



Ontario Energy Board
Commission de l'énergie de l'Ontario

Regulation for All Consumers

Rosemarie T. Leclair
Chair & CEO

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Our Mission

To promote a viable, sustainable and efficient energy sector that serves the public interest and assists consumers to obtain reliable energy services at reasonable cost



Our Vision

- OEB regulates in a manner that focuses on outcomes valued by consumers
- OEB processes are efficient, effective, understood, and accessible to both industry and consumers
- Ontario regulated entities are among the most efficient in North America and beyond
- Consumers have:
 - a reliable energy supply, at a reasonable cost
 - the information they need to make choices regarding energy use
- Consumers understand the value they receive for their \$\$\$



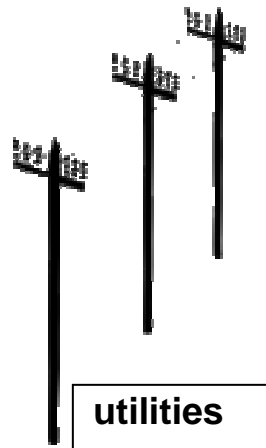
Customer Centric Regulation

- Knowing your customers
- Understanding what they expect
- Meeting/exceeding those expectations
- Being true to the principles of regulation



Our “Customers” At The OEB

- The utilities that we regulate
- Those who participate in our proceedings
- The customers who are directly impacted by the decisions that we make



What Does the Board Regulate?

- Rates charged by distributors and transmitters
 - Electricity and Natural Gas
- Commodity (time-of-use) prices for electricity
- Retailer conduct
- Customer service standards
- Leave to construct
- Licences market participants
- Conservation



Who Participates in Board Proceedings?

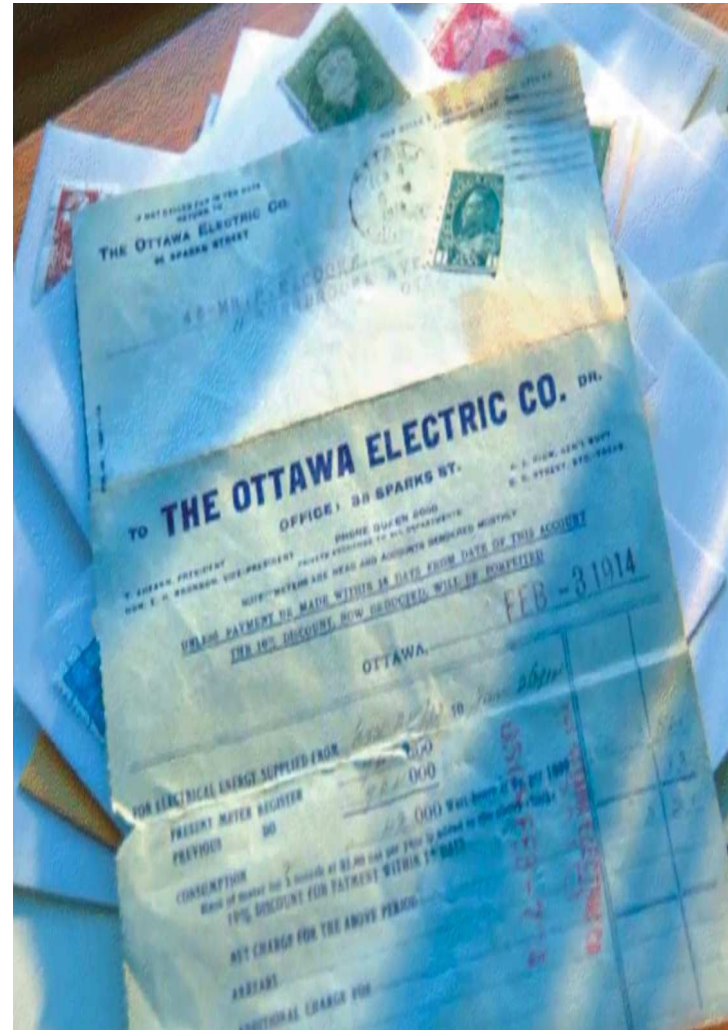
- Consumers are represented in Board proceedings and processes through various associations
 - Low Income Energy Network
 - Vulnerable Energy Consumers Coalition
 - Consumers Council of Canada
 - School Energy Coalition



Customer Expectations

Value for money

- Safe, reliable supply
- Sustainable, renewable
- Customized programs/services
- Customer service
- Reasonable Price



Regulatory Challenge – Energy Literacy

- Most customers do not understand
 - The drivers of electricity cost
 - The relationship between reliability, sustainability, and the price they pay
 - The value of energy
 - Their energy bills
 - The electricity sector
- So they lack interest and confidence
- Result... limited engagement and trust



Why Do We Care?

- OEB mandate is to protect the interests of all consumers – current and future
 - Price, adequacy, reliability, quality
- Challenge is to fulfill mandate in a way that
 - Aligns consumer and utility interest
 - Considers the broader public interest
 - Maintains a viable electricity network for tomorrow's consumers
- Our work has a direct impact on residents, business and industry



Setting the Standard

- By taking the lead
 - Proactive
 - Leverage every opportunity
 - Talk to, listen to, hear from, understand
 - Work with others as appropriate
- Creating an environment that allows every consumer to become more energy literate and engaged



Consumer Centric Approach In Action

**New Price
Setting
Approach**

**Programs to
Reduce Use**

**Better
Consumer
Education**

**Financial
Assistance**

Compliance



New Price Setting Approach

- More flexible rate setting
 - Costs vs. value, inflation, productivity
- Responsive to customer needs
- Pacing and prioritizing through planning
- Longer terms more predictable



Performance Scorecard

Performance Outcomes	Performance Categories	Measures	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	Connection of New LV Services (DSC s7.2)	
		Appointments: Scheduled (DSC s7.3)	
		Appointments: Met (DSC s7.4)	
		Telephone Accessibility (DSC s7.6)	
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and utilities deliver on system reliability and quality objectives.	Safety	Emergency Response (DSC s7.9)	
		Last-time Accident Frequency Rate (Number of lost time accidents per 200,000 hours worked) Severity Rate (Number of days lost due to lost time accidents per 200,000 hours worked)	
	System Reliability	System Average Interruption Duration Index - Code 2 Outages (RRR s2.1.4.2.2)	
		System Average Interruption Frequency Index - Code 2 Outages (RRR s2.1.4.2.4)	
	Overall cost performance	Total cost benchmark result	
		OM&A Cost	per Customer per kWh Delivered per Circuit Km of Line
		Net Plant Cost	per Customer per kWh Delivered per Circuit Km of Line
		Asset Management	Actual network CAPEX % variance from Plan (Capital Budget vs. Actual)
	Public Policy Responsiveness Utilities deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Government Policy Directive on Conservation & Demand Management	2014 Net Annual Peak Demand Savings Target (MW) 2011-2014 Net Cumulative Energy Savings Target (GWh)
		Connection of Renewable Generation	% of CIA Completed for Renewable Generation Facilities >10 kW within the applicable timeline prescribed by Ontario Regulation 326/09 made under the Electricity Act, 1998
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio Profitability: Regulatory Return on Equity	



Improving Awareness, Education and Consultation

- Bill inserts
- Utility and OEB websites
- OEB caravans reaching out to communities across the province
- Web tools
 - Bill calculator allows consumers to compare the prices offered by energy resellers to what they pay through their utility
- “Knock Knock” campaign to educate consumers about door-to-door energy resellers



Improving Awareness – Consumer Outreach

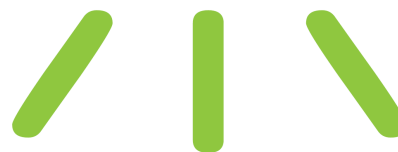
- Town Halls
- Presentations to social agencies, legal aid clinics
 - LEAP, Low-income customer service rules
- Information booths
 - Home Shows
 - Trade Fairs
 - Community Events



Improving Awareness – Multimedia Campaign

- Radio Ads
- Online Ads
- Brochures
- Multilingual Outreach
- Utility Bill Inserts
- You Tube
- Social Media

 Ontario Energy Board



Who's there?

Energy marketer

Energy marketer who?

For more tips and info go to OntarioEnergyBoard.ca



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Improving Awareness – Online Bill Calculators

- Electricity / Natural Gas
 - Utility specific
- Retail Contracts
 - Compare contract (total bill) to regulated price (total bill)



Programs to Reduce Use

- Conservation is an effective tool to manage consumption and the bill's bottom line
- Reduce and shift is part of Government Policy
- Utilities are required to achieve targets
 - They do that by offering programs, including programs targeted to qualified low income customers
- Shifting usage (vs. using less) is key
 - Time-of-use pricing puts control in the hands of the consumer



Electricity Conservation and Demand Management

- Programs
 - Fridge and freezer pickup
 - HVAC Incentives
 - Conservation Instant Coupon Booklets
- Low-income Programs
 - Electricity distributors spent \$500,987 on the Home Assistance Program



Natural Gas Demand Side Management

- Enbridge and Union 2007-2011
 - Total spending of \$229 million
 - Total Resource Cost savings of \$2.419 billion
- Combined savings for 2011
 - Equivalent to the amount of natural gas used by over 100,000 residential homes
- Low-income
 - Utilities may increase their DSM budgets by up to 10% if the funds are solely used to support low-income programs



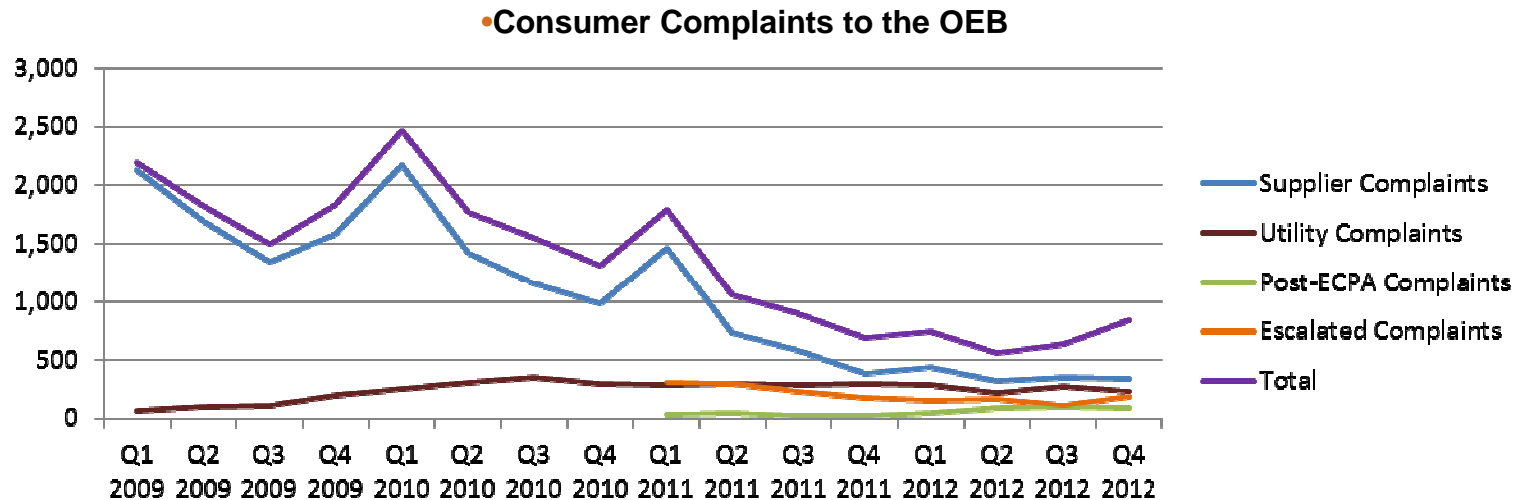
Financial Assistance

- LEAP – Low-income Energy Assistance Program
 - Emergency grant up to \$500/year for fuel, \$600/year for electric heat
- Customer service rules tailored to protect vulnerable consumers
 - Eligibility set at pre-tax household income at or below StatsCan low income cut off +15%
 - Security deposits may be waived or credited to the account
 - More flexible payment plans on arrears
 - 2 years to pay arrears where utility has made a billing error
 - Equal billing customers can pay their bill directly vs having amount withdrawn from their bank account



Compliance

- *Energy Consumer Protection Act, 2010*



- More than \$1.1 million levied in fines to date
- Consumer complaints to the Board related to energy contracts have decreased considerably
 - 12% of complaints are related to contracts signed after ECPA, 2011
 - Remaining 88% still related to long-term contracts signed prior to 2011



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Energy Literacy – Success

The consumer is engaged and is knowledgeable

- Understands charges on their bill
- Understands the value received for \$\$ spent
- Makes informed decisions about how and when to use energy
- Knows how to get involved and have a say
- Has confidence in Ontario's energy system
- Has confidence that someone is looking out for them



One Last Thought



- *“Energy and Persistence Conquer All Things”*
– *Benjamin Franklin*

