

Objective:

Reduce current electricity bills.

How:

Delay the collection of the Global Adjustment from the LDCs and the direct connect customers.

The amount of the reduction will be a percentage of the GA – e.g. 25%.

The amount of the reduction will be collected in the future from the LDCs and the direct connect customers based on future consumption of electricity – e.g. a current ratepayer who benefits from the reduction in the GA will not necessarily pay an additional amount in the future should that ratepayer move out of the province or live off the grid. The amount is expected to be recoverable from the rate-base vs. specific ratepayers. The amount recovered will include interest on the borrowings required to finance the payment of the Global Adjustment amount to the generators.

How is the Global Adjustment accounted for now?

The IESO administers the Global Adjustment (GA). All of the generators, LDCs, etc. who participate in electricity market in Ontario sign a participant agreement with the IESO as the counterparty to the agreement. The IESO facilitates the operation and settlement of payments from the LDCs and others and to the generators.

Currently, the accounts related to this “market” are not included in the audited financial statements of the IESO and therefore, also not consolidated into the books of the Province.