

Media Call Summary: February 23, 2017

From: "Demetriades, Natasha (ENERGY)" <natasha.demetriades@ontario.ca>
To: "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "McGrath, Jessica (ENERGY)" <jessica.mcgrath@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
Cc: "Barbaro, Rachel (ENERGY)" <rachel.barbaro@ontario.ca>, "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>, ted.gruetzner@opg.com, martine.holmsen@ieso.ca, alexandra.campbell@ieso.ca, "@ENERGY-COMM-Issues_and_MediaRelations" <energy-comm-issues_and_mediarelations@msgov.gov.on.ca>, karen.evans@ontarioenergyboard.ca, mary.bernard@ieso.ca, john.cannella@ieso.ca, neal.kelly@opg.com, Sylvia Kovesfalvi <sylvia.kovesfalvi@ontarioenergyboard.ca>, John Bozzo (OEB) <john.bozzo@ontarioenergyboard.ca>, Chuck Farmer <chuck.farmer@ieso.ca>, "Martin, Eric (ENERGY)" <eric.martin@ontario.ca>, "Berg, Denna (ENERGY)" <denna.berg@ontario.ca>, "McGoey, Eric (ENERGY)" <eric.mcgoey@ontario.ca>, "Chatterjee, Jeet (ENERGY)" <jeet.chatterjee@ontario.ca>, "Pagel, Alexa (ENERGY)" <alexa.pagel@ontario.ca>, "Maguire, Lauren (ENERGY)" <lauren.maguire@ontario.ca>, "Biggs, Megan (ENERGY)" <megan.biggs@ontario.ca>, Lars Hansen <lars.hansen@ontarioenergyboard.ca>
Date: Thu, 23 Feb 2017 17:00:40 -0500

Media Call Summary

Agencies: 1 inquiry

Agency: IESO

Topic : Global Adjustment

Reporter & Outlet : Hillary Thompson, North Grenville Times

Response Type : Agency Spokesperson

Reporter's Questions:

B ackground on the GA, how is it calculated, and how much do residential and industrial consumers pay for the GA?

Response:

- The cost of electricity in Ontario includes the total of both the wholesale electricity price and the global adjustment. Together, they represent the cost of providing electricity in Ontario.
- The wholesale or market price is determined by matching supply with Ontario's demand for electricity. It is set based on the bids and offers that are settled in the electricity market operated by the IESO. The wholesale price of electricity is dynamic – changing every five minutes based on the availability of supply and changes in demand. Factors that affect demand include: consumer behaviour,

weather, time of day, day of the week and economic conditions. The IESO accepts the lowest-cost offers to supply electricity until sufficient megawatts are available to meet Ontario's demand.

- The global adjustment (GA) was implemented on January 1, 2005, and covers the cost for providing both adequate generating capacity and conservation programs for Ontario. The GA is calculated based on the difference between the wholesale price and:
 - o Regulated rates to Ontario Power Generation nuclear and baseload hydroelectric generating stations
 - o Contracts with the IESO, such as gas-fired facilities, renewable facilities, and the Bruce nuclear refurbishments, which cover the fixed costs of building these facilities, as well as providing conservation and demand response programs
 - o Contracted rates administered by the Ontario Electricity Financial Corporation.
- All electricity consumers pay for the global adjustment. For residential customers who pay the Regulated Price Plan, the global adjustment is included in the prices set by the OEB every six months. For residential customers who have signed up with an electricity retailer, the global adjustment is listed as a separate item on their bill, as it is for commercial and industrial customers and municipalities.

IESO pointed her to the IESO website [here](#) for global adjustment costs and consumption figures divided by customer class and provided an explanation of the difference between Class A and Class B Customers.

The reporter also asked how much of a residential consumers (RPP customers) bill is made up of the GA. For this piece, IESO referred her to the OEB.

Minister's Office : 0 inquiries

Ministry: 0 Inquiries

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