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A PROPOSAL TO CREATE REGULATION

made under the

ELECTRICITY ACT, 1998

Amending O. Reg. 429/04

(ADJUSTMENTS UNDER SECTION 25.33 OF THE ACT)

1. Subsection 1 (1) of Ontario Regulation 429/04 would be amended by adding the following definitions:

[NTD: we suggest dealing with the costs to be recovered in the amendment to O. Reg. 206/17. The following definitions can then be deleted.]

“carrying costs” has the meaning provided for under subsection 10.2(2).

“Financing Entity” has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017*;

“Financial Services Manager” has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017*;

“finance amount” has the same meaning as in subsection 1 (1) of the *Fair Hydro Plan Act, 2017* and in section 5 of Regulation 206/17 (General) made under that Act.

“specified consumer” has the same meaning as in subsection 1(1) of the *Ontario Fair Hydro Plan Act, 2017*;

2. The Regulation would be amended by adding the following sections:

Determination of monthly total net volume, specified consumers

10.1 For the purposes of section 10.2, the IESO shall, in respect of each month, determine the monthly total net volume of electricity consumed by specified consumers by calculating the sum of the following:

1. The total volume of electricity distributed to specified consumers who are Class A consumers by a licensed distributor during the month.
2. The total volume of electricity distributed to specified consumers who are Class B consumers by a licensed distributor during the month.
3. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class A market participants during the month.
4. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class B market participants during the month.

Determination of total monthly amount re Financial Services Manager

10.2 (1) For the purposes of section 10.3, the IESO shall determine the monthly rate payable by specified consumers by dividing the amount [paid or payable] by the IESO to the Financing Entity pursuant to section 9.1 of O. Reg. 206/17 made under the [Fair Hydro Act] for the month, by the total net volume of electricity consumed by specified consumers determined under section 10.1.

Determination of monthly amounts payable re Financial Services Manager

10.3 (1) The IESO shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A market participant or a Class B market participant for the amounts referred to in section 10.2 for the month by multiplying the rate determined in section 10.2 for the month by the total net volume of electricity withdrawn during the month by the market participant. [NTD: payment to financing entity is accomplished with proposed changes to O.Reg. 206/17]

(2) Each distributor shall, in respect of each month, determine the amount to be allocated to each of its specified consumers that is a Class A consumer or a Class B consumer for the amount in section 10.2 by multiplying the rate determined under section 10.2 for the month by the consumption during the month by the consumer. [NTD: need to discuss LDC's ability to do this since they bill non-RPP consumers based on estimates.]

(3) Each distributor shall track the amounts determined under subsection (2) separately and remit those amounts to the IESO separately from the amounts otherwise determined and remitted under this Regulation. [NTD: need to discuss this. This could be separately allocated to specified consumers, but not clear how amounts are separately received and remitted to fund the financing entity's costs.]

(4) [NTD: payment of this amount is handled under the General Reg. This is not needed here.]

Determination of total monthly amount re IESO security

10.4 (1) This section applies on or after May 1, 2021.

(2) The IESO shall, in respect of each month, determine the rate payable by specified consumers in respect of the [costs incurred by the IESO to fulfil its obligations under an agreement with the financing entity to provide security] [NTD: this would enable IESO to recover costs no matter what they are just in case it is not a line of credit, but is instead a guarantee.] by dividing the costs it incurred in respect of the month for the security by the monthly total net volume of electricity consumed by specified consumers calculated for the month under section 10.1.

Determination of monthly amounts payable re IESO letter of credit

10.5 (1) The IESO shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A market participant or a Class B market participant for the costs referred to in section 10.4 for the month by multiplying the rate calculated under section 10.4 for the month by the total net volume of electricity withdrawn during the month by the market participant.

(2) Each distributor shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A consumer or a Class B consumer for the charges referred to in section 10.4 for the month by multiplying the rate calculated under section 10.4 for the month by the total volume of electricity distributed to the consumer during the month by a licensed distributor.

(3) Each distributor shall track the amounts determined under subsection (2) separately and remit those amounts to the IESO separately from the amounts otherwise determined and remitted under this Regulation.

(4) The IESO shall separately track the amounts determined under subsection (1) from the amounts otherwise determined and remitted under this Regulation.

Variance accounts

10.6 (1) The amount of the global adjustment determined under section 10.3 that is allocated by the IESO to a specified consumer who is a Class A market participant or a Class B market

participant is to be tracked in one or more variance accounts held by the IESO in respect of each of the market participants.

(2) The amount of the global adjustment determined under section 10.3 that is allocated by the licensed distributor to a specified consumer who is a Class A consumer or a Class B consumer is to be tracked in one or more variance accounts held by the distributor in respect of each of the consumers and remitted to the IESO in accordance with section 10.7.

Remittances, etc.

10.7(1) The IESO shall, in addition to the adjustments to be made by the IESO under section 11 make further adjustments to add the amounts referred to in subsection 10.3(1) to the amounts allocated by the IESO under section 11, with such modifications as are necessary.

(2) Every licensed distributor shall make adjustments to the accounts of a specified consumer that is a Class A consumer or a Class B consumer in accordance with the rules provided for under subsection (3).

(3) Every licensed distributor shall, in addition to the adjustments to be made by the distributor under section 14 and section 16, make further adjustments to add the amounts referred to in subsection 10.3(2) with respect to the accounts of specified consumers who are Class A consumers or Class B consumers referred to in subsection 14 and in section 16 in accordance with the rules provided for in those provisions, with such modifications as are necessary.

Commencement

x. This Regulation would come into force on a date established by Government.