

RE: Fair Adjustment Excerpt

From: "Greenberg, Martha (CAB)" <martha.greenberg@ontario.ca>
To: "Davidson, Steven (CAB)" <steven.davidson@ontario.ca>
Cc: "Foster, Robert (CAB)" <robert.foster@ontario.ca>
Date: Tue, 25 Apr 2017 09:42:57 -0400

Hi,

So yes, this is reg making authority to set the rates. Not unprecedented that gov steps in to set rates of course. The latest draft leg that we have seen prescribes the rate (25% below what the invoice would have been) until May 2018, and then gives the LG power to make regulations setting out rates from May 2018 – end of April 2022. The regulation making power is not particularly prescriptive in that it doesn't speak to a 25% reduction but instead speaks to broader principles ("to more fairly recognize clean energy benefits and allocate the clean energy costs among present and future generations of specified consumers"). This we imagine allows for flexibility in determining what the rates will be, which could include holding rate increases to inflation. That said, without the draft regulation in hand (or posted publicly) there would not be a great deal of certainty on rates beyond 1 year based on what is available now. This will be important for both customers and potential lenders.

We understand that energy would be working on the regs right away as they are looking to make implementation timelines of July 1st and many important aspects are to be put in regs (e.g., the definition for representative non-retail consumer which is required for OEB to do its duty to establish rates within 7 business days of royal assent, so tight times there! Also most of the program details for the social programs are left to regulations). Unsure if energy had any plans on posting regs before seeking approval but would be tight to do so.

Thanks,
Martha

From: Davidson, Steven (CAB)
Sent: April-25-17 8:14 AM
To: Greenberg, Martha (CAB)
Cc: Foster, Robert (CAB)
Subject: FW: Fair Adjustment Excerpt

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From: Orsini, Steve (CAB)
Sent: April-24-17 5:46 PM
To: Bevan, Andrew (OPO); Rowe, Mary (OPO); Davidson, Steven (CAB); Betzner, Lynn (CAB); Bromm, William (CAB); Kwamena, Boafoa (CAB)
Subject: Fair Adjustment Excerpt

This is in follow-up to our discussion at our last weekly. Let's discuss at tomorrow's weekly

Fair adjustment, May 1, 2018 to April 30, 2022

7xx. The Lieutenant Governor in Council may, to more fairly recognize clean energy benefits and allocate the clean energy costs among present and future generations of specified consumers, make regulations prescribing the rates for electricity payable by specified consumers and sub-meter customers during the period beginning on May 1, 2018 and ending on April 30, 2022.