

Updated Figures for LRP II and EFW Suspension

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Date: Thu, 22 Sep 2016 18:04:43 -0400
Attachments: Impact Compared to 2013 LTEP_September 22 FINAL.pdf (349.04 kB)

Good afternoon,

The IESO has now completed its full detailed modeling analysis on the suspension of the LRP II and EFW procurement processes compared to 2013 LTEP, which resulted in some higher savings.

The results of the full analysis conclude that:

- * the Net Present Value of Total Cost of Electricity Savings (2017-2040) increases to \$3.8 billion (2016\$) relative to 2013 LTEP;
- * Average Annual Cost Savings increases to 285 million/year (2016\$) relative to 2013 LTEP; and,
- * Residential Monthly Bill Savings grow to \$2.45 /month relative to 2013 LTEP

The initial estimate completed by the IESO assumed that the costs savings from the suspension of LRP II would be shared equally across all customer groups. However, IESO's detailed model was able to more accurately reflect a number of considerations, including how Global Adjustment (GA) is allocated amongst the different consumer groups.

The modeling run concluded that the suspension of LRP II would lead to a somewhat higher market clearing price, which would result in a lower GA. Given that Class A customers pay less of the GA than Class B (which includes residential customers), residential customers would see higher overall bill savings from the suspension of LRP II. This means that the estimated savings for residential customers grew from \$2.10 to \$2.45/month relative to 2013 LTEP.

Please let me know if you have any questions.

Cheers,

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