

FW: TB Assessment Note on OFHP Regs

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Date: Tue, 27 Jun 2017 10:08:04 -0400
Attachments: 3 RAN OFHP Regulations Part 2 v3 LSB ESP SNAP.DOCX (276.7 kB); Report Back Requirements.docx (29.08 kB); 3 RAN OFHP Regulations Part 2 v4b KH Energy Added .doc (451.07 kB)

Attached are Energy's edits to the RAN.

Please have a particular look at Energy's updates to Report Back Requirements (Appendix I) . Please let me know if you're ok with energy's update.

I've also attached the DRAFT RAN assessment note that picks up Energy's updates with direct assessments.

Energy Comments on Report Back Requirements.

Report Back Requirements	Expected Timing	ENERGY Comments
Ontario Fair Hydro Plan – Regulations - Report back to TB/MBC on the details of proposed regulations prior to going to LRC, and to provide the Board with an update towards completed legal, accounting and financing risk assessments	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14) June 27 TB/MBC – Regulations for Global Adjustment (LRC/Cabinet – June 27)	To enable the implementation of OFHP: - On June 14, 2017, LRC/Cabinet approved Ontario Regulation 195/17, “Fair Adjustment under Part II of the Act, 2017” made under the Ontario Fair Hydro Plan Act, 2017. - On June 27, 2017, LRC/Cabinet approval will be sought on a new proposed Regulation under the Ontario Fair Hydro Plan Act, 2017.
Electricity Social Programs and	June 13 TB/MBC –	Completed, part of the June 13 TB

GA Financing - To report back with final program details for 2017-18 for GA Refinancing and Electricity Social Programs, including <i>fiscal plan implications</i> and <i>consumer impacts</i> with <i>detailed assumptions</i> and <i>methodologies</i> specified and documented	Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	submission.
Risk Mitigation - To report back with updates to risk mitigation strategies that address key financial and operational risks.	June 27 TB/LRC/Cabinet – Ontario's Fair Hydro Plan Report Back	The TB submission for June 27, 2017, includes updated status on risk mitigation considerations, including securing funding, interest rate risks, establishment of a regulatory asset and financial viability.
RRRP - Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. - Establishing program performance management framework including targets for the broadened program now government funded - Report on and assessment of impacts of consolidation of LDCs - Assessment of distribution rates and implications for the program	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	Staff have chatted with TBS staff and have noted the updates in the June 13 TBS submission already.
On-Reserve First Nations Delivery Charge - Direct the Ministry to report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant Ontario Energy Board estimate of program costs, from \$13M to	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	Completed, part of the June 13 TB submission.

\$20M.		
OESP - Identify eligibility criteria, and refinements being made. - Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. - Establishing program performance management framework including targets for the expanded program now government funded.	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	Will be part of June 27 TB submission. TBS and ENERGY staff to sit down and chat about program.
Sensitivity Analysis – Electricity Social Programs - Include electricity social programs with details of forecasting models and costing estimates, including assumptions, sensitivities analysis that would allow identification of risks to the fiscal plan for Broadening RRRP, OESP. The Ministry is to include similar information for the Ontario Rebate for Electricity Consumers.	Fall 2017 TB/MBC (TBC)	ENERGY and TBS staff to discuss further over the summer on what sensitivity analysis looks like for the programs.
Sensitivity Analysis – Global Adjustment Refinancing - Include a report related to GA Refinancing on findings from sensitivity analysis completed as assumptions vary, such as under different recovery rates, different interest rates, different demand, etc., and combinations of key factors, and then to quantify the likelihood of high/medium/low impact scenarios, with assumptions	Fall 2017 TB/MBC (TBC)	ENERGY and TBS staff to discuss further over the summer on what sensitivity analysis looks like given the Ministry is finalizing the LTEP.

and methodologies clearly specified and documented.		
Industrial Conservation Initiative - Direct the Ministry to report back through quarterly reporting process with results achieved versus expectations for the ICI program, impacts of the change for participation, and impact for ratepayers as costs are recovered from ratepayers.	Quarterly Reporting	ENERGY to provide updates through quarterly reports. Note: The expanded Industrial Conservation Initiative (ICI) is in effect. Expanding participation in the ICI program is expected to reduce cost pressures on the electricity system by empowering more consumers to lower their electricity demand during peak periods and reduce electricity bills for new ICI participants who are able to reduce their electricity demand during peak demand periods. Newly eligible participants have the opportunity to opt in to the program by June 15, 2017 for participation from July 1, 2017 to June 30, 2018.
Affordability Fund - Direct the Ministry to report back through quarterly reporting process with program details, including performance management framework, and multi-year funding profile, and fiscal plan implications.	Quarterly Reporting	ENERGY to provide updates through quarterly reports.