



Power to Ontario. On Demand.



WHAT YOU NEED TO KNOW ABOUT CHANGES TO ELECTRICITY PRICES

A Guide for Ontario's Public Sector

Moving to Hourly Prices

On May 1, 2009, Ontario's public sector including municipalities, universities, schools, hospitals and other designated customers will move from paying the Regulated Price Plan (RPP) to a market-based, or hourly, price for electricity.

Many public sector customers have already moved to market prices to save money.



Timmins and District Hospital made the switch to hourly pricing and saved money on its electricity bill

Timmins and District Hospital was paying for all of its consumption at the higher-tiered RPP rate. In April 2006, it moved off the RPP and since that time has saved over \$230,000 on its bill.

Visit www.ieso.ca/publicsector for more information.

Front cover image: To find out how the York Catholic District School Board saved money and energy, visit www.ieso.ca/publicsector

For more information about the change in electricity pricing for the public sector visit:

IESO Website:

www.ieso.ca/publicsector

Electricity Pricing Information:

www.ieso.ca/electricitypricing

Retail Electricity Contracts:

www.ieso.ca/retailers

Business and Institutional Profiles and Publications:

www.ieso.ca/businessprofiles

Your local distribution company:

www.ieso.ca/findutility

Or contact IESO Customer Relations:

Tel.: 905-403-6900

Toll-Free: 1-888-448-7777

Fax: 905-403-6921

E-mail: customer.relations@ieso.ca

The Independent Electricity System Operator (IESO) is a not-for-profit entity that manages the province's power system so that Ontarians receive power when and where they need it. Ontario's IESO balances demand for electricity against available supply through the wholesale market and directs the flow of electricity across the transmission system.



Power to Ontario. On Demand.

Market Price Options

Changes to Electricity Commodity Prices coming May 1, 2009

Most municipalities, universities, schools and hospitals and other designated customers who are still on the Regulated Price Plan (RPP) will no longer be billed the RPP rate starting May 1, 2009.

This change applies to all accounts with consumption greater than 250,000 kilowatt hours (kWh) per year and demand greater than 50 kilowatts (which is equivalent to an electricity bill of approximately \$2,000 per month).

On May 1, 2009, these customers will pay Ontario's market price for the energy portion of their bill – that is, the hourly electricity price or a weighted average electricity price.

Hourly electricity price: Facilities with an interval meter will pay the hourly price for electricity. That means paying for electricity when it is used.

Weighted average electricity price: Without an interval meter customers will pay a weighted average of the hourly price based on the consumption patterns of consumers in the area.

Retail contracts: Contracts are another way to purchase the electricity commodity but they do not cover other charges such as delivery and the Provincial Benefit.* Contracts can add an element of certainty as they allow you to lock in your electricity costs for a term. Before you sign, ensure you understand all the terms and conditions.

Some customers aggregate their energy use with other facilities in their community or sector to increase their buying power. Contact IESO Customer Relations (see reverse) for more information.

***NOTE:** There is an adjustment to the market price called the Provincial Benefit that applies to all electricity consumers. This charge or credit is included in the RPP rate but will be itemized separately on your bill once you leave the RPP.

REGISTER NOW

Energy Matters Summit

April 20 – 21, 2009
Mississauga, Ontario

This conference, in partnership with the Region of Peel and the IESO, is designed for public sector organizations to learn more about energy management and environmental sustainability.

For more information or to register visit
www.energymatterssummit.ca

REGULATED PRICE PLAN (RPP)

Public sector consumers still paying the fixed RPP rate (adjusted semi-annually) are charged based on a consumption threshold.

From November 1, 2008 to April 30, 2009:

- 5.6 cents per kilowatt hour (kWh) up to 750 kWh
- 6.5 cents per kWh over 750 kWh

It is likely that most of your consumption is charged at the higher rate of 6.5 cents per kWh.

Public sector consumers who have already moved off the RPP pay market prices or the price in their retail contract or a combination of the two. The average market price with adjustments for 2008 was 5.6 cents per kWh.

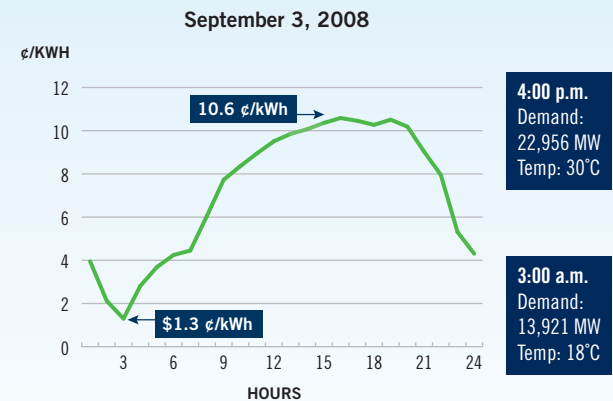
Ontario's Electricity Market



In Ontario's wholesale electricity market, the Independent Electricity System Operator (IESO) calculates price by balancing the supply of electricity with demand. As demand increases, more expensive forms of generation can raise the price.

Factors such as weather, consumer behaviour and available generation cause the price to fluctuate over the course of the day. Many customers are able to respond to changes in the hourly price by shifting some of their demand to off-peak periods.

A sample day of hourly electricity pricing:



On average, daytime prices are 35 per cent higher than at night and on weekends.