Re: OEB

From: "Imbrogno, Serge (ENERGY)" <"/o=govon/ou=ontario public sector - iserv ems/cn=recipients/cn=imbrognose">
To: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>
Date: Mon, 12 Dec 2016 17:34:19 -0500

Can we get the section of the AG report and the OEB response for SoC.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Katona, Keley (ENERGY)
Sent: Monday, December 12, 2016 5:31 PM
To: Imbrogno, Serge (ENERGY)
Subject: FW: OEB

Steen got through to the OEB before I did. See below.

From: Hume, Steen (ENERGY)
Sent: December-12-16 5:30 PM
To: Katona, Keley (ENERGY)
Subject: FW: OEB

FYI

From: Brian Hewson [mailto:Brian.Hewson@ontarioenergyboard.ca]
Sent: December-12-16 5:29 PM
To: Hume, Steen (ENERGY)
Cc: Christie, Tim (ENERGY)
Subject: RE: OEB

Steen, we had a request come in from Keith leslie at CP regarding the issue of transparency of the GA. As you will recall this is something the 2014 AG report raised and we responded then and in the follow-up report a couple of weeks ago that the GA is part of RPP and putting a separate line would not provide any useful information and likely just confuse consumers.

I am told that we were in contact with your Commas and MO on this. The story seems to have focused only on the AG's point and not our explanation.

Brian

Hi Keith,

Details for how Global Adjustment costs are allocated to each of the TOU periods are provided in the RPP price report. The allocation of Global Adjustment costs remains unchanged, with the exception of payments to natural gas generators. In the past, costs for natural gas generators were assigned to all three periods based on production during each of those periods. Costs for natural gas generators are now allocated to the mid-peak and on-peak periods only to reflect the system purpose for which those facilities were contracted; to provide a dispatchable source of power at times of higher demand.

Page 21 of the RPP Price Report November 2016 outlines the change you refer to in your question. Here is a screen capture of the relevant section of the report:

The various components of Global Adjustment costs are allocated to TOU consumption periods based on the type of cost. The costs associated with OPG's regulated facilities, Bruce Power's nuclear plants, most renewable generation and CDM costs related to conservation programs are allocated uniformly across all consumption. The remaining portion of the CDM cost is allocated only to On-peak consumption, because the purpose of the demand management portion of CDM is to ensure uninterrupted supply during peak times. Payments to Lennox are also allocated to the on-peak period, for the same reason. Payments to natural gas generators have been allocated into the mid-peak and on-peak periods. Though the gas generators operate in all three periods, costs for generation in off-peak times have been allocated to the on-peak period, reflecting the system purpose for which many of the facilities were initially contracted: ensuring reliability of supply and being a dispatchable source of power at times of higher demand. The NUG component of the GA is allocated to both Mid-peak and On-peak consumption because these generators serve non-Off-peak consumption. As well, approximately one-quarter of the stochastic adjustment was allocated to the Mid-peak price and three-quarters was allocated to the On-peak price because the majority of risks covered by the adjustment are borne during these time periods.

Thanks,
Karen

Karen Evans
Director, Consumer and Corporate Communications
Ontario Energy Board
2300 Yonge Street, 2618 - 26th Floor, Toronto, Ontario M4P 1E4
O: 416-440-7685, C: 647-298-3517
OntarioEnergyBoard.ca @OntEnergyBoard

Brian Hewson
Vice President, Consumer Protection & Industry Performance
ONTARIO ENERGY BOARD
Direct: 416-440-7628

From: Hume, Steen (ENERGY) [mailto:Steen.Hume@ontario.ca]
Sent: December 12, 2016 5:18 PM
To: Brian Hewson
Cc: Christie, Tim (ENERGY)
Subject: FW: OEB

Hi Brian: did you issue something today re the below?

Hope you can help. Thanks

The OEB Rejects call Ontario's AG to include Global Adjustment Charge On Electricity Bills – (ENERGY) CP reports that the energy board says breaking down the global adjustment would not clarify prices for consumers and would likely create more confusion. The board recently dismissed calls to add a line on natural gas bills showing the cost of the Liberals' cap-and-trade plan to fight climate change, which is expected to add $5 a month to home heating bills when it starts Jan. 1. The auditor general commissioned a survey that found 89 per cent of natural gas ratepayers want the cap-and-trade costs clearly displayed, but the government says it won't overrule the board's decision.