



Ministry of Energy

ISSUES FORECAST: September 28, 2017 to November 08, 2017

Date	Risk	Issue	Tactics	Key Messages
Thu Sep 28	FYI	UPDATED - OEB to issue decision on Hydro One's transmission rate application The Ontario Energy Board expects to issue a decision for Hydro One's 2017-18 Transmission Cost of Service Application later this month. Hydro One Networks Inc. has applied to the Ontario Energy Board to increase the cost of using its transmission system. If its application is approved, Hydro One has calculated that this will increase a typical residential customer's monthly bill by \$0.41 in 2017 and \$0.48 in 2018. The Ontario Energy Board's decision on this application will have an effect on all electricity consumers in Ontario. The cost of transmission is reflected in the delivery charges included on bills. https://www.oeb.ca/participate/applications/current-major-applications/eb-2016-0160	Housebook/Issue note, Q&As, Agency response	" On May 31, 2016, Hydro One filed an application with the Ontario Energy Board requesting its transmission revenue requirement for the two-year period 2017-18. As a result of the request, Hydro One estimates transmission rates will increase 4.6% in 2017 and 5.2% in 2018. o If approved as filed, Hydro One estimates that these increases would result in a typical Hydro One R1 (medium density) residential customer using 750 kWh per month seeing a total bill increase of about 0.2% in 2017 and 0.3% in 2018. " These rates enable Hydro One to maintain a reliable, cost effective transmission system and make investments to renew aging infrastructure and address longer-term transmission system needs. " The OEB has a thorough and transparent process to assess cost-of-service applications, such as

				Hydro One's Transmission Application. The OEB process allows for interested parties, such as groups representing consumers and industry, to participate. The OEB is the independent regulator of electricity and natural gas utilities in Ontario, with a mandate to protect the interests of consumers, among other things.
Wed Oct 4	Low	NEW - Minister of Energy to make echo ICI announcement at Chamber of Commerce Minister Thibault will be making an Industrial Conservation Initiative (ICI) announcement and attending a Chamber of Commerce discussion and roundtable in Clarence-Rockland. " Electricity consumers that participate in the Industrial Conservation Initiative (ICI) are charged Global Adjustment (GA) based on their contribution to the "top five peak" demand hours in Ontario each year. GA is a charge paid by all electricity consumers in Ontario, in addition to the wholesale market price, to ensure the full recovery of generation costs. Participants in ICI have an incentive to reduce their electricity consumption during these five peaks. " To give more businesses the opportunity to participate in ICI, Ontario lowered the threshold from 3 to 1 MW and removed sector restrictions on eligibility so that more consumers can benefit. Newly eligible consumers that opted in to ICI in June of this year saw the impact on bills beginning in July. " ICI was also expanded to include smaller manufacturers and greenhouses with average monthly peak demand between 500 kW and 1 MW. The expansion to 500 kW is also effective July 2017. The Ministry of Energy has partnered with the Ontario Chamber of Commerce (OCC). This partnership will inform OCC members about the expansion of ICI and other energy programs that will help to reduce cost for electricity consumers in the business sector.	Q&As	" The Industrial Conservation Initiative (ICI) allows large electricity consumers to lower their electricity costs by reducing their electricity consumption during peak hours. Reducing demand during peak hours benefits companies financially and, in the longer term, benefits the electricity system by deferring the need for new peaking generation. " Effective January 2017, more businesses can choose to participate in ICI. The eligibility threshold was lowered to 1 megawatt (MW) from 3 MW and removed sector restrictions on eligibility so that more consumers can benefit. "

				Effective April 2017, as part of Ontario's Fair Hydro Plan (OFHP), ICI was expanded further to include smaller manufacturers and greenhouses with average monthly peak demand between 500 kW and 1 MW. " Eligible consumers are able to opt-in to the ICI program at their discretion by June 15th each year.
Fri Oct 6 TBD	High	NEW - AG to issue special report on Ontario Fair Hydro Plan The Auditor General of Ontario, Bonnie Lysyk, will be issuing a special report on the Ontario Fair Hydro Plan. The Auditor General has expressed concerns about how the government is accounting for the money being borrowed to finance the Fair Hydro Plan. http://www.auditor.on.ca/en/content/news/remarks_standing%20committee%20on%20justice%20policy.pdf	Housebook/Issue note, Q&As	(Holding messaging) " The government worked closely with both internal government and external accounting experts. The Ministry of Energy has met with the AG to discuss Ontario's Fair Hydro Plan, and continues to work to ensure all appropriate public sector accounting standards are met. " In crafting the Fair Hydro Plan, the government consulted broadly, including: - o Ontario's Energy Agencies - o Experts across government - o External accounting experts - o External legal advisors - o Financial advisors - o Local Distribution Companies

			" The Ontario Fair Hydro Plan delivers on the Government's commitment to fairness, and electricity rates will come down and make life more affordable for families and businesses across the province.
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