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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:

“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 The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class A market participants during the month.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 The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class B market participants during the month.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 total amount payable by specified consumers in respect of services provided by the Financial Services Manager and all financing entities during a month by dividing the sum of the following amounts, without duplication, by the sum calculated under section 10.1 for the month:

1. The total of all carrying costs incurred by all financing entities during the month, incurred by all financing entities during the month.
2. The total of all financing entity expenses incurred by the Financial Services Manager on behalf of financing entities and not recovered from those entities.
3. The total of all financing entity expenses charged or incurred by all Financing Entities during the month.
4. The total fees charged by the Financial Services Manager to financing entities in accordance with subsection 19(3) of the Act and section 2 of Ontario Regulation **<insert Regulation Number/Title of FSM Fees Regulation>** in respect of [its services provided to those entities during] the month.

Determining carrying costs, (2) The carrying costs mentioned in subsection (1) shall be calculated [*determined?*] by the Financial Services Manager to include finance amounts determined under section 5 of Ontario Regulation 206/17 (General) made under the *Ontario Fair Hydro Plan Act, 2017*, calculated on a monthly basis, excluding any and all amounts related to repayments as defined under subsection 1(1) of that Regulation, and any other amounts which are made to pay or repay principal.

Determination of monthly amounts payable re Financial Services Manager

10.3 (1) The IESO shall, in respect of each month, determine the liability of each of its specified consumers that is a Class A market participant or a Class B market participant for the amounts referred to in paragraphs 1 and 2 of section 10.2 for the month by multiplying the result calculated under section 10.2 for the month by the total net volume of electricity withdrawn during the month by the market participant and remit such amounts to the Financial Services Manager or financing entities in accordance with section 10.7.

(2) Each distributor shall, in respect of each month, determine the liability of each of its specified consumers that is a Class A consumer or a Class B consumer for the amounts referred to in paragraphs 1 and 2 of section 10.2 by multiplying the result calculated under section 10.2 for the month by the consumption during the month by the consumer.

(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 and, together with the amounts referred to in subsection (3), remit the amounts determined under subsection (1) to the Financial Services Manager and to financing entities in accordance with section 10.7.

Determination of total monthly amount re IESO letter of credit

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

(2) The IESO shall, in respect of each month, determine the total amount payable by specified consumers in respect of the letter of credit [entered into by the IESO...details?] by dividing the charges it incurred in respect of the month for the letter of credit 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 liability of each of its specified consumers that is a Class A market participant or a Class B market participant for the charges referred to in section 10.4 for the month by multiplying the result 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 liability of 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 result 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.