RE: Draft minute for ENERGY comments

From: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>
To: "Chochla, Megan (CAB)" <megan.chochla2@ontario.ca>, "Moore, Karen (CAB)" <karen.moore4@ontario.ca>
Cc: "Armstrong, Hillary (ENERGY)" <hillary.armstrong@ontario.ca>
Date: Tue, 06 Sep 2016 11:18:15 -0400

Hi Karen, Megan,

Our MO had a number of comments which we are incorporating now. We will have a new draft either later today or in the morning. Can you let us know what the plan is for distribution to members? We are trying to determine when our Minister would need to sign the submission.

Thanks,
Keley

From: Armstrong, Hillary (ENERGY)
Sent: September-05-16 9:53 PM
To: Chochla, Megan (CAB); Moore, Karen (CAB)
Cc: Katona, Keley (ENERGY)
Subject: Re: Draft minute for ENERGY comments

Hi Megan,

Attached is an early version of the Cabinet submission. It still has some placeholders, and needs to be reviewed by our MO, so shouldn't be shared widely.

Hope this helps.

Hillary

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Chochla, Megan (CAB)
Sent: Friday, September 2, 2016 5:35 PM
To: Moore, Karen (CAB); Armstrong, Hillary (ENERGY)
Subject: RE: Draft minute for ENERGY comments

Hillary,

Here are the additional questions – the analysis of these should be worked into the cab sub.

- For question 1 below (groups of consumers and what type of electricity price mitigation they would be eligible for), please provide a summary of where any gaps are, or any overlap (any consumers receiving more than one type of price mitigation). Specific scenarios that were mentioned are: ICI participants who will be eligible, what happens in the waiting period?

Consumers who are eligible for ICI but choose not to apply? Consumers who are ineligible for ICI but are not RPP? There is also a note in the draft minute about needing more detail about the intended use of GGRA funds – the process and the intended recipients.

- For the ICI program, how quickly can the base year be started?
- For seniors, northern customers, low income customers – are there incremental benefits/a rebate?
- Regarding those customers who do not pay HST, the PO would like to see options and associated costs
- For First Nations, what is the cost sharing arrangement with the federal government for diesel, and how does HST factor in?
- Is it possible that an OESP recipient could end up with a positive bill (being owed money) with the rebate applied?
- Would the DRC added to the bill before the rebate is removed? Similarly, does the rebate capture the increased system cost (resulting from natural gas)?
- For rental units, how was the OCEB applied?

Some specific requests for the Cab Sub deck:

- Please include a glossary that includes the industry pricing vocabulary
- Please include a bill sample
- Please include a fiscal slide (cost to govt)

Let me know if you would like clarification on any of the above.

Also attached is the minute with notes in it – all coming out of the discussion with our DM and PO. Let's keep in touch over the weekend on these. We are keen to receive the cab sub – happy to review and provide comments at any point.

Also per our conversation, one PO advisor will be covering this file for both MOF and ENERGY. We'll be arranging a briefing for him early in the week (likely Tuesday or Wednesday). For the briefing please provide a high level overview as well as a specific walk through of the proposal.

Megan

From: Moore, Karen (CAB)
Sent: September 02, 2016 4:05 PM
To: Armstrong, Hillary (ENERGY); Chochla, Megan (CAB)
Subject: RE: Draft minute for ENERGY comments

Thanks Hillary, this is very helpful. Are you around for a quick call to discuss?

From: Armstrong, Hillary (ENERGY)
Sent: September-02-16 3:56 PM
To: Chochla, Megan (CAB)
Cc: Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Hi Megan,

Please find below responses to your questions. Hope this helps.

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: Chochla, Megan (CAB)
Sent: September-02-16 11:58 AM
To: Armstrong, Hillary (ENERGY)
Cc: Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Thanks for this. We'll watch for your MO revisions. Please track all changes from this point forward (even if there are a lot!).

Here are the follow up questions.

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

Please provide responses by 1:30 at the latest.

Thanks, Megan

From: Armstrong, Hillary (ENERGY)
Sent: September 02, 2016 11:37 AM
To: Chochla, Megan (CAB)
Cc: Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Hi Megan,

Apologies for the delay. Here is our current draft of the minute, still not approved by our MO. We'll likely have a couple more tweaks to this, but hope this helps for your briefing. It includes answers to some of your questions as well.

Thanks
Hillary

From: Chochla, Megan (CAB)
Sent: September-01-16 4:29 PM
To: Armstrong, Hillary (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: Re: Draft minute for ENERGY comments

Our current draft is with our DMO. Given the speed of this, there are conversations coming up with the PO and it will be difficult to have those without tabling a version of the minute.

If your MO isn't comfortable yet we can also share it as a CO draft that is not vetted by ENERGY. Let me know if that's easier.

I'll give you a shout around 445 or 5.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Armstrong, Hillary (ENERGY)
Sent: Thursday, September 1, 2016 4:23 PM
To: Chochla, Megan (CAB)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Hi Megan,

Where would the minute be going to next? We're working up the revisions, but uncertain when our MO will approve.

Thanks
Hillary

From: Chochla, Megan (CAB)
Sent: September-01-16 4:16 PM
To: Armstrong, Hillary (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: Re: Draft minute for ENERGY comments

Hi, we are under some pressure to share the minute. Will you have it back to us this eve, or latest first thing tomorrow?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Chochla, Megan (CAB)
Sent: Thursday, September 1, 2016 2:09 PM
To: Armstrong, Hillary (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Hillary,

Per our discussion this morning, here is the current draft minute. This version incorporates a lot of the technical detail from ENERGY's draft, plus the structure and sequencing required by CO. There are a number of questions flagged for ENERGY.

Also note that this item may be considered by cabinet on Sept 12^{th} (still tbc).

How quickly do you think ENERGY can provide a revised version with answers to the questions?

Megan

From: Armstrong, Hillary (ENERGY)
Sent: August 31, 2016 6:36 PM
To: Chochla, Megan (CAB)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: RE: Draft minute for ENERGY comments

Hi Megan,

Due to timing, and so we could get a draft of the minute to you today, per our Deputy's commitment to Deputy Davidson, attached is a first cut at the minute. This version doesn't right now follow the format that you shared, but we wanted to get a draft to you so you can see what we're proposing from a policy perspective at this point.

This version has not yet been reviewed by our MO, it is an early draft that is not meant for wider circulation. Password is the same as that used for the deck for fiscal prep.

Happy to chat about this in the morning.

Thanks, and have a great evening.
Hillary

From: Chochla, Megan (CAB)
Sent: August-31-16 2:08 PM
To: Armstrong, Hillary (ENERGY)
Cc: Morgenstern, Madeleine (TBS); Moore, Karen (CAB)
Subject: Draft minute for ENERGY comments

Hi Hillary,

Per our discussion, here's the draft minute. Lots of questions and placeholders flagged. There's a placeholder for the TB minute at this point. Madeleine from TBS is cc'd here.

Please send ENERGY's comments back as soon as possible today. Let me know if you'd like to chat.

Thanks, Megan