Key Considerations Associated with the Global Adjustment Proposal

ADVANTAGES	DISADVANTAGES
Immediate reduction in short-term residential electricity costs (from $14 to $28 per month depending on borrowing option).	Total cost increase over long-term (up to $65B borrowing requirement to fund the $25-$28 reduction).
Currently, the Global Adjustment only includes costs related to the contractual life of generation asset. This proposal would recognize the longer-term benefit of these assets.	Longer-term impact on rates on future electricity bills over 12 to 17 years could be as much as $46 to $51/month over true costs of electricity.
	Independence of entity post-creation and loss of control over future rate increases.
	Requires significant legal analysis to ensure proper implementation and avoid unintended consequences on fiscal plan.
	Risk of negative public perception and reaction from the Auditor General and Financial Accountability Officer.