Which is the better way to define the processing time requirements, given the objective of maximizing consistency of implementation and minimizing costs?
 - Is it better to have separate time-bound rules for notification and implementation?or
 - Is there an advantage in combining the notification and implementation steps into one time-bound rule?
- What are possible unintended consequences of either approach?

Election and Implementation

Questions:

Process

- Do you have additional steps built into your billing process that should be taken into consideration?
- What settlement issues with IESO/SME need to be taken into consideration, and what impact will these have on the process and timing?

Election and Implementation

Questions:

Timing

- From your perspective, what should the required processing time be for each of these steps?
 - How many days are required to assess the completeness of an election?
 - How many days must remain in the billing/meter read period to be able to process an election in time for charges under the newly elected RPP price structure to be effective the first day of the next billing period?

Election and Implementation

Processing and Sequencing

- Staff's proposal is that elections should be reviewed for completeness in the order that they are received.
- In what order should complete elections be implemented:
 - In the order in which they are received?
 - In an order that maximizes the number of customers switched in their next billing period?

Transitional provisions

- Are there any transitional provisions that need to be considered for November 1 to manage volumes?

Election and Implementation

Follow up activity:

- For the next meeting, please prepare a similar schematic to slide 18 outlining your billing processes and timing, and any minimum timing requirements.

Frequency of Switching

Frequency of Switching

Discussion on June 9th included the following suggestions from stakeholders:

- After an initial election from TOU to tiered, a customer must wait six months from the date the switch was implemented to request a switch back to tiered and for all subsequent switches between TOU and tiered.
- Switching opportunities should be isolated to certain times of the year

To what degree does each suggestion balance the following:

- Managing distributor workload
- Flexibility for customers (including mitigating risk/impact of making an election that doesn't match their expectations)
- Minimizing gaming opportunities/cross subsidies

What other frequency of switching rule(s) should be considered? Are there alternative minimum periods that would be more effective? Are there incremental issues to be considered for November 1 as a transitional matter?

Next Steps

Next Steps

- Proposed dates and topics are found in the table below.

Date	Topic
Thursday, June 18 - 9:30 a.m. – 12 p.m.	<ul style="list-style-type: none">• Further discussion on processing timelines and expectations• Any other business carried over from June 16• Project critical path
Tuesday, June 23 – 9:30 a.m. – 3 p.m.	Information available to customer/TBC
Thursday, June 25 - 9:30 a.m. – 3 p.m.	TBD

- OEB Consultation: EB-2020-0152
- Project webpage: <https://www.oeb.ca/industry/policy-initiatives-and-consultations/implementing-process-enabling-customers-opt-out-time>