RE: CO Questions: Rate Mitigation

From: "Armstrong, Hillary (ENERGY)" <hillary.armstrong@ontario.ca>
To: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Moulton, Dan (ENERGY)" <dan.moulton@ontario.ca>
Cc: "Imbrogno, Serge (ENERGY)" <serge.imbrogno@ontario.ca>, "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>, "Dier, Kirby (ENERGY)" <kirby.dier@ontario.ca>, "Martin, Eric (ENERGY)" <eric.martin@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Baker, Carys (ENERGY)" <carys.baker@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Date: Fri, 02 Sep 2016 15:55:10 -0400

Thanks, we'll pass these along to CO.

Hillary

From: Whittington, Matt (ENERGY)
Sent: September-02-16 3:44 PM
To: Armstrong, Hillary (ENERGY); Moulton, Dan (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Katona, Keley (ENERGY); Dier, Kirby (ENERGY); Martin, Eric (ENERGY); Ruttan, Craig (ENERGY); Baker, Carys (ENERGY); Teliszewsky, Andrew (ENERGY)
Subject: RE: CO Questions: Rate Mitigation

This is OK to be shared.

Thanks,
Matt

From: Armstrong, Hillary (ENERGY)
Sent: September-02-16 2:29 PM
To: Moulton, Dan (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Katona, Keley (ENERGY); Dier, Kirby (ENERGY); Martin, Eric (ENERGY); Whittington, Matt (ENERGY); Ruttan, Craig (ENERGY); Baker, Carys (ENERGY); Teliszewsky, Andrew (ENERGY)
Subject: CO Questions: Rate Mitigation

Hi Dan,

We've received some questions from CO about our rate mitigation item. Please see our responses below.

Ok to share these back with CO?

Thanks,
Hillary

1. **Looking at the entire proposal, are there any groups of consumers who would not be eligible for any electricity price mitigation (e.g., commercial consumers over 1MW, but not a part of ICI, or any others)?**

All electricity consumer groups will benefit from one or more of the proposed electricity price mitigate initiatives.

For example, under the current proposal:

- Residential and small businesses (below 50 kW or 250,000 kWh/year), multi-unit residential, and farms will be eligible for the 8% rebate. In addition, rural residential consumers will be eligible for the RRRP subsidy increase;
- Industrial, institutional and commercial consumers over 1 MW will be eligible for ICI and proceeds recycling; and
- All other consumers would be eligible for proceeds recycling (i.e., existing ICI participants and industrial, institutional and commercial consumers below 1 MW or that choose not to participate in ICI).

Note: Electricity consumers in rental units not separately billed for the electricity they consume in their unit would not receive any electricity price mitigation unless the building owner passes on the savings through a decrease in rent.

2. How would consumers who do not currently pay HST on their invoices be impacted by this proposal?

The 8% rebate is not dependent on consumers paying HST on their electricity cost.

So consumers not paying HST on their electricity cost would still get the 8% rebate so long as they were eligible (i.e. eligible for RPP, or would be eligible for RPP if their electricity account was with a licensed distributor).

BPS consumers (specifically MUSH sector) pay HST. They are generally not eligible to claim input tax credits. However, MUSH sector entities can generally recover a portion of the HST they pay by applying for public sector body (PSB) rebates from the CRA.

3. For ICI participants, is there an analysis of the economic benefit of the ICI program, vs the 8% rebate? (specifically, could this possibly incent ICI participants to opt out of the program?)

The only electricity consumers that would be potentially eligible for both the 8% rebate and ICI would be large farms and potentially large multi-unit residential sub-metered builds (i.e., a very large apartment complex or condominium).

These consumers would not have to choose because they would be eligible for both.

Note: Navigant's advises that new participants in ICI can potentially achieve up to 34% in savings under the program (i.e., well above the 8% rebate). However, the extent of the savings under ICI would depend on a particular consumer's ability to shift electricity consumption away from peak-periods.

4. For rental units, would savings be passed on to the individual units by the landlords? If yes, how?

Electricity consumers in rental units not separately billed for the electricity they consume in their unit would not receive any electricity price mitigation unless the building owner passes on the savings through a decrease in rent.

Rental units separately billed for electricity consumption in the unit would have the savings passed on to them. "Sub-metered" buildings would have the savings passed on to the individual units by unit sub-meter providers (working for the landlord). Other buildings would have the savings passed on to the individual units by the electricity distributor (utility) directly.