



enercare™

Overview of Regulatory Changes

September 30, 2015

Kevin Neild

Director of Revenue Assurance

Enercare Connections

Upcoming Regulatory Changes

Legislative Changes Effective January 1, 2016

1. Ontario Clean Energy Benefit expiration
2. Certain residential electricity bills are exempted from the Debt Retirement Charge (DRC)
3. Commercial bulk bill accounts for multi-residential buildings with at least one eligible residential unit are also eligible for the DRC exemption



In order for sub-metered residents to receive the DRC exemption, the building owner must submit a Debt Retirement Charge Self Declaration Form.

Ontario Clean Energy Benefit Expiration

- Ontario Clean Energy Benefit (OCEB) has provided a 10% rebate on eligible electricity costs since January 2011
- Program scheduled to end on December 31, 2015
- Enercare bills issued starting January 1, 2016 will no longer have the OCEB rebate
 - Except in circumstances where there is billing for electricity consumed prior to January 1, 2016

Debt Retirement Charge

- Debt Retirement Charge (DRC) is currently calculated based on total electricity consumption for the building (\$0.007/kWh)
 - On average, bulk invoice DRC is approx. \$900/month
- Effective January 1, 2016, certain residential electricity bills are exempt from the DRC
 - Bills will show DRC line item of zero and how much DRC was saved
- Bulk bill multi-residential buildings are eligible for a DRC exemption of 1,500 kWh per eligible residential unit
 - Applied in a waterfall method to residents, common area, and commercial (if applicable)
- In order for sub-metered residents to receive the benefit of the DRC exemption, the **building owner must submit a Debt Retirement Charge Self Declaration Form**

Debt Retirement Charge Exemption Calculation

- On commercial bulk invoices, DRC is reduced by the number of eligible resident units multiplied by 1,500 kWh

1

$$\text{DRC Consumption (kWh)} = \text{Total Bulk Electricity Consumption} - (\text{No. of Eligible Residential Units} \times 1,500 \text{ kWh})$$

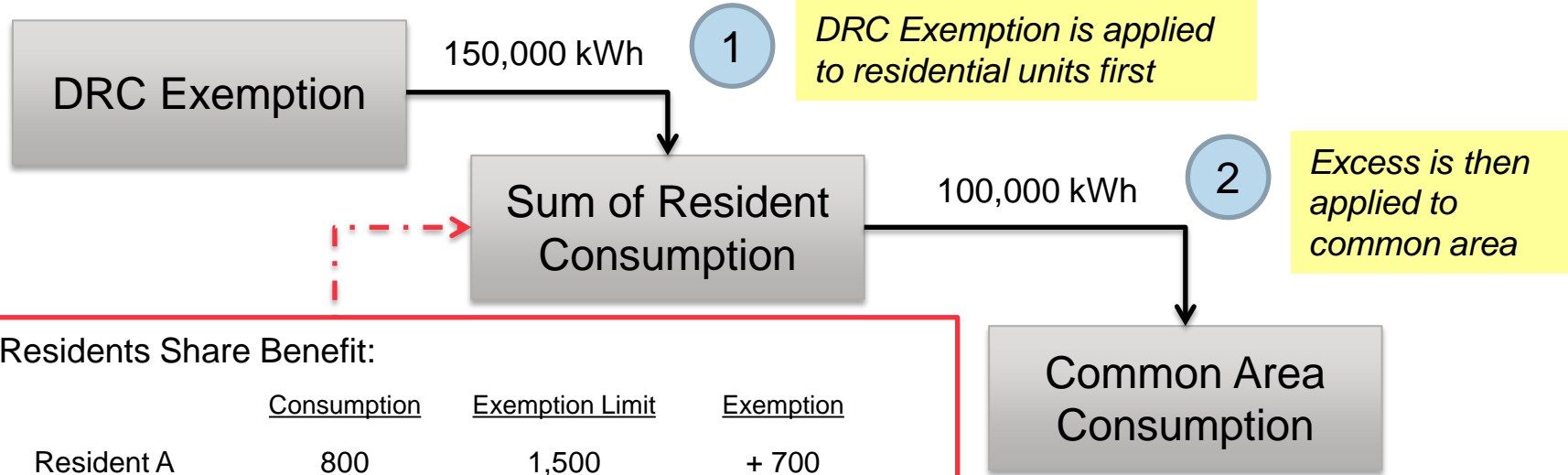
2

$$\text{Debt Retirement Charge (\$)} = \$0.007 / \text{kWh} \times \text{DRC Consumption (kWh)}$$

Waterfall Application to Residents and Common Area

Example:

No. of Residents: 100
 DRC Exemption per unit: 1,500 kWh
 Total DRC Exemption: 150,000 kWh
 Resident Consumption: 50,000 kWh



Residents Share Benefit:

	<u>Consumption</u>	<u>Exemption Limit</u>	<u>Exemption</u>
Resident A	800	1,500	+ 700
Resident B	2,200	1,500	- 700
⋮	⋮	⋮	⋮
Total	50,000 kWh	150,000 kWh	100,000 kWh

DRC Exemption Impact on Residents and Clients

- Residents will no longer pay DRC
- The exemption will likely cover 100% of common area DRC for majority of clients
- On average, DRC is approx. \$900/month in Enercare's portfolio of buildings
- Good incentive to complete forms and receive the benefit

