Draft OFHP Legislation vs. Model: Mapping

Major Model Component	Corresponding Legislation (v.3)	Gaps/ Potential Risk(s)	Related Changes (v.4)	Players (v.4)
Pre-Implementation Model Calculations	• Aligns with "Rate Determination" section of draft legislation • **6xx. (2)** stipulates that rate paid by specified consumer is the average baseline rate that would be payable by a representative consumer in order to receive a 25% discount	• N/A - Wording aligns with model rate calculation	• 25% calculation explanation moved to **6(1)xx.1** – same mechanism • Now referred to as "First Fair Adjustment" • New sections added describing RPP **(6.1)** and non-RPP (RPP-eligible) **(6.2)** consumers	[How] 6.1xx, 6.2xx [Who] 6.3xx [OEB] 7xx [LGIC]
Total Amount Borrowed	• Addressed in "IESO Funding Shortfall" section of draft legislation • **18xx** - the shortfall is referred to as the regulatory asset and then when sold becomes an investment asset • **20xx** – the shortfall is recorded in a variance account by IESO; IESO cannot recover the shortfall from consumers until May 1, 2022 • **20xx(1)** – high level calculations methodology	• N/A – Legislation contains some details related to the handling of amount borrowed • **20xx(1)** – "any other adjustments as may be prescribed" that is to be subtracted from the sum of invoices – unclear what this refers to	• **20xx.(1)** – IESO Funding Shortfall calculation removed and replaced with "in accordance with regulations"; addressing the lack of clarity around "any other adjustments"	[How] 20xx(1) [Who] 20xx [IESO] 21xx [OEB]
Mitigation Phase (2018-2022)	• "Fair Adjustment" section broadly addresses potential needs for rate adjustment from 2018 to 2022 • **7xx** discusses regulations by the Lieutenant Governor in council to address necessary rate adjustments • Regulation-making power section pending (flagged in **38xx**) and	• Regulation-making power section pending (flagged in **38xx**) and needs to be dealt with in the new draft	• Differentiation now made between first fair adjustment vs. "subsequent fair adjustment" (by Lieutenant Governor, per regulation, as needed) • Clarified that regulation is not to prescribe "rate adjustment" but rather the "methodology"	[Who] 7xx [LGIC] 38xx [LGIC]

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	needs to be dealt with in the new draft		• **38xx** expanded to address regulation-making power by the Lieutenant Governor	
Rate Increase Phase (2022-2028)	• Mechanism for managing the Rate Increase Phase (2022-2028) not explicitly addressed	• The overall rate increase from 2022-2028 in the OFHP scenario is already extremely high at 6.3% each year, making ratepayers extremely vulnerable to further price changes during this period • Alternative policy changes to ease the financial pressure would result in a fiscal impact	• Mechanism for managing the Rate Increase Phase (2022-2028) still not explicitly addressed	*Unclear from the legislation whether this is the responsibility of the Financial Services Manager
Repayment Phase (2028-2047)	• "Clean Energy Adjustment" section addresses the repayment • **8xx** discusses the payment of the Clean Energy Adjustment (i.e., amount added to consumer invoices during repayment phase) • **8xx. (4)** discusses indebtedness of consumers (i.e., payment owing)	• In cases of consumer defaults, delays, billing lags and write-offs, some risks are borne by LDCs who are responsible to pay 100% of amounts owed, irrespective whether they recover 100% of the payment from customers – this is not explicitly stated in legislation	• **8xx.(5)** (newly added) – "debt obligation may be enforced independently from any other payment obligation or indebtedness owing" – what does this mean? Who enforces and how?	[Who] 10xx(1) [Financial Services Manager]
True Up Amount	• Addresses the discrepancies between estimate and actual – mechanism to add the true-up amount to the next bill estimate • **10xx.(2)** discusses potential	• Regulation-making power section pending (flagged in **38xx**) and needs to be dealt with in the new draft	• **38xx** expanded to address regulation-making power by the Lieutenant Governor	[Who] 10xx(2) 38xx

Major Model Component	Corresponding Legislation (v.3)	Gaps/ Potential Risk(s)	Related Changes (v.4)	Players (v.4)
	regulations by the Lieutenant Governor in council to prescribe how this is calculated			