

**Ministry of Energy**

Office of the Minister

77 Grenville Street, 10<sup>th</sup> Floor  
Toronto ON M7A 2C1  
Tel.: 416-327-6758

**Ministère de l'Énergie**

Bureau du ministre

77, rue Grenville, 10<sup>e</sup> étage  
Toronto ON M7A 2C1  
Tél. : 416-327-6758



MC-994-2022-587

August 10, 2022

**Re: Implementation of a New Ultra-Low Overnight Electricity Price Plan**

Dear Electricity Distributor:

The Ontario government is working to deliver a new ultra-low overnight electricity price plan, as part of its plan to provide customers with more choice and opportunities to keep costs down, save money and take control of their energy bills. I would like to thank local distribution companies (LDCs) and the Electricity Distributors Association (EDA) for taking the time to provide valuable feedback and advice that has helped to inform this work.

Our government is committed to giving customers more control to switch to a price plan that best suits their lifestyle or business. This new proposed price plan, featuring an ultra-low overnight rate, would benefit a broad range of customers, such as electric vehicle (EV) users, other residential customers that use more electricity at night, and some small businesses. The expected shift in electricity demand would provide overall system benefits and generate value for all Ontario ratepayers, not just to those who enrol in the price plan.

This price plan would support the electrification of the transportation sector in Ontario by enabling EV adoption. The electrification of the province's vehicles, being manufactured in Ontario, will continue to help reduce greenhouse gas emissions by shifting away from gas-powered vehicles and utilizing Ontario's clean electricity supply, one that is more than 90 per cent emissions-free.

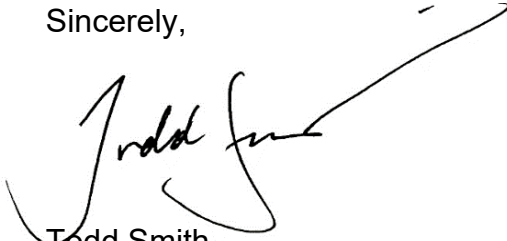
We have now posted the proposal to make regulatory amendments in relation to the new ultra-low overnight price plan to the Environmental Registry of Ontario and Regulatory Registry of Ontario. The regulatory posting (available [here](#)) outlines a design of the new price plan that is consistent with the report that the Ontario Energy Board (OEB) sent to me on March 31, 2022 (available [here](#)). The proposed price plan would be distinct from the existing time-of-use price plan and would feature four pricing periods, as detailed in the ERO/RRO posting, including a year-round ultra-low overnight price period from 11:00 p.m. to 7:00 a.m. The proposal outlines that LDCs would be enabled to offer the new price plan beginning May 1, 2023.

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While the proposal is still subject to final government approval, my expectation is that LDCs would strive to provide their customers the choice of enrolling in the new ultra-low overnight price plan on May 1, 2023, that could help them find savings and reduce their electricity costs. The OEB will be working to make available an election form template for use by LDCs in April 2023 for customers to opt into the new price plan.

Thank you again for your support. I look forward to continuing to work with you and other partners in implementing this proposed new price plan and furthering our efforts on innovative solutions that support electrification and decarbonization in Ontario.

Sincerely,

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

Todd Smith  
Minister

- c. Teresa Sarkesian, President and Chief Executive Officer, Electricity Distributors Association
- David Donovan, Chief of Staff to the Minister of Energy
- Stephen Rhodes, Deputy Minister of Energy
- Donna Glassman, Legal Director, Ministry of Energy
- Kelly Brown, Assistant Deputy Minister, Conservation and Renewable Energy
- Susanna Zagar, Chief Executive Officer, Ontario Energy Board
- Lesley Gallinger, President & Chief Executive Officer, Independent Electricity System Operator