



April 20, 2022

Dear Stakeholder:

Our government remains committed to an electricity system that is clean, reliable and affordable. Over the past three years, we have made significant progress in reducing electricity rates for all electricity consumers.

In 2022, through our government's Comprehensive Electricity Plan, industrial and commercial consumers are forecast to save 15 and 17 per cent, respectively, on their electricity bills. In addition, as a result of the Ontario Electricity Rebate, an average residential consumer is expected to see 12 per cent lower electricity bills by 2025 and 23 per cent lower electricity bills by 2029, according to a recent report from the independent Financial Accountability Office of Ontario.

That said, we need to ensure consumers have more choices to further lower their bills. While large customers may participate in the Industrial Conservation Initiative and most residential and small business customers under the Ontario Energy Board's (OEB) Regulated Price Plan (RPP) have two price plans to choose from, and a third under development, more options for mid-size customers (i.e., non-RPP Class B consumers) are necessary. It is with this in mind that we want to explore further opportunities for these businesses, helping them to lower costs for themselves and the broader electricity system through more choice.

The OEB, in collaboration with the Independent Electricity System Operator, will be holding a consultation in support of its efforts to develop dynamic pricing pilots for non-RPP Class B electricity consumers. The pilots will explore the opportunities presented in the OEB's 2019 staff research paper *Examination of Alternative Price Designs for the Recovery of Global Adjustment Costs from Class B Consumers* to develop a more fair approach to the recovery of Global Adjustment costs from non-RPP Class B consumers. The research paper can be viewed at www.oeb.ca/sites/default/files/rpp-roadmap-staff-research-paper-20190228.pdf.

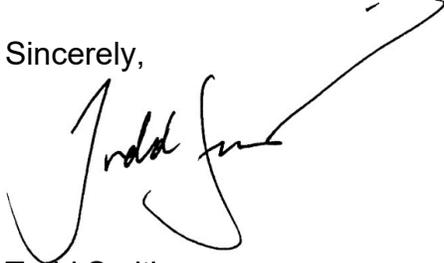
The stakeholder consultation is scheduled to begin with a stakeholder meeting in July 2022. Stakeholders are expected to have until the end of November 2022 to participate in the consultation. Feedback from the consultation will help inform the design of the pilots in preparation for a call for proposals later this year.

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Information on the consultation is posted on the OEB's Engage with Us webpage at <https://engagewithus.oeb.ca/dynamic-pricing-pilot>.

I hope that you will be able to participate in the planned consultation, as your comments will be invaluable in developing the pilots to support this important work.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Smith", with a long, sweeping flourish extending upwards and to the right.

Todd Smith
Minister

c: David Donovan, Chief of Staff to the Minister of Energy
Stephen Rhodes, Deputy Minister of Energy
Susanna Zagar, Chief Executive Officer, Ontario Energy Board