

1 **Q. (2021 Electrification, Conservation and Demand Management Application, Volume**
2 **2, page 11) Are there other benefits to offering time-of-use rates, such as customer**
3 **choice, fairness and equity in the rate structure? Were these other benefits**
4 **considered in the analysis?**

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6 A. Time of Use (“TOU”) is a rate structure that varies customers’ rates based on the time of
7 day, season or day of the week. This rate structure provides price signals that encourage
8 customers to shift their energy use from on-peak hours to off-peak hours. The principal
9 customer benefit of shifting usage from on-peak to off-peak hours is to reduce overall
10 system costs.

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12 Dunsy Energy Consulting completed an assessment of demand management potential in
13 the province to 2034, including TOU rates.¹ The results show that existing programs
14 achieve the majority of demand management potential in the province. Accordingly, the
15 introduction of new measures, including TOU rates, were assessed to provide little
16 additional benefit in reducing system peak and associated system costs.²

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18 The issues of customer choice, fairness and equity are inherent considerations in
19 customer rate design, but were not specifically considered in determining whether TOU
20 rates would provide an economic benefit to customers.

¹ See the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule E.

² Specifically, Dunsy Energy Consulting determined that TOU rates are not forecast to provide benefits to customers until at least 2030, when EV load management may be required to avoid capacity additions.