

## **Frequently Asked Questions**

### **Q1. What is being done to support households and businesses with increased electricity usage during this COVID-19 outbreak?**

The government of Ontario has extended emergency rate relief for time-of-use electricity customers until May 31, 2020. Households, farms and small businesses paying TOU electricity rates will continue to be charged the lowest price, known as the off-peak electricity rate, 24 hours a day, 7 days a week until May 31, 2020.

Starting June 1, 2020, the government of Ontario has introduced a “COVID-19 Recovery Rate” of 12.8¢/kWh for TOU Regulated Price Plan (RPP) customers to provide stability and predictability for families, small businesses and farms. This rate is equal to the forecasted average RPP supply cost, calculated November 1, 2019. This rate, subject to approvals, is intended to be in effect until October 31, 2020.

### **Q2. That’s a big price increase on June 1. Won’t that create hardship if people have not gone back to work yet?**

Compared to having peak/mid-peak/off-peak rates, the 12.8¢/kWh rate would better reflect ongoing adjustments to Ontarians’ working arrangements.

A price that doesn’t vary by time of day is a simple way to enhance predictability for residential, small business and farm customers about their costs at a time when their electricity use might be a lot different than it is normally. This rate provides stability for Ontarians who are working and learning from home over the warm summer months.

This rate is based on the forecasted average RPP supply cost, calculated by the Ontario Energy Board as of November 1, 2019.

The government’s primary focus remains protecting the health and well-being of Ontarians, while taking measures to stop the spread of COVID-19 and save lives.

### **Q3. The province just announced that schools will remain closed until the end of the current school year. Why are you increasing prices on June 1 when kids will still be at home?**

Compared to having peak/mid-peak/off-peak rates, the 12.8¢/kWh rate would better reflect ongoing adjustments to Ontarians’ working arrangements.

A price that doesn’t vary by time of day is a simple way to enhance predictability for residential, small business and farm customers about their costs at a time when their electricity use might be a lot different than it is normally. By moving to the average rate, we are continuing to suspend the TOU program to provide relief to Ontarians who are working and learning from home.

This rate is based on the forecasted average cost of supply. The government's primary focus remains protecting the health and well-being of Ontarians, while taking measures to stop the spread of COVID-19 and save lives.

**Q4. Small businesses are already struggling, is it fair to increase the price of electricity when they are just starting to reopen after being closed for two months?**

Compared to having peak/mid-peak/off-peak rates, the 12.8¢/kWh rate would better reflect ongoing adjustments to Ontarians' working arrangements.

A price that doesn't vary by time of day is a simple way to enhance predictability for residential, small business and farm customers about their costs at a time when their electricity use might be a lot different than it is normally.

This rate is based on the forecasted average cost of supply and is intended to be revenue neutral, and therefore would not require additional subsidies from government to support it. This would free up funding for other government priorities, like health care, during the COVID19 outbreak.

The government's primary focus remains protecting the health and well-being of Ontarians, while taking measures to stop the spread of COVID-19 and save lives.

**Q5. Why is the off-peak rate only intended to be extended until May 31? Does this mean that social distancing practices will be over by then?**

As COVID-19 continues to quickly evolve, we want to minimize the financial burden and support people when they're doing the right thing and staying home.

That's why the government implemented immediate rate relief when Ontarians were asked to begin social distancing.

**Q6. How will the off-peak rate appear on bills?**

The off-peak rate of 10.1¢/kWh will automatically be applied to TOU ratepayers and will be shown on customer bills as the rate for all three TOU periods. Customers who pay time-of-use electricity rates will continue to be billed the off-peak electricity rate. The intention is to provide the off-peak rate until May 31, 2020.

**Q7. Would the new COVID-19 Recovery Rate be automatically applied to customer bills?**

Yes, the fixed 'COVID-19 Recovery Rate' of 12.8¢/kWh will automatically be applied to all customers who pay time-of-use (TOU) rates starting June 1, 2020. It is intended that this rate will continue to be in effect until October 31, 2020.

**Q8. Will the COVID-19 Recovery Rate have an impact on customer bills?**

Historical consumption patterns suggest that the monthly summer bills of most residential and small business customers charged at the COVID-19 Recovery Rate would on average be expected to be within

+/- 2 percent of the bill they would have received if they were charged the TOU prices by the Ontario Energy Board on November 1, 2019.

The bill impact for individual customers as a result of the adoption of the COVID-19 Recovery Rate will depend on how much electricity they use and the extent to which their consumption pattern is different from what it has been in the past.

#### Illustrative Bill Comparison Examples:

- Compared to regular time-of-use rates, the average consumer (700kWh monthly consumption, 64% off-peak, 18% mid-peak, 18% on-peak) would not see a bill change when charged the COVID-19 Recovery Rate of 12.8 cents/kWh.
  - Compared to regular time-of-use rates, a consumer who uses 700kWh a month but has an atypical consumption pattern (45% off-peak, 25% mid-peak, 30% on-peak) would see a bill decrease of approximately \$9.47 when charged the COVID-19 Recovery Rate of 12.8 cents/kWh.
  - Compared to regular time-of-use rates, a consumer who uses 700kWh a month with a consumption pattern of 55% off-peak, 20% mid-peak, 25% on-peak would see a bill decrease of approximately \$4.99 when charged the COVID-19 Recovery Rate of 12.8 cents/kWh.
  - Compared to the current off-peak price of 10.1 cents/kWh, the average customer (700kWh monthly consumption) would see a bill increase of approximately \$16.13 when they are moved to the COVID-19 Recovery Rate of 12.8 cents/kWh.

#### **Q9. How will this change affect RPP customers who don't pay TOU rates?**

Tiered customers will not be affected by the new fixed price. The initial rate reduction was targeted to TOU ratepayers, as those were the customers that would see the greatest increase in cost due to being home during the day. There are approximately 5 million residential consumers, farms and some small businesses who are on TOU electricity prices under the RPP.

The remainder of RPP customers either pay tiered prices or have opted out of the RPP to sign a contract with an electricity retailer or to pay market-based pricing. At the present time, RPP customers who pay tiered rates make up less than 5% of RPP consumers.

#### **Q10. What is happening with the usage threshold for tiered rates? The summer threshold that normally goes into effect May 1 is much lower than the winter (600 kWh vs. 1000 kWh per month.) With most people at home for all of May, the higher threshold will kick in much earlier for a lot of customers.**

The Ontario Energy Board has extended the winter tier prices and the winter thresholds also remain in place until further notice. By keeping the winter threshold in place, residential customers will have an additional 400kWh/month available at the lower Tier 1 price.