Agenda Item - Summary

Date of Meeting: April 11, 2017

Agenda Item: Rate Mitigation Update

Nature of Issue:[1] Be recognized as a trusted advisor, informed by engagement

Executive Summary: On March 7, 2017 the Ministry of Energy announced Ontario's Fair Hydro Plan (OFHP) – subject to the necessary legislation and regulations being passed, the initiative will start this summer and extend out for 30 years into the future. Initially, electricity bills will be reduced by 25% on average for households across Ontario and won't increase beyond rate of inflation for the first four years. Over the next 30 years, this deferred amount will be repaid.

The IESO has been asked to support this initiative through providing a treasury role in the global adjustment deferral asset to be transferred to OPG and settling the remaining program components of the OFHP.

Significant Issues:[2] IESO Reputational Risk;

Defining, creating, and transferring the asset with all rights/risks;

IESO operational risks and resourcing;

Potential IESO financial risks regarding any recourse back to the IESO

Decision being Sought: Discussion Item Only

Attachments: Presentation

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1 Consider whether this agenda item supports the IESO's core business and/or a strategic goal. If selecting a strategic goal, consideration should also be given to the underlying strategic objective supported.

- IESO core business activity
- Deliver superior reliability performance in a changing environment
- Drive to a more efficient and sustainable marketplace
- Be recognized as a trusted advisor, informed by engagement
- Invest in our people and processes to meet the needs of the sector

2 Consider contentious issues and significant risks.

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