

RE: Consultation Copies - O. Reg. 206/17 and O. Reg. 429/04

From: Michael Boll <michael.boll@ieso.ca>
To: "Rehob, James (ENERGY)" <james.rehob@ontario.ca>
Cc: "Christie, Tim (ENERGY)" <tim.christie@ontario.ca>, "Cayley, Daniel (ENERGY)" <daniel.cayley@ontario.ca>, "O'Riordan, Eamon (ENERGY)" <eamon.o'riordan@ontario.ca>, "Huang, Jackson (MEDG/MRIS)" <jackson.huang@ontario.ca>, "Thouin, Alena (ENERGY)" <alena.thouin@ontario.ca>, Jeannette Briggs <jeannette.briggs@ieso.ca>, Anthony Martinello <anthony.martinello@ieso.ca>, "Glenn Zacher (GZacher@stikeman.com)" <gzacher@stikeman.com>, Peter Hamilton <phamilton@stikeman.com>
Date: Thu, 05 Oct 2017 15:44:55 -0400

We had originally thought it might work by putting it into the variance account, but the problem with that approach is that this particular security will be in place from 2021 until 2047. Much of that period (hopefully) will not have the IESO generating regulatory assets to be transferred to the financing entity, so that mechanism won't work. I think that leaves us with the GA.

From: Rehob, James (ENERGY) [mailto:James.Rehob@ontario.ca]
Sent: October 05, 2017 3:39 PM
To: Michael Boll
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton
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Fair enough, Michael. I guess the next question I would have is whether this needs to be part of an amending regulation re. O. Reg. 429/04 or whether, alternatively, we could amend the OFHPA General Regulation to ensure that the amounts can be included in the IESO variance account and become part of the RA which is transferred to the financing entity on an ongoing basis. Perhaps I just need to be reminded why this should go into GA rather than taking a similar approach to how we're now dealing with the carrying charges and FSM fees owed to the financing entity. Presumably, this amount, too, could be recovered from specified consumers through CEAs post-2021.

Happy to discuss, and just want to clear this up, much appreciated.

Best,

James

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: Thursday, October 05, 2017 3:31 PM
To: Rehob, James (ENERGY)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton
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Hi James,

I think the concern from the IESO's perspective is that we will be required to commit now (in the Master Transfer and Servicing Agreement) to provide this security. It creates a funding risk for the IESO if we do not have a route to collect the LC costs from GA when we commit to provide the LC. This was a material issue when the IESO agreed to provide the LC.

Regards,
Michael

From: Rehob, James (ENERGY) [<mailto:James.Rehob@ontario.ca>]
Sent: October 05, 2017 3:21 PM
To: Michael Boll
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton
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Thanks very much again, Michael – As I noted for Jeanette, would you consider whether there would be any issue for the IESO (or KPMG) if we deferred amending the GA until a future LRC?

Let us know your thoughts.

Best,
James

From: Michael Boll [<mailto:Michael.Boll@ieso.ca>]
Sent: Thursday, October 05, 2017 2:19 PM
To: Rehob, James (ENERGY)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton
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Hi James,

Jeannette just flagged another small change to the proposed 429/04 amending regulation. Rationale is to provide IESO authority to include amounts on LDC invoices as well as the invoice of the specified consumer that the IESO directly invoices. In what is section 10.5(1) (of the IESO draft), please amend it to read:

(1) The IESO shall make adjustments to add the amounts referred to in subsection s 10.3 (1) and (2) to the amounts allocated by the IESO under section 11.

(2) Section 11 applies, with necessary modifications, to the adjustments made under subsection (1).

(3) For greater certainty, the IESO shall adjust the invoice that it issues to the market participants referred to in section 10.3 for the month by adding the amounts determined under subsections 10.3(1) and (2) as additional charges to the amounts, if any, of the global adjustment allocated to the consumers s under this Regulation.

From: Rehob, James (ENERGY) [<mailto:James.Rehob@ontario.ca>]
Sent: October 05, 2017 11:33 AM
To: Michael Boll
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton
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Thank you very much, Michael and all at the IESO, for the timely response and the comments.
We appreciate all of your excellent work on this project!

Best,
James

From: Michael Boll [<mailto:Michael.Boll@ieso.ca>]
Sent: Thursday, October 05, 2017 11:25 AM
To: Rehob, James (ENERGY)

Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY); Jeannette Briggs; Anthony Martinello; Glenn Zacher (GZacher@stikeman.com); Peter Hamilton

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Hi James,

Attached are our proposed edits and comments. We have also made suggested changes in light of moving to the simplified approach (ie. non-GA recovery or carrying costs). Thank you for the opportunity to review.

Regards,
Michael

From: Rebob, James (ENERGY) [<mailto:James.Rebob@ontario.ca>]

Sent: October 04, 2017 11:57 AM

To: Michael Boll

Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); O'Riordan, Eamon (ENERGY); Huang, Jackson (MEDG/MRIS); Thouin, Alena (ENERGY)

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October 4, 2017

Good day, Michael. We are pleased to attach the updated draft proposals for amendments to O. Reg. 429/04 (Adjustments Re: Section 25.33 of the *Electricity Act, 1998*) and O. Reg. 206/17 (General) made under the *Ontario Fair Hydro Plan Act, 2017*. We appreciated the comments you provided to the Ministry and have taken on those that we felt were supportable by the legislation.

Please note: the draft which is ultimately produced by the office of legislative counsel may vary from the attached due to drafting protocols.

Best,

James

James P. H. Rebob

Senior Counsel

Ministry of the Attorney General

Legal Services Branch

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Ministry of Energy, Ministry of Economic Development and Growth, Ministry of Research, Innovation and Science, Ministry of Infrastructure, Accessibility Directorate of Ontario

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