Re: Cab Sub

From: "Imbrogno, Serge (ENERGY)" <"/o=govon/ou=ontario public sector - iserv ems/cn=recipients/cn=imbrognose">
To: "Armstrong, Hillary (ENERGY)" <hillary.armstrong@ontario.ca>
Cc: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>
Date: Fri, 02 Sep 2016 14:14:53 -0400

Ok. Thanks

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Armstrong, Hillary (ENERGY)
Sent: Friday, September 2, 2016 2:10 PM
To: Imbrogno, Serge (ENERGY)
Cc: Katona, Keley (ENERGY)
Subject: RE: Cab Sub

Hi Deputy,

Below are the answers to CO's questions on the draft minute.

Ok to share these with MO?

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.

From: Armstrong, Hillary (ENERGY)
Sent: September-02-16 12:55 PM
To: Imbrogno, Serge (ENERGY)
Cc: Katona, Keley (ENERGY)
Subject: RE: Cab Sub

Hi Deputy,

CO came back with the following questions after we shared the draft minute with them. Staff are working on responses, as CO would like these for the 2pm meeting with PO. We'll hopefully have something to share with you very shortly.

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)
2. How would consumers who do not currently pay HST on their invoices be impacted by this proposal?
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?)
4. For rental units, would savings be passed on to the individual units by the landlords? If yes, how?

From: Imbrogno, Serge (ENERGY)
Sent: September-02-16 12:02 PM
To: Armstrong, Hillary (ENERGY)
Cc: Katona, Keley (ENERGY)
Subject: Re: Cab Sub

Looks ok. Thanks

Sent from my iPad

On Sep 2, 2016, at 11:58 AM, Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca> wrote:

> Hi Deputy,
>
> This is the minute with the revised language on who would benefit from ICI (highlighted in blue).
>
> If you're comfortable with this version, we can share with MO. For context, I've heard PO is being briefed on all of this at 2pm today.
>
> Thanks
> Hillary
>
> ---
>
> **From:** Imbrogno, Serge (ENERGY)
> **Sent:** September-02-16 11:30 AM
> **To:** Armstrong, Hillary (ENERGY)
> **Cc:** Katona, Keley (ENERGY)
> **Subject:** Re: Cab Sub
>
> You can share. You should add language on ICI from cab sub and send it.
>
> Sent from my iPad
>
> On Sep 2, 2016, at 11:28 AM, Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca> wrote:
>
>> Ok, we can work on adding that in.
>>
>> CO is briefing their Deputy at 11:30, probably on the old version of the minute. Would you be ok with us sharing this version with them and noting we're still making a couple tweaks, and working through our MO? Or would you prefer we wait to share anything further?
>>
>> ---
>>
>> **From:** Imbrogno, Serge (ENERGY)
>> **Sent:** September-02-16 11:27 AM

To: Armstrong, Hillary (ENERGY)
Cc: Katona, Keley (ENERGY)
Subject: Re: Cab Sub

Hi. It needs to say who benefits from expanding the ICI program -- to provide rate relief For commercial industrial customers etc. Something like that.

Sent from my iPad

On Sep 2, 2016, at 11:22 AM, Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca> wrote:

> Hi Deputy,
>
> Apologies, that was a formatting issue. The part about MoF was supposed to be a separate line, I didn't catch that with the track changes. Revised version attached. The reason there isn't more detail in IV is because its included in section 4 further down in the minute. Legal thought including the content twice would be redundant. Are you ok with the detail just remaining in section 4?
>
> Thanks
> Hillary
>
> ---
>
> **From:** Imbrogno, Serge (ENERGY)
> **Sent:** September-02-16 11:14 AM
> **To:** Armstrong, Hillary (ENERGY)
> **Cc:** Katona, Keley (ENERGY)
> **Subject:** Re: Cab Sub
>
> Hi. I don't understand IV). It should not include MOF. There should be more substance to it as well.
>
> Sent from my iPad
>
> On Sep 2, 2016, at 11:06 AM, Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca> wrote:
>
>> Hi Deputy,
>>
>> This version should reflect your changes below. I've attached a pdf version of the tracked version, with the comments that respond to CO. I've also attached a version without track changes if that's easier.
>>
>> I've heard from CO that they have a briefing with their Deputy at 11:30, and were hoping to see a new draft for that meeting, if possible.
>>
>> Ok to share this version with CO and MO? I would remove CO's comments from the version going to MO.
>>
>> Thanks
>> Hillary
>>
>> ---
>>
>> **From:** Imbrogno, Serge (ENERGY)
>> **Sent:** September-02-16 8:44 AM
>> **To:** Armstrong, Hillary (ENERGY)
>> **Subject:** Re: Cab Sub

Hi. Energy and MOF should only work together on the rebate and the proceeds recycling. Energy should be the only one to move forward on the ICI and the RRRP. The minute should be restructured accordingly. I'm okay adding back in that Energy and MOF work with MOECC on the cap and trade recylcing but it has to remain specific (ie not explore) and the $ amount has to say in. For RRRP we need to add in the $110 million.

Sent from my iPad

On Sep 2, 2016, at 8:30 AM, Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca> wrote:

Hi Deputy,

Apologies for the delay, attached is a tracked version of the revised minute, with COs minute as a base.

Cabs should be coming shortly this am.

If yiu're comfortable, we'll clean this up and send to MO.

Thanks
Hillary

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Imbrogno, Serge (ENERGY)
Sent: Friday, September 2, 2016 6:53 AM
To: Armstrong, Hillary (ENERGY)
Subject: Cab Sub

Hi. What's the status of the Cab Sub/Minute. I was expecting a draft last night. Serge

Sent from my BlackBerry 10 smartphone on the Rogers network.

<Draft minute v4 ESP SNAP based on CO version - with drs tracked and highlighted in yellow.docx>

<Draft minute v4 ESP SNAP based on CO version ha - REVISED -ESPD SNAP LSB (clean).docx>

<Draft minute v4 ESP SNAP based on CO version ha - REVISED -ESPD SNAP LSB.pdf>

<Draft minute v4 ESP SNAP based on CO version ha - REVISED -ESPD SNAP

LSB (clean).docx>

<Draft minute v4 ESP SNAP based on CO version ha - REVISED -ESPD SNAP LSB (clean).docx>