

proceeds targeting

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Hi,

Here is the Q/A energy did on whether we could target proceeds:

Is it possible to target proceeds recycling to Class A consumers that existed prior to the pending expansion of the Industrial Conservation Initiative (ICI)?

Yes, it is likely possible to target proceeds recycling to consumers within a rate class, including the Class A consumers that existed prior to expansion of ICI.

Currently there are about 300 Class A consumers –70 are billed directly by IESO and the remainder are billed by LDCs. In order to target proceeds recycling for these 300 consumers, IESO and LDCs would need to distinguish consumers from within rate classes for billing purposes and bill them accordingly.

The Ministry has identified the following key considerations with respect to targeting proceeds recycling to existing Class A consumers:

1. IESO and LDCs currently do not track consumers within Class A. Consequently, this would represent a new administrative/billing process which would add to the administrative complexities associated with IESO/LDC billing practices. Further consultation with LDCs/IESO would be needed to better understand the potential administrative complexities/issues related to pursuing targeted recycling.
2. The primary goal of proceeds recycling is to incent consumers to continue to use electricity or fuel switch to electricity, over more greenhouse gas (GHG) emissions intensive fuels. Targeting recycling to specific consumers segments may call into question whether the goal of proceeds recycling is emissions reduction or strictly rate mitigation for specific consumers. Put another way, it could be difficult to justify recycling to some Class A consumers but not others, if the purpose of the recycling is to incent fuel switching and greenhouse gas reductions for all consumers.

Given the considerations outlined above, the Ministry would advise against the pursuit of targeted proceeds recycling.

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