



Canadian Condominium Institute – Toronto and Area Chapter
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Kevork Hacatoglu
Ministry of Energy, Conservation and Renewable Energy Division
77 Grenville Street, 5th floor
Toronto, ON On M7A 2C1

Re: Proposed Implementation of an Ultra-Low Overnight Electricity Price (ERO 019-5849)

Further to our March 24, 2022 submission to the Ministry of Energy in response to the Ministry's request for stakeholder input for the proposed permanent changes to enable a new voluntary enhanced time-of-use electricity rate including consideration of a new ultra-low overnight price (a copy of which is enclosed herewith for your ease of reference) we are pleased to submit these further comments for the Ministry's consideration. This submission will focus on CCI's comments related to the implementation of an ultra-low overnight electricity price.

By way of background, the Canadian Condominium Institute ("CCI") is a nationwide not-for-profit organization that deals exclusively with condominium issues affecting the condominium community. CCI has seventeen chapters nationally and eight chapters in Ontario, representing in excess of 280,000 units Ontario-wide. CCI has been an active contributor to Ontario's condominium legislation and regulatory amendments over the decades. In particular, with respect to the recent amendments to the *Condominium Act*, 1998, CCI submitted recommendations to the Ministry, and several of our directors participated in the stakeholder groups during the public consultation leading to the reforms, including being part of the expert panel established by the government that made the final recommendations to the Ministry at that time.

It is in this manner that CCI is pleased to provide input and comments to the government's proposed implementation of an Ultra-Low Overnight Electricity Price. Drawing on the knowledge, experience and resources of our industry experts, condominium boards of directors and unit owners, below are our submissions on behalf of all eight Ontario CCI Chapters, through an organized effort of the CCI Toronto and Area Legislative Committee.

Of critical importance to implementing an Ultra-Low Overnight Electricity Price is how to change consumer behaviour to achieve the objective of shifting electrical consumption to the preferred time of use, as confirmed by the Guidehouse Regulated Price Plan Pilot Meta-Analysis Report. In order to do so, it would be beneficial for the government to incentivize both condominium unit owners and condominium corporations. The shift by condominium corporations to non-peak use will further the capacity of the grid and further the objective of electrification of other industries in Ontario. In addition, informing consumers as to the availability of various government incentives, and making any incentives easy to access without a lot of bureaucracy will assist unit owners and boards of directors alike. To that end, making use of existing educational on-line tools

offered through the Condominium Authority of Ontario (“CAO”) website would be an ideal option to accessing government incentive programs. CAO has marketed itself as an independent source of information and education for all facets of the condominium industry and is a widely-used, trusted resource for both condominium unit owners and condominium corporations. In a time when condominium unit owners are faced with affordability issues due to inflation and other increased costs, such as interest rates and insurance, an easily-accessible, monetary incentive to shift electricity usage would be a welcome reprieve.

In addition to addressing and incentivizing consumer behaviour, we also note the following key facts and issues for consideration:

1. **The infrastructure.** Approximately 50% of condominium corporations are bulk metered, 25% have the suites metered by a unit sub-metering provider, and the remaining 25% have the suites metered by a Local Distribution Company (“LDC”). The vast majority of condominium building electricity accounts are General Service greater than 50 kW and are eligible for the Regulated Price Plan (RPP). Townhome condominium complexes are generally suite-metered General Service < 50 kW. Currently, condominium General Service accounts have a choice of three pricing options – Hourly (HOEP), Time of Use RPP (TOU), and Tiered RPP (Tiered). Although there is not much movement between price plans, current regulations allow condominium corporations to switch between these price plans from month-to-month.
2. **The rate structure.** The illustrative Ultra-Low TOU rates in the [March 2022 OEB report](#) may need to be reconsidered as they do not offer a clear incentive to switch. The largest concern in the illustrative example (winter RPP) is the expansion of the Mid Peak price from 6 hours to 11 hours.

For the Ultra-Low TOU to be successful, it would have to operate like the other options available to condominium corporations. Specifically, it is expected that RPP eligible accounts would be allowed to switch into and out of the Ultra-Low TOU using the same rules that apply to price switching today. Our experience is aligned with the key findings of the [OEB Report EB-2020-0152 of December 6, 2021](#) that there will be a relatively low percentage of multiple price plan switches from a single customer meter. Multiple price plan switches likely reflect how the buildings are heated or cooled – an electrically-heated building may not select the Ultra-Low TOU during the winter because of the potential to require a lot of electric heating during the expensive On Peak time.

3. **The Demand costs.** Most condominium corporations’ electricity accounts are greater than 50 kW, so their Demand charges are based upon their peak demand during the entire billing period. For clarity, their Demand charges are not based on the time of day the peak occurs. So, a condominium corporation adopting a strategy to shift its consumption to overnight would very likely see their Demand charge increase. Thus, we believe the Ultra-

Low TOU rates should incorporate the likelihood of these increased Demand charges versus seeking to ensure full cost recovery based solely on the commodity. Further, Ultra-Low TOU rates should not seek to ensure full cost recovery if the province can offset capital to build new transmission networks, or new generation.

4. **The Pricing options.** We became very concerned when we read that the Ultra-Low TOU “*proposed change does not impact large commercial and industrial businesses that do not pay for electricity through the RPP*”. While that statement is true, we must stress that the vast majority of condominium buildings are General Service > 50 kW accounts and are eligible for the Regulated Price Plan (RPP). Thus, we would expect that condominium corporation accounts are also eligible for the Ultra-Low TOU price plan.

Further, it is our experience that not all LDCs are equipped to provide the pricing options that are currently available to condominium corporations. The issue appears to be both of a technical and a training nature – many CSRs at the LDCs simply do not recognize that some General Service > 50 kW accounts are eligible for the RPP. Accordingly, it is important that all LDCs have the ability to recognize the eligibility of condominium corporations for the RPP and that the offerings of LDCs are consistent across the province to their consumers. Condominium corporations are uniquely situated because they are directed by individual and corporate consumption behaviours. In other words, unit owners who run their electrical appliance at peak times should be incentivized directly to change their patterns of behaviour, as should the condominium corporation in the operation of the common elements/corporate consumption. For example, the general consumption needs of a multi-unit/ commercial user of electricity, such as the running of the elevators twenty-four hours a day, seven days a week, may be modified if there is an incentive to invest in technologies that allow for power storage which can be charged during off-peak hours. The OEB should work with LDCs to allow for the implementation of consumer behaviour-changing models, while recognizing the ongoing commercial operations of the condominium building where these unit owners reside.

5. **The Investment incentives.** The OEB must be encouraged to work with the LDCs to be able to accommodate all of the pricing options for consumers through adequate infrastructure. When LDCs are developing or replacing infrastructure, the same should take into account current and future needs related to EV charging and all new and replaced infrastructure should accordingly be engineered and designed to create a sustainable system that has sufficient capacity to service future demand from the anticipated increase in the use of EVs. This includes ensuring adequate power supply to condominium corporations (via transformers, etc.). Many condominium corporations have capacity limits that prevent them from installing more than a limited number of EV charging stations based on current supply infrastructure.

In addition, the development of battery storage (or any kind of other energy storage) technology and financial incentives for implementation would help to support the adoption



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of an Ultra-Low TOU Electricity Price, and it would reduce the need for distribution infrastructure.

Thank you for considering CCI's contribution to this very important government matter related to the implementation of an ultra-low overnight electricity price. We look forward to continuing CCI's strong relationship with the Ministry, and would appreciate the opportunity to meet with you and your key staff at your earliest convenience to discuss these noted issues of common concern.

Yours very truly,

Submitted on behalf of the CCI Toronto and Area; CCI Golden Horseshoe; CCI Grand River; CCI Huronia; CCI London and Area; CCI Northwestern Ontario; CCI Eastern Ontario; and, CCI Windsor-Essex County

Per: Warren Kleiner, B.A., LL. B.
Chair of CCI Ontario Legislative Committee

Enclosure: CCI March 24, 2022 submission to MOE