Electricity Act, 1998
Loi de 1998 sur l'électricité

ONTARIO REGULATION 429/04
ADJUSTMENTS UNDER SECTION 25.33 OF THE ACT

Consolidation Period: From December 15, 2017 to the e-Laws currency date.

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This Regulation is made in English only.

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PART I
INTERPRETATION AND DEFINITIONS

Interpretation

1. (1) In this Regulation,

"business day" means a day that is not,

(a) Saturday, or

(b) a holiday within the meaning of section 88 of the *Legislation Act, 2006*;

"embedded distributor" means a licensed distributor to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a licensed distributor, but does not include a generator who consumes more electricity than it generates;

"embedded market participant" has the same meaning as in the market rules;

"host distributor" means a licensed distributor who is a market participant and who distributes electricity to another licensed distributor;

"licensed distributor" means a distributor who is licensed under Part V of the *Ontario Energy Board Act, 1998*;

"metered market participant" means, in respect of a generation facility, a market participant designated as the metered market participant in accordance with Chapter 9 of the market rules;

"OPA" means the Ontario Power Authority within the meaning of Part II of the Act;

"procurement contract" includes, for greater certainty, a procurement contract within the meaning of both subsections 2 (1) and (1.5) of the Act;

"regulated consumer" means a consumer whose price or rate for electricity is determined by regulation or by the Board under subsection 78 (3.1) or 79.16 (1) of the *Ontario Energy Board Act, 1998*;

"Retail Settlement Code" means the Retail Settlement Code approved by the Board under the *Ontario Energy Board Act, 1998*;

"settlement amount" means an amount of money to be paid by or to a market participant, determined in accordance with Chapter 9 of the market rules;

"wholly-embedded distributor" means an embedded distributor who is not a market participant. O. Reg. 429/04, s. 1 (1); O. Reg. 398/10, s. 2 (2-6); O. Reg. 285/14, s. 1.

(2) In this Regulation, a reference to a volume of electricity distributed by a licensed distributor includes the volume for total losses, as defined in the Retail Settlement Code, that is attributed to the licensed distributor's consumers or an embedded distributor except where the contrary is indicated in section 16. O. Reg. 429/04, s. 1 (2); O. Reg. 311/13, s. 1.

(3) Credits and additional charges required by this Regulation are in addition to any payments that may be required by the market rules or the Retail Settlement Code. O. Reg. 429/04, s. 1 (3).

(4) Subject to subsection 5 (2), a reference to a net volume of electricity withdrawn from the IESO-controlled grid means,

(a) the net volume of electricity, as determined in accordance with the market rules, that is withdrawn in Ontario by a market participant from the IESO-controlled grid; and

(b) the net volume of electricity, determined in accordance with the market rules, that is distributed to an embedded market participant by a distribution system. O. Reg. 398/10, s. 2 (7).

(5) A reference in this Regulation to the volume of electricity distributed to an embedded distributor is read as a reference to the volume of electricity distributed to the embedded distributor by its host distributor and is not to be read to include,

(a) if the embedded distributor is a market participant, the net volume of electricity withdrawn by the embedded distributor from the IESO-controlled grid; and

(b) the net volume of electricity withdrawn from the IESO-controlled grid by an embedded market participant in the embedded distributor's service area. O. Reg. 398/10, s. 2 (7).

(6) In the application of this Regulation, a reference to the volume of electricity distributed to a consumer by a licensed distributor is read as a reference to the volume distributed by the licensed distributor to a person or entity as a consumer and does not include the net volume of any electricity described in clause (4) (b) that is distributed by the licensed distributor to the person or entity. O. Reg. 398/10, s. 2 (7).

(7) If something is required to be done on or before a day specified in this Regulation that is not a business day in a particular year, the thing must be done on or before the next business day. O. Reg. 398/10, s. 2 (7).

Global adjustment

1.1 (1) For the purposes of this Regulation, the global adjustment for a month is the amount calculated by the IESO using the formula,

$$(A - B) + (C - D) + (E - F) + G + H$$

in which,

"A" is the total amount payable by the IESO under section 78.1 of the *Ontario Energy Board Act, 1998* to generators who are prescribed under that Act for the purposes of that section with respect to output for the previous month from units at generation facilities that are prescribed under that Act for the purposes of that section,

"B" is the total amount that, but for section 78.1 of the *Ontario Energy Board Act, 1998*, would be payable by the IESO under the market rules to generators referred to in "A" on behalf of those generators with respect to the output referred to in "A",

"C" is the amount payable by the IESO to the Financial Corporation under section 78.2 of the *Ontario Energy Board Act, 1998* for the previous month, less amounts payable by licensed distributors with respect to output for the previous month from generation facilities that are prescribed under that Act for the purposes of that section,

"D" is the amount that, but for section 78.2 of the *Ontario Energy Board Act, 1998*, would be payable by the IESO under the market rules for the previous month with respect to output generated at, and ancillary services provided at, generation facilities that are prescribed under that Act for the purpose of that section and for which the Financial Corporation is the metered market participant,

"E" is the amount payable by the IESO to generators and other persons or entities with respect to output generated by units at generation facilities and ancillary services in respect of which the IESO has entered into procurement contracts under Part II.2 of the *Electricity Act, 1998* for the previous month, less amounts payable by licensed distributors to the IESO for the previous month in respect of procurement contracts referred to in that Part,

"F" is the amount that would be payable to the IESO under the market rules for the previous month with respect to output generated by units at generation facilities and ancillary services in respect of which the IESO has entered into procurement contracts under Part II.2 of the *Electricity Act, 1998* and that are generated or provided at generation facilities for which the IESO is the metered market participant,

"G" is the amount paid or payable by the IESO to persons or entities with whom the IESO has entered into a procurement contract under Part II.2 of the *Electricity Act, 1998* for the previous month, and

"H" is the sum of all amounts approved by the Board under section 78.5 of the *Ontario Energy Board Act, 1998* that are payable by the IESO to distributors for the month.

O. Reg. 430/10, s. 1; O. Reg. 285/14, s. 2.

(2) The IESO shall publish the global adjustment for a month no later than the 10th business day of the following month. O. Reg. 398/10, s. 3.

(3) For each month commencing on or after January 1, 2011, the IESO shall make an estimate of the global adjustment for a month and publish it no later than the last business day of the month. O. Reg. 398/10, s. 3.

PART II (ss. 1.2-3) REVOKED: O. Reg. 121/12, s. 1.

PART III
ADJUSTMENTS

Application

4. This Part applies to adjustments under section 25.33 of the Act. O. Reg. 398/10, s. 6; O. Reg. 121/12, s. 3.

Interpretation and definitions

5. (1) In this Part,

"adjustment period" means a 12-month period commencing July 1;

"base period" means, in relation to an adjustment period, the 12-month period ending April 30 in the same calendar year in which the adjustment period commences;

"Class B consumer" means a consumer in Ontario,

(a) who is not a Class A consumer,

(b) who is neither a market participant nor an embedded distributor, and

(c) to whom electricity is distributed by a licensed distributor;

"Class B market participant" means a market participant in Ontario who is neither a Class A market participant nor a licensed distributor;

Note: On July 1, 2018, subsection 5 (1) of the Regulation is amended by adding the following definition: (See: O. Reg. 516/17, s. 1)

"electricity storage facility" means a facility that,

(a) is a Class B market participant or a Class B consumer,

(b) is only connected to the IESO-controlled grid or the distribution system of a licensed distributor, and

(c) withdraws electricity from the IESO-controlled grid or the distribution system of a licensed distributor for the sole purpose of storing the electricity temporarily and then conveying that electricity or a portion of that electricity back into the IESO-controlled grid or a distribution system of a licensed distributor;

"financing entity" has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017;*

"NAICS" means the North American Industry Classification System maintained for Canada by Statistics Canada, as amended or revised from time to time;

"one-hour period" means a one-hour period starting on the hour;

"peak hours" means, in respect of a base period, the following five one-hour periods in the base period:

1. The one-hour period in the base period in which market participants withdrew the greatest total net volume of electricity from the IESO-controlled grid.
2. The one-hour period in the same base period in which market participants withdrew the greatest total net volume of electricity from the IESO-controlled grid if the base period excluded the day in which the one-hour period referred to in paragraph 1 occurred.
3. The one-hour period in the same base period in which market participants withdrew the greatest total net volume of electricity from the IESO-controlled grid if the base period excluded the days in which the one-hour periods referred to in paragraphs 1 and 2 occurred.
4. The one-hour period in the same base period in which market participants withdrew the greatest total net volume of electricity from the IESO-controlled grid if the base period excluded the days in which the one-hour periods referred to in paragraphs 1, 2 and 3 occurred.
5. The one-hour period in the same base period in which market participants withdrew the greatest total net volume of electricity from the IESO-controlled grid if the base period excluded the days in which the one-hour periods referred to in paragraphs 1, 2, 3 and 4 occurred.

"specified consumer" has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017.* O. Reg. 398/10, s. 6; O. Reg. 121/12, s. 4; O. Reg. 126/14, s. 1; O. Reg. 447/17, s. 1.

(2) In this Part, a reference to the net volume of electricity withdrawn from the IESO-controlled grid is a reference to the volume that would be determined in accordance with subsection 1 (4) without taking into consideration,

(a) the net volume withdrawn at the Sir Adam Beck Pump Generating Station;

(b) the net volume withdrawn by Fort Frances Power Corporation under its physical bilateral contract with Abitibi-Consolidated Hydro Limited Partnership; and

(c) the net volume withdrawn by market participants in the course of providing ancillary services in accordance with the market rules. O. Reg. 398/10, s. 6.

(3) In this Part, a reference to the demand for electricity by a consumer or market participant is a reference to the demand for electricity at the point of supply from the IESO-controlled grid or from a distribution system of a licensed distributor. O. Reg. 398/10, s. 6.

Class A consumer

6. (1) A consumer in Ontario is a Class A consumer for an adjustment period under this Part if the following conditions are satisfied:

1. The consumer is not a market participant, an embedded distributor or a regulated consumer.
2. Electricity was distributed to the consumer throughout the applicable base period by the same licensed distributor that currently distributes electricity to the consumer.

3. The consumer's maximum hourly demand for electricity in a month from the licensed distributor referred to in paragraph 2 exceeds an average of 5 megawatts for the applicable base period.
4. During the applicable base period, the consumer did not supply to the distribution system of the licensed distributor referred to in paragraph 2 more electricity in total than the total amount of electricity that was distributed to the consumer by that licensed distributor.
5. In the case of an adjustment period commencing on or after July 1, 2015, the consumer has provided to its distributor,
   i. the consumer's company name or the name under which it carries on business,
   ii. the address and geographic location of the consumer's head office,
   iii. the address and geographic location of each of the consumer's Class A load facilities, and
   iv. written consent for the distributor to provide the information in subparagraphs i to iii to the Ministry of Energy and for the Ministry to publish that information. O. Reg. 398/10, s. 6; O. Reg. 84/15, s. 1.

(2) Despite subsection (1), a consumer who makes an election under section 19 is not a Class A consumer during the adjustment period to which the election applies. O. Reg. 398/10, s. 6.

(3) The following rules apply if a person or entity who is an embedded market participant and a Class A market participant ceases to be a market participant during an adjustment period and provides written notice of the change at least 10 business days before ceasing to be a market participant, in a form approved by the IESO, to the IESO and the licensed distributor to whose system the person or entity is connected:

1. The person or entity is deemed, for the remainder of the adjustment period,
   i. to be a Class A consumer of the licensed distributor, and
   ii. to have the same peak demand factor as calculated by the IESO.
2. The licensed distributor and the IESO shall exchange such information concerning the person or entity as may be necessary for the purposes of this Regulation. O. Reg. 398/10, s. 6.

Class A and B consumers - calculation required for separate load facilities

6.1 (1) For the purpose of paragraph 3 of subsection 6 (1), a consumer's maximum hourly demand for electricity in a month from the licensed distributor referred to in paragraph 2 of that subsection shall be determined separately for each of its load facilities. O. Reg. 163/12, s. 1.

(2) For the purpose of subsection 6 (1), a consumer in Ontario,

(a) is a Class A consumer in respect of each of its load facilities for which the maximum hourly demand for electricity in a month from the licensed distributor referred to in paragraph 2 of subsection 6 (1) exceeds an average of 5 megawatts for the applicable base period; and

(b) is a Class B consumer in respect of each of its load facilities for which the maximum hourly demand for electricity in a month from the licensed distributor referred to in paragraph 2 of subsection 6 (1) does not exceed an average of 5 megawatts for the applicable base period. O. Reg. 163/12, s. 1.

(3) For the purpose of making any other determination or calculation under this Regulation in respect of a consumer in Ontario that is both a Class A consumer and a Class B consumer, one determination or calculation shall be made for the load facilities in respect of which the consumer is a Class A consumer and one determination or calculation shall be made for the load facilities in respect of which the consumer is a Class B consumer, and the amount invoiced to the consumer shall be the sum of the two amounts. O. Reg. 163/12, s. 1.

(4) Subsections (1), (2) and (3) do not apply to a person or entity that was a Class A consumer, as determined in the base period ending April 30, 2012, in respect of each of its load facilities that is described in one of the following paragraphs:

1. The load facility was registered by the consumer with a licensed distributor on or before June 1, 2012.
2. The load facility was the subject of a written notice given by the consumer to a licensed distributor on or before June 1, 2012 of the consumer's intention to register the load facility with the licensed distributor. O. Reg. 163/12, s. 1.

(5) In this section,

"load facility" means a facility that withdraws electricity from the distribution system of a licensed distributor. O. Reg. 163/12, s. 1.

Optional Class A consumer – calculation required for separate load facilities

6.1.1 (1) REVOKED: O. Reg. 366/16, s. 2 (2).

(1.1) A consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period if the following conditions are satisfied:

1. The consumer elects, under subsection (3), to be a Class A consumer for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked.
2. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the load facility for the applicable adjustment period.
3. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor exceeds an average of 1 megawatt but is less than or equal to an average of 5 megawatts for the applicable base period. O. Reg. 366/16, s. 2 (3).

(1.2) A consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period, if the following conditions are satisfied:

1. The consumer elects, under subsection (3), to be a Class A consumer for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked.
2. Throughout the applicable base period, the load facility is identified by a NAICS code commencing with the digits "31", "32", "33" or "1114".
3. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the load facility for the applicable adjustment period.
4. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor exceeds an average of 500 kilowatts but is less than or equal to an average of 1 megawatt for the applicable base period. O. Reg. 107/17, s. 1 (1).

(2) Subsections 6.1 (3) and (5) apply, with necessary modifications, with respect to the consumer and the load facility. O. Reg. 126/14, s. 2.

(3) A consumer may elect to be a Class A consumer in respect of a load facility for an adjustment period, by giving written notice of the election to its licensed distributor no later than June 15 of the calendar year in which the adjustment period begins. O. Reg. 366/16, s. 2 (4).

(4) An election in respect of a load facility is revoked for an adjustment period (the "applicable adjustment period"), and the election has no further effect with respect to any subsequent adjustment period, if any of the following circumstances exist:

1. The consumer has elected under section 19 to be a Class B consumer for the applicable adjustment period.
2. REVOKED: O. Reg. 366/16, s. 2 (5).
3. The consumer's maximum hourly demand for electricity for the load facility in a month from the licensed distributor for the applicable base period does not meet the requirements of this section.
4. For a consumer to whom subsection (1.2) applies, during the applicable base period for the applicable adjustment period, the load facility ceases to be identified by a NAICS code described in paragraph 2 of that subsection. O. Reg. 126/14, s. 2; O. Reg. 366/16, s. 2 (5, 6); O. Reg. 107/17, s. 1 (2).

(5) A licensed distributor shall rely on the information provided by the consumer under subsection (3). O. Reg. 126/14, s. 2.

Former Class A consumers, continued status

6.2 (1) A consumer in Ontario that does not satisfy the condition set out in paragraph 3 of subsection 6 (1) for an adjustment period under this Part that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A consumer for that adjustment period if the following conditions are satisfied:

1. The conditions set out in paragraphs 1, 2 and 4 of subsection 6 (1) are satisfied for the applicable adjustment period.
2. The consumer was a Class A consumer for a previous adjustment period that began on or after July 1, 2016.
3. During the base period for any adjustment period that began on or after July 1, 2016 in which the consumer was a Class A consumer,
   i. the consumer entered into a contract with the IESO, with a licensed distributor, or with the Ontario Climate Change Solutions Deployment Corporation, to participate in an eligible program, pilot or project listed in subsection (3) offered by the IESO, the licensed distributor or the Ontario Climate Change Solutions Deployment Corporation, or any combination of them, and

ii. the consumer has received, or is entitled to receive, funding or another incentive under the program, pilot or project.

4. The consumer gives its licensed distributor the information requested by the licensed distributor to establish that the consumer satisfies the conditions described in paragraph 3 on or before June 15 of the calendar year in which the adjustment period begins. O. Reg. 107/17, s. 2.

(2) Subsections 6 (2) and (3) apply, with necessary modifications, with respect to the consumer. O. Reg. 107/17, s. 2.

(3) The eligible programs, pilots and projects for the purposes of paragraph 3 of subsection (1) are the following:

1. Conservation and Demand Management (CDM) Programs and Pilots delivered under the 2015 to 2020 Conservation First Framework, administered by the IESO, established or included under a direction of the Minister, dated March 31, 2014, entitled "2015-2020 Conservation First Framework" and other programs and pilots under initiatives of the IESO established or included under that direction.

2. CDM Programs and Pilots under the 2015 to 2020 Industrial Accelerator Program, administered by the IESO, established under a direction of the Minister dated July 25, 2014 entitled "Industrial Accelerator Program".

3. IESO Demand Response Auctions and Pilots, established under the market rules.

4. Ontario Climate Change Solutions Deployment Corporation programs and initiatives established by the Corporation, where the program or initiative includes an electricity conservation, efficiency, load-management or demand-management component. O. Reg. 107/17, s. 2.

(4) A licensed distributor shall rely on the information provided by the consumer under this section. O. Reg. 107/17, s. 2.

Former Class A consumer, continued status — calculation for separate load facilities

6.3 (1) For the purpose of subsection 6.2 (1), a consumer in Ontario that does not satisfy the condition set out in clause 6.1 (2) (a) in respect of a load facility for an adjustment period under this Part that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A consumer for that load facility and adjustment period if the following conditions are satisfied:

1. The consumer was a Class A consumer in respect of the load facility for a previous adjustment period that began on or after July 1, 2016.

2. During the base period for any adjustment period that began on or after July 1, 2016 in which the consumer was a Class A consumer in respect of the load facility,

   i. the consumer entered into a contract with the IESO, with a licensed distributor, or with the Ontario Climate Change Solutions Deployment Corporation, to participate in an eligible program, pilot or project listed in subsection 6.2 (3) offered by the IESO, the licensed distributor or the Ontario Climate Change Solutions Deployment Corporation, or any combination of them, and

   ii. the consumer received, or is entitled to receive, funding or another incentive under the program, pilot or project in respect of the load facility.

3. The consumer gives its licensed distributor the information requested by the licensed distributor to establish that the consumer satisfies the conditions described in paragraph 2 on or before June 15 of the calendar year in which the adjustment period begins. O. Reg. 107/17, s. 2.

(2) If the conditions set out in subsection (1) are not satisfied in respect of a load facility for the applicable adjustment period, the consumer is a Class B consumer in respect of the load facility for that adjustment period. O. Reg. 107/17, s. 2.

(3) Subsections 6.1 (3), (4) and (5) apply, with necessary modifications, with respect to the consumer and the load facility. O. Reg. 107/17, s. 2.

(4) A licensed distributor shall rely on the information provided by the consumer under this section. O. Reg. 107/17, s. 2.

Class A market participant

7. (1) A market participant in Ontario is a Class A market participant for an adjustment period under this Part if the following conditions are satisfied:

1. The market participant is neither a licensed distributor nor a regulated consumer.

2. The market participant was a market participant throughout the applicable base period.

3. The market participant's maximum hourly demand for electricity in a month, as determined by the IESO, exceeds an average of 5 megawatts for the applicable base period.

4. The total volume of electricity, as determined by the IESO, supplied by the market participant to the IESO-controlled grid or to distribution systems of licensed distributors during the applicable base period did not exceed the total volume of electricity the market participant withdrew from the IESO-controlled grid during that base period.

5. In the case of an adjustment period commencing on or after July 1, 2015, the market participant has provided to the IESO,
   i. the market participant's company name or the name under which it carries on business,
   ii. the address and geographic location of the market participant's head office,
   iii. the address and geographic location of each of the market participant's Class A load facilities, and
   iv. written consent for the IESO to provide the information in subparagraphs i to iii to the Ministry of Energy and for the Ministry to publish that information. O. Reg. 398/10, s. 6; O. Reg. 84/15, s. 2.

(2) Despite subsection (1), a market participant who makes an election under section 19 is not a Class A market participant during the adjustment period to which the election applies. O. Reg. 398/10, s. 6.

(3) REVOKED: O. Reg. 121/12, s. 5.

(4) The following rules apply if a person or entity who is a consumer to whom electricity is distributed by a licensed distributor becomes an embedded market participant during an adjustment period and provides written notice of the change, in a form approved by the IESO, to the IESO and the licensed distributor at least 10 business days before becoming an embedded market participant:

1. If the person or entity was a Class A consumer at the beginning of the adjustment period, the person or entity is deemed for the remainder of the adjustment period to be a Class A market participant and to have the same peak demand factor as calculated by the licensed distributor.
2. For the purposes of determining if the person or entity is a Class A market participant for a subsequent adjustment period and its peak demand factor for a subsequent adjustment period, the person or entity is deemed,
   i. to have been a market participant for any portion of the applicable base period during which the licensed distributor distributed electricity to it before it became an embedded market participant,
   ii. to have withdrawn from the IESO-controlled grid the same volume of electricity that the licensed distributor distributed to it during the applicable base period before it became an embedded market participant, and
   iii. to have supplied to the IESO-controlled grid the same volume of electricity that it supplied to the distribution system of the licensed distributor during the applicable base period before it became an embedded market participant.
3. The licensed distributor and the IESO shall exchange such information concerning the person or entity as may be necessary for the purposes of this Regulation. O. Reg. 398/10, s. 6.

(5) The following rules apply if a person or entity who is a consumer, other than a Class A consumer, to whom electricity is distributed by a Class A market participant becomes an embedded market participant during an adjustment period and provides written notice of the change, in a form approved by the IESO, to the IESO and the Class A market participant at least 10 business days before becoming an embedded market participant:

1. If, at the beginning of the adjustment period, the person or entity would have been determined to be a Class A consumer under one or more of subsection 6 (1) and sections 6.1 and 6.1.1, with necessary modifications, if electricity had been distributed to it by a licensed distributor, the person or entity is deemed for the remainder of the adjustment period to be a Class A market participant and to have the same peak demand factor as calculated by the Class A market participant who distributes electricity to the person or entity.
2. Paragraph 2 of subsection (4) applies with respect to the person or entity, with necessary modifications.
3. On request by the IESO, the person or entity or the Class A market participant who distributes electricity to the person or entity shall provide to the IESO any information that the IESO may require for the purposes of this Regulation, in the form and within such time limits as the IESO specifies.
4. The substance of information required to be provided to the IESO under paragraph 3 must be mutually agreed upon by the person or entity and the Class A market participant.
5. The person or entity and the Class A market participant shall confirm with the IESO the existence of a written agreement between them that supports the requirements of this subsection respecting the provision of information to the IESO.
6. The IESO shall rely on information provided to it by the person or entity or the Class A market participant. O. Reg. 263/16, s. 1.

Class A and B market participants - calculation required for separate load facilities

7.1 (1) For the purpose of paragraph 3 of subsection 7 (1), a market participant's maximum hourly demand for electricity in a month, as determined by the IESO, shall be determined separately for each of its load facilities. O. Reg. 163/12, s. 1.

(2) For the purpose of subsection 7 (1), a market participant in Ontario,

(a) is a Class A market participant for an adjustment period under this Part in respect of each of its load facilities for which the maximum hourly demand for electricity in a month, as determined by the IESO, exceeds an average of 5 megawatts for the applicable base period; and

(b) is a Class B market participant for an adjustment period under this Part in respect of each of its load facilities for which the maximum hourly demand for electricity in a month, as determined by the IESO, does not exceed an average of 5 megawatts for the applicable base period. O. Reg. 163/12, s. 1.

(3) For the purpose of making any other determination or calculation under this Regulation in respect of a market participant in Ontario that is both a Class A market participant and a Class B market participant, one determination or calculation shall be made for the load facilities in respect of which the market participant is a Class A market participant and one determination or calculation shall be made for the load facilities in respect of which the market participant is a Class B market participant, and the amount invoiced to the market participant shall be the sum of the two amounts. O. Reg. 163/12, s. 1.

(4) Subsections (1), (2) and (3) do not apply to a person or entity that was a Class A market participant, as determined in the base period ending April 30, 2012, in respect of each of its load facilities that is described in one of the following paragraphs:

1. The load facility was registered by the market participant with the IESO on or before June 1, 2012.
2. The load facility was the subject of a written notice given by the market participant to the IESO on or before June 1, 2012 of the market participant's intention to register the load facility with the IESO. O. Reg. 163/12, s. 1.

(5) In this section,

"load facility" means a load facility or an embedded load facility, as those terms are defined in the market rules. O. Reg. 163/12, s. 1.

Optional Class A market participant – calculation required for separate load facilities

7.1.1 (1) REVOKED: O. Reg. 366/16, s. 4 (2).

(1.1) A market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A market participant for that load facility and adjustment period if the following conditions are satisfied:

1. The market participant elects, under subsection (3), to be a Class A market participant for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked.
2. The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the load facility for the applicable adjustment period.
3. The market participant's maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, exceeds an average of 1 megawatt but is less than or equal to an average of 5 megawatts for the applicable base period. O. Reg. 366/16, s. 4 (3).

(1.2) A market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A market participant for that load facility and adjustment period, if the following conditions are satisfied:

1. The market participant elects, under subsection (3), to be a Class A market participant for the load facility for the applicable adjustment period, or has made such an election for a prior adjustment period and the election has not been revoked.
2. Throughout the applicable base period, the load facility is identified by a NAICS code commencing with the digits "31", "32", "33" or "1114".
3. The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the load facility for the applicable adjustment period.
4. The market participant's maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, exceeds an average of 500 kilowatts but is less than or equal to an average of 1 megawatt for the applicable base period. O. Reg. 107/17, s. 3 (1).

(2) Subsections 7.1 (3) and (5) apply, with necessary modifications, with respect to the market participant and the load facility. O. Reg. 126/14, s. 2.

(3) A market participant may elect to be a Class A market participant in respect of a load facility for an adjustment period by giving written notice of the election to the IESO no later than June 15 of the calendar year in which the adjustment period begins. O. Reg. 366/16, s. 4 (4).

(4) An election in respect of a load facility is revoked for an adjustment period (the "applicable adjustment period"), and the election has no further effect with respect to any subsequent adjustment period, if any of the following circumstances exist:

1. The market participant has elected under section 19 to be a Class B market participant for the applicable adjustment period.
2. REVOKED: O. Reg. 366/16, s. 4 (5).
3. The market participant's maximum hourly demand for electricity for the load facility in a month, as determined by the IESO, does not meet the requirements of this section.
4. For a market participant to whom subsection (1.2) applies, during the applicable base period for the applicable adjustment period, the load facility ceases to be identified by a NAICS code described in paragraph 2 of that subsection. O. Reg. 126/14, s. 2; O. Reg. 366/16, s. 4 (5, 6); O. Reg. 107/17, s. 3 (2).

(5) The IESO shall rely on the information provided by the market participant under subsection (3). O. Reg. 126/14, s. 2.

Former Class A market participants, continued status

7.2 (1) A market participant in Ontario that does not satisfy the condition set out in paragraph 3 of subsection 7 (1) for an adjustment period under this Part that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A market participant for that adjustment period if the following conditions are satisfied:

1. The conditions set out in paragraphs 1, 2 and 4 of subsection 7 (1) are satisfied for the applicable adjustment period.
2. The market participant was a Class A market participant for a previous adjustment period that began on or after July 1, 2016.
3. During the base period for any adjustment period that began on or after July 1, 2016 in which the market participant was a Class A market participant,
   i. the market participant entered into a contract with the IESO, with a licensed distributor, or with the Ontario Climate Change Solutions Deployment Corporation, to participate in an eligible program, pilot or project listed in subsection (3) offered by the IESO, the licensed distributor, the Ontario Climate Change Solutions Deployment Corporation or any combination of them, and
   ii. the market participant has received, or is entitled to receive, funding or another incentive under the program, pilot or project.
4. The market participant gives the IESO the information requested by the IESO to establish that the market participant satisfies the conditions described in paragraph 3 on or before June 15 of the calendar year in which the adjustment period begins. O. Reg. 107/17, s. 4.

(2) Subsections 7 (2) and (4) apply, with necessary modifications, with respect to the market participant. O. Reg. 107/17, s. 4.

(3) The eligible programs, pilots and projects for the purposes of paragraph 3 of subsection (1) are the following:

1. Conservation and Demand Management (CDM) Programs and Pilots delivered under the 2015 to 2020 Conservation First Framework, administered by the IESO, established or included under a direction of the Minister, dated March 31, 2014, entitled "2015-2020 Conservation First Framework" and other programs and pilots under initiatives of the IESO established or included under that direction.
2. CDM Programs and Pilots under the 2015 to 2020 Industrial Accelerator Program, administered by the IESO, established under a direction of the Minister dated July 25, 2014 entitled "Industrial Accelerator Program".
3. IESO Demand Response Auctions and Pilots, established under the market rules.
4. Ontario Climate Change Solutions Deployment Corporation programs and initiatives established by the Corporation, where the program or initiative includes an electricity conservation, efficiency, load-management or demand-management component. O. Reg. 107/17, s. 4.

(4) The IESO shall rely on the information provided by the market participant under this section. O. Reg. 107/17, s. 4.

Former Class A market participant, continued status — calculation for separate load facilities

7.3 (1) For the purpose of subsection 7.2 (1), a market participant in Ontario that does not satisfy the condition set out in clause 7.1 (2) (a) in respect of a load facility for an adjustment period under this Part that begins on or after July 1, 2017 (the "applicable adjustment period") is a Class A market participant for that load facility and adjustment period if the following conditions are satisfied:

1. The market participant was a Class A market participant in respect of the load facility for a previous adjustment period that began on or after July 1, 2016.
2. During the base period for any previous adjustment period that began on or after July 1, 2016 in which the market participant was a Class A market participant in respect of the load facility,
   i. the market participant entered into a contract with the IESO, with a licensed distributor, or with the Ontario Climate Change Solutions Deployment Corporation, to participate in an eligible program listed in subsection 7.2 (3) offered by the IESO, the licensed distributor, the Ontario Climate Change Solutions Deployment Corporation or any combination of them, and
   ii. the market participant has received, or is entitled to receive, funding or another incentive under the program, pilot or project in respect of the load facility.
3. The market participant gives the IESO the information requested by the IESO to establish that the market participant satisfies the conditions described in paragraph 2 on or before June 15 in the calendar year in which the adjustment period begins. O. Reg. 107/17, s. 4.

(2) If the conditions set out in subsection (1) are not satisfied in respect of a load facility for the applicable adjustment period, the market participant is a Class B market participant in respect of the load facility for that adjustment period. O. Reg. 107/17, s. 4.

(3) Subsections 7.1 (3), (4) and (5) apply, with necessary modifications, with respect to the market participant and the load facility. O. Reg. 107/17, s. 4.

(4) The IESO shall rely on the information provided by the market participant under this section. O. Reg. 107/17, s. 4.

Effect of transfer of business or assets or registered facility re Class A consumer or Class A market participant

8. (1) In this section,

"registered facility" has the same meaning as in the market rules;

"transferor" means a person or entity,

(a) that, for the purposes of subsections (2) and (3),

  (i) is a Class A consumer at the time of the transfer, or

  (ii) could reasonably be expected to be a Class A consumer in the next adjustment period if the transfer did not occur,

(b) that, for the purposes of subsections (4) and (5),

  (i) is a Class A market participant at the time of the transfer, or

  (ii) could reasonably be expected to be a Class A market participant in the next adjustment period if the transfer did not occur. O. Reg. 398/10, s. 6.

(2) Subsection (3) applies if,

(a) the business or assets of a transferor are transferred to a transferee on or after May 1, 2010;

(b) the transferee provides written notice of the transfer and the date of the transfer to the Minister and to the licensed distributor to whose distribution system the transferor's business premises or assets were connected at the time of the transfer;

(c) the transferee provides to the Minister or the licensed distributor, or to both of them, such additional information regarding the transferor, the transferee or the transfer as either or both of them may request, within the time specified in the request; and

(d) the Minister provides a notice to the licensed distributor,

  (i) advising that subsection (3) applies to the transferee, and

  (ii) specifying the effective date, not less than 10 business days after the date of the notice, when subsection (3) commences to apply to the transferee. O. Reg. 398/10, s. 6.

(3) If this subsection applies to a transferee, the following rules apply:

1. If the effective date specified by the Minister under subclause (2) (d) (ii) is during an adjustment period and the transferor was a Class A consumer at the beginning of the adjustment period, the transferee is deemed to be a Class A consumer for the remainder of the adjustment period and to have the same peak demand factor as calculated for the transferor before the transfer.

2. For the purposes of determining if the transferee is a Class A consumer for a subsequent adjustment period and the transferee's peak demand factor for a subsequent adjustment period,

   i. electricity is deemed to have been distributed to the transferee by the licensed distributor for the portion of the applicable base period during which the licensed distributor distributed electricity to the transferor,

   ii. the same volume of electricity that the licensed distributor distributed to the transferor during the applicable base period is deemed to have been distributed to the transferee during the applicable base period, and

   iii. the transferee is deemed to have supplied to the distribution system of the licensed distributor, during the applicable base period, the same volume of electricity that the transferor supplied to the distribution system of the licensed distributor during the applicable base period. O. Reg. 398/10, s. 6.

(4) Subsection (5) applies to a transferor and a transferee of a registered facility if,

(a) the transferor transfers the registered facility to the transferee on or after May 1, 2010;

(b) the transferee is a market participant;

(c) the transferee provides written notice of the transfer and the date of the transfer to the Minister and to the IESO;

(d) the transferee provides to the Minister or the IESO, or to both of them, such additional information regarding the transferor, the transferee or the transfer as either or both of them may request, within the time specified in the request; and

(e) the Minister provides a notice to the licensed distributor,

   (i) advising that subsection (5) applies to the transferee, and

   (ii) specifying the effective date, not less than 10 business days after the date of the notice, when subsection (5) commences to apply to the transferee. O. Reg. 398/10, s. 6.

(5) If this subsection applies to a transferor and a transferee, the following rules apply:

1. If the effective date specified by the Minister under subclause (4) (e) (ii) is during an adjustment period,

   i. the IESO shall determine whether the transferor and the transferee are Class A market participants for the remainder of the current adjustment period, and

   ii. if the IESO determines either or both of the transferor and transferee are Class A market participants for the remainder of the current adjustment period, the IESO shall calculate or recalculate the peak demand factor of the transferor or transferee or both of them, as applicable, for the remainder of the current adjustment period.

2. For the purposes of the IESO's determination and calculation or recalculation under paragraph 1, and for the purposes of determining for a subsequent adjustment period if the transferee and transferor are Class A market participants and their peak demand factors for that adjustment period,

   i. the transferee is deemed to have been a market participant for any portion of the applicable base period during which the registered facility was registered with the IESO in accordance with the market rules,

   ii. the volume of electricity withdrawn from the IESO-controlled grid in respect of the registered facility during the applicable base period is deemed to have been withdrawn by the transferee and not the transferor, and

   iii. the volume of electricity supplied to the IESO-controlled grid in respect of the registered facility during the applicable base period is deemed to have been supplied by the transferee and not the transferor. O. Reg. 398/10, s. 6.

Publication of necessary information by IESO

9. (1) The IESO shall publish,

(a) the peak hours in each base period; and

(b) for each base period, the sum of,

   (i) the total net volume of electricity withdrawn by market participants from the IESO-controlled grid during each peak hour in the base period, and

   (ii) the total volume of electricity supplied by embedded generators to licensed distributors, adjusted for losses as required by the Retail Settlement Code, during each peak hour in the base period. O. Reg. 398/10, s. 6.

(2) The information required to be published under clause (1) (b) must be published no later than,

(a) for the base period ending October 31, 2010, November 15, 2010; and

(b) for a base period ending April 30 in a year, May 15 of the same year. O. Reg. 398/10, s. 6.

(3) For the purposes of subclause (1) (b) (ii), the total volume of electricity supplied by embedded generators to licensed distributors during a peak hour in a base period may be calculated without reference to the volume of electricity supplied to a licensed distributor by an embedded generator if,

(a) the embedded generator's name-plate capacity does not exceed 10 kilowatts; and

(b) the distributor does not know the volume of electricity supplied by the embedded generator during the peak hour. O. Reg. 398/10, s. 6.

Class B rate

10. (1) For the purposes of this Part, the IESO shall determine a Class B rate to the nearest cent for a month using the formula,

$$(M - N) / (P - Q)$$

Note: On July 1, 2018, the formula in subsection 10 (1) of the Regulation is struck out and the following substituted: (See: O. Reg. 516/17, s. 2 (1))

$$(M - N) / (P - Q - U.1)$$

in which,

"M" is the amount of the global adjustment for the month,

"N" is the sum of,

(a) the amount of the global adjustment for the month allocated under paragraph 1 of subsection 11 (2),

(b) the amount of the global adjustment for the month allocated under subparagraph 2 i of subsection 11 (2) to licensed distributors who are market participants, and

(c) the amount of the global adjustment for the month allocated to Class A market participants under paragraph 4 of subsection 15 (5) or under subsection 15 (8),

"P" is the sum of,

(a) the total net volume of electricity withdrawn from the IESO-controlled grid during the month by market participants, and

(b) the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators to licensed distributors during the month, and

"Q" is the sum of,

(a) the total net volume of electricity withdrawn from the IESO-controlled grid during the month by persons or entities that are Class A market participants, and

(b) the total volume of electricity distributed by licensed distributors to Class A consumers during the month.

Note: On July 1, 2018, subsection 10 (1) of the Regulation is amended by adding the following definition: (See: O. Reg. 516/17, s. 2 (2))

"U.1" is the sum of,

(a) the volume of electricity, if any, conveyed back into the IESO-controlled grid during the month by electricity storage facilities that are Class B market participants, and

(b) the volume of electricity, if any, conveyed back into the IESO-controlled grid or the distribution system during the month by electricity storage facilities that are Class B consumers.

O. Reg. 398/10, s. 6.

(2) The IESO shall, for each month,

(a) make a first estimate of the Class B rate for the month and publish it no later than the last business day of the previous month;

(b) make a second estimate of the Class B rate for the month and publish it after publishing its first estimate for the month but no later than the last business day of the month; and

(c) determine the actual Class B rate for the month and publish it no later than the 10th business day of the following month. O. Reg. 398/10, s. 6.

Determination of monthly total net volume, specified consumers

10.1 The IESO shall, in respect of each month, starting with the month of May 2021, determine the monthly total net volume of electricity consumed by specified consumers by calculating the sum of the following:

1. The total volume of electricity distributed to specified consumers who are Class A consumers by a licensed distributor during the month.
2. The total volume of electricity distributed to specified consumers who are Class B consumers by a licensed distributor during the month.
3. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class A market participants during the month.
4. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class B market participants during the month. O. Reg. 447/17, s. 2.

Note: On May 1, 2021, the Regulation is amended by adding the following section: (See: O. Reg. 447/17, s. 3)

Determination of rate re IESO security

10.2 The IESO shall, in respect of each month, determine the rate payable by specified consumers in respect of the costs incurred by the IESO to fulfil its obligations, if any, under an agreement with a financing entity to provide security by dividing the costs it incurred in respect of the month for the security by the monthly total net volume of electricity consumed by specified consumers calculated under section 10.1. O. Reg. 447/17, s. 3.

Determination of monthly amounts payable re IESO security

10.3 (1) The IESO shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A market participant or a Class B market participant for the costs referred to in section 10.2 for the month by multiplying the rate calculated under section 10.2 for the month by the total net volume of electricity withdrawn during the month by the market participant. O. Reg. 447/17, s. 4.

(2) Each licensed distributor shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A consumer or a Class B consumer for the costs referred to in section 10.2 for the month by multiplying the rate calculated under section 10.2 for the month by the total volume of electricity distributed to the consumer during the month by a licensed distributor. O. Reg. 447/17, s. 4.

(3) Each licensed distributor shall track the amounts determined under subsection (2) separately and remit those amounts to the IESO separately from the amounts otherwise determined and remitted under this Regulation. O. Reg. 447/17, s. 4.

(4) The IESO shall separately track the amounts determined under subsection (1) from the amounts otherwise determined and remitted under this Regulation. O. Reg. 447/17, s. 4.

Variance accounts

10.4 (1) The amount of the global adjustment determined under section 10.3 that is allocated by the IESO to a specified consumer who is a Class A market participant or a Class B market participant is to be tracked in one or more variance accounts held by the IESO in respect of each of the market participants. O. Reg. 447/17, s. 4.

(2) The amount of the global adjustment determined under section 10.3 that is allocated by the licensed distributor to a specified consumer who is a Class A consumer or a Class B consumer is to be tracked in one or more variance accounts held by the distributor in respect of each of the consumers. O. Reg. 447/17, s. 4.

Adjustments by IESO

10.5 (1) The IESO shall make adjustments to add the amount referred to in subsection 10.3 (1) to the amounts allocated by the IESO under section 11. O. Reg. 447/17, s. 4.

(2) Section 11 applies, with necessary modifications, to the adjustments made under subsection (1). O. Reg. 447/17, s. 4.

(3) For greater certainty, the IESO shall adjust the invoice that it issues to the market participant referred to in section 10.3 for the month by adding the amounts determined under subsection 10.3 (1) as an additional charge to the amount, if any, of the global adjustment allocated to the market participant under this Regulation. O. Reg. 447/17, s. 4.

Adjustments by licensed distributor

10.6 (1) Each licensed distributor shall make adjustments to the accounts of a specified consumer that is a Class A consumer or a Class B consumer to add the amounts referred to in subsection 10.3 (2) to the accounts of those specified consumers referred to in sections 14 and 16. O. Reg. 447/17, s. 4.

(2) Sections 14 and 16 apply, with necessary modifications, to the adjustments made under subsection (1). O. Reg. 447/17, s. 4.

(3) For greater certainty, the licensed distributor shall adjust the invoice that it issues to the consumer for the month by adding the amount determined under subsections 10.3 (2) as additional charges to the amount, if any, of the global adjustment allocated to the consumer under this Regulation. O. Reg. 447/17, s. 4.

Adjustments by the IESO

11. (1) This section applies to adjustments to be made by the IESO under subsection 25.33 (1) of the Act. O. Reg. 398/10, s. 6.

(2) Subject to subsection (3), the IESO shall allocate the global adjustment for a month in an adjustment period as follows:

1. With respect to persons and other entities that are Class A market participants at the beginning of the month, the IESO shall allocate as follows:

   i. To every person or other entity that is a Class A market participant throughout the month to whom subsection 8 (5) does not apply, the amount determined by multiplying the global adjustment for the month by the Class A market participant's peak demand factor determined under subsection (4) for the adjustment period.

   ii. To every person or other entity that is a Class A market participant at the beginning of the month but ceases to be a market participant before the end of the month, the amount that would otherwise be determined under subparagraph i multiplied by the ratio of the number of days in the month during which the person or entity was a market participant to the total number of days in the month.

   iii. To every person or other entity that is a Class A market participant at the beginning of the month and to whom subsection 8 (5) applies, the amount that would otherwise be determined under subparagraph i, using the Class A market participant's peak demand factor at the beginning of the month, multiplied by the ratio of the number of days in the month before the effective date specified by the Minister under subclause 8 (4) (e) (ii) to the total number of days in the month.

2. The IESO shall make the following allocations, as applicable, to a licensed distributor who is a market participant:

   i. The amount, if any, determined by multiplying the global adjustment for the month by the licensed distributor's peak demand factor determined under subsection (4) for the adjustment period.

   ii. The amount calculated using the formula,

$$[(M - N) \times (R + S - T)] / (P - Q)$$

Note: On July 1, 2018, the formula in subparagraph 2 ii of subsection 11 (2) of the Regulation is struck out and the following substituted: (See: O. Reg. 516/17, s. 3 (1))

$$[(M - N) \times (R + S - T - SU)] / (P - Q - U.1)$$

in which,

"M" has the same meaning as in subsection 10 (1),

"N" has the same meaning as in subsection 10 (1),

"P" has the same meaning as in subsection 10 (1),

"Q" has the same meaning as in subsection 10 (1),

"R" is the net volume of electricity withdrawn during the month by the licensed distributor from the IESO-controlled grid,

"S" is the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators during the month to the licensed distributor or to a wholly-embedded distributor of which the licensed distributor is the host distributor, and

"T" is the total volume of electricity distributed to Class A consumers during the month by the licensed distributor or by a wholly-embedded distributor of which the licensed distributor is the host distributor.

Note: On July 1, 2018, subparagraph 2 ii of subsection 11 (2) of the Regulation is amended by adding the following definitions: (See: O. Reg. 516/17, s. 3 (2))

"U.1" has the same meaning as in subsection 10 (1),

"SU" is the volume of electricity, if any, conveyed back into the distribution system of the licensed distributor, or into the distribution system of a wholly-embedded distributor of which the licensed distributor is the host distributor, during the month by electricity storage facilities that are Class B consumers.

3. The IESO shall allocate for the month to each Class B market participant the amount calculated using the formula,

$$[(M - N) \times U] / (P - Q)$$

Note: On July 1, 2018, the formula in paragraph 3 of subsection 11 (2) of the Regulation is struck out and the following substituted: (See: O. Reg. 516/17, s. 3 (3))

$$[(M - N) \times (U - SU.1)] / (P - Q - U.1)$$

in which,

"M" has the same meaning as in subsection 10 (1),

"N" has the same meaning as in subsection 10 (1),

"P" has the same meaning as in subsection 10 (1),

"Q" has the same meaning as in subsection 10 (1), and

"U" is the net volume of electricity withdrawn from the IESO-controlled grid during the month by the Class B market participant.

Note: On July 1, 2018, paragraph 3 of subsection 11 (2) of the Regulation is amended by adding the following definitions: (See: O. Reg. 516/17, s. 3 (4))

"U.1" has the same meaning as in subsection 10 (1),

"SU.1" is the volume of electricity, if any, conveyed back into the IESO-controlled grid by electricity storage facilities that are Class B market participants.

O. Reg. 398/10, s. 6.

(3) The IESO shall not allocate any amount for a month to,

(a) Ontario Power Generation Inc. in respect of the net volume withdrawn from the IESO-controlled grid at the Sir Adam Beck Pump Generating Station;

(b) Fort Frances Power Corporation in respect of the net volume withdrawn by it during the month from the IESO-controlled grid under its physical bilateral contract with Abitibi-Consolidated Hydro Limited Partnership; or

(c) a market participant in respect of the net volume withdrawn from the IESO-controlled grid in the course of providing ancillary services in accordance with the market rules. O. Reg. 398/10, s. 6.

(4) For the purposes of subparagraph 1 i of subsection (2), the peak demand factor of a Class A market participant for an adjustment period is the amount calculated to eight decimal places using the formula,

$$V/W$$

in which,

"V" is the net volume of electricity withdrawn by the Class A market participant from the IESO-controlled grid during the peak hours in the applicable base period, and

"W" is, subject to subsection (6), the sum of,

(a) the total net volume of electricity withdrawn by market participants from the IESO-controlled grid during the peak hours in the applicable base period, and

(b) the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators to licensed distributors during the peak hours in the applicable base period.

Note: On July 1, 2018, the definition of "W" in subsection 11 (4) of the Regulation is revoked and the following substituted: (See: O. Reg. 516/17, s. 3 (5))

"W" is, subject to subsection (6), the amount calculated under subsection (4.1).

O. Reg. 398/10, s. 6.

Note: On July 1, 2018, section 11 of the Regulation is amended by adding the following subsection: (See: O. Reg. 516/17, s. 3 (6))

(4.1) For the purposes of the definition of "W" in subsection (4), the amount shall be calculated as follows:

1. Calculate the sum of,
   i. the total volume of electricity withdrawn by market participants from the IESO-controlled grid during the peak hours in the applicable base period, and
   ii. the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, that was supplied by embedded generators to licensed distributors during the peak hours in the applicable base period.
2. Calculate the total volume of electricity, if any, conveyed back into the IESO-controlled grid by electricity storage facilities during the peak hours of the applicable base period.
3. Subtract the amount calculated under paragraph 2 from the amount calculated under paragraph 1. O. Reg. 516/17, s. 3 (6).

(5) For the purposes of subparagraph 2 i of subsection (2), the peak demand factor for an adjustment period of a licensed distributor who is a market participant is the amount calculated to eight decimal places using the formula,

$$X/W$$

in which,

“X” is the total volume of electricity distributed during the peak hours in the applicable base period to consumers who are Class A consumers for the adjustment period by the licensed distributor or by a wholly-embedded distributor of which the licensed distributor is the host distributor, and

“W” has the same meaning as in subsection (4).

O. Reg. 398/10, s. 6.

(6) The total volume of electricity supplied by embedded generators to licensed distributors during a peak hour may be calculated without reference to the volume of electricity supplied to a licensed distributor during the peak hours by an embedded generator if,

(a) the embedded generator’s name-plate capacity does not exceed 10 kilowatts; and

(b) the licensed distributor does not know the volume of electricity supplied by the embedded generator during the peak hour. O. Reg. 398/10, s. 6.

(7) The amount of the global adjustment for a month that is allocated by the IESO to a market participant who is neither a regulated consumer nor a licensed distributor is to be shown on the invoice issued by the IESO to the market participant for the month as a credit if the amount is negative or as an additional charge if the amount is positive. O. Reg. 398/10, s. 6.

(8) Amounts allocated by the IESO under subparagraph 2 i and ii of subsection (2) to a market participant who is a licensed distributor must be shown separately from each other and from any other amounts on the invoice issued by the IESO to the licensed distributor for the month. O. Reg. 398/10, s. 6.

(9) An amount allocated by the IESO under subparagraph 2 i or ii of subsection (2) to a market participant who is a licensed distributor must be shown on the invoice issued by the IESO to the licensed distributor for the month as a credit if the amount is negative or as an additional charge if the amount is positive. O. Reg. 398/10, s. 6.

(10) A settlement statement issued by the IESO to a market participant must show the market participant’s peak demand factor for the adjustment period. O. Reg. 398/10, s. 6.

(11) The IESO shall provide written notice to each Class A market participant and to each licensed distributor who is a market participant of its peak demand factor, as calculated under this section for each adjustment period, as follows:

1. If the adjustment period commences January 1, 2011, the notice must be given on or before November 30, 2010.
2. If the adjustment period commences July 1 in 2011 or a later year, the notice must be given on or before May 31 of the same year. O. Reg. 398/10, s. 6.

Adjustments by host distributors re wholly-embedded distributors

12. (1) This section applies to adjustments to be made by host distributors under subsection 25.33 (2) of the Act with respect to wholly-embedded distributors. O. Reg. 398/10, s. 6.

(2) Every host distributor shall allocate for a month to the account of a wholly-embedded distributor, in respect of the wholly-embedded distributor’s Class A consumers, the amount calculated using the formula,

$$Y \times Z/AA$$

in which,

“Y” is the amount allocated to the host distributor for the month under subparagraph 2 i of subsection 11 (2),

“Z” is the peak demand factor of the wholly-embedded distributor as determined under subsection (3) for the adjustment period, and

“AA” is the peak demand factor of the host distributor as determined under subsection 11 (5) for the adjustment period.

O. Reg. 398/10, s. 6.

(3) The peak demand factor of a wholly-embedded distributor for an adjustment period is the amount calculated to eight decimal places using the formula,

$$BB/W$$

in which,

“BB” is the total volume of electricity distributed by the wholly-embedded distributor during the peak hours in the applicable base period to consumers who are Class A consumers for the adjustment period, and

“W” has the same meaning as in subsection 11 (4).

O. Reg. 398/10, s. 6.

(4) Every host distributor shall allocate for a month to the account of a wholly-embedded distributor, in respect of the wholly-embedded distributor's Class B consumers, the amount calculated using the formula,

$$R \times [(CC + DD) - EE]$$

Note: On July 1, 2018, the formula in subsection 12 (4) of the Regulation is struck out and the following substituted: (See: O. Reg. 516/17, s. 4 (1))

$$R \times [(CC + DD) - EE - SU.2]$$

in which,

"R" is the actual Class B rate for the month as finally determined by the IESO,

"CC" is the volume of electricity distributed by the host distributor to the wholly-embedded distributor during the month,

"DD" is the total volume of electricity, adjusted for losses as required by the Retail Settlement Code, supplied by embedded generators during the month to the wholly-embedded distributor, and

"EE" is the total volume of electricity distributed by the wholly-embedded distributor to Class A consumers during the month.

Note: On July 1, 2018, subsection 12 (4) of the Regulation is amended by adding the following definition: (See: O. Reg. 516/17, s. 4 (2))

"SU.2" is the total volume of electricity conveyed by electricity storage facilities to the wholly-embedded distributor during the month.

O. Reg. 398/10, s. 6.

(5) A host distributor shall do the following in respect of each wholly-embedded distributor for which it is the host distributor:

1. The host distributor shall provide written notice to the wholly-embedded distributor of its peak demand factor, as calculated under subsection (3) for each adjustment period, as follows:
   i. If the adjustment period commences January 1, 2011, the notice must be given on or before November 30, 2010.
   ii. If the adjustment period commences July 1 in 2011 or a later year, the notice must be given on or before May 31 of the same year.
2. The host distributor shall, for each month, adjust the accounts between the host distributor and the wholly-embedded distributor by giving a credit for the amount of each allocation to the wholly-embedded distributor determined for the month under this section that is negative or by adding as an additional charge the amount of each allocation to the wholly-embedded distributor that is positive. O. Reg. 398/10, s. 6.

Adjustments by host distributors re embedded distributors who are market participants

13. (1) This section applies to adjustments to be made by host distributors under subsection 25.33 (2) of the Act with respect to embedded distributors who are market participants. O. Reg. 398/10, s. 6.

(2) Every host distributor shall allocate no amount for a month to the account of an embedded distributor who is a market participant, in respect of the embedded distributor's Class A consumers. O. Reg. 398/10, s. 6.

(3) Every host distributor shall allocate for a month to the account of an embedded distributor who is a market participant, in respect of the embedded distributor's Class B consumers, the amount calculated using the formula,

$$R \times FF$$

in which,

"R" is the actual Class B rate for the month as finally determined by the IESO, and

"FF" is the volume of electricity distributed during the month by the host distributor to the embedded distributor who is a market participant.

O. Reg. 398/10, s. 6.

(4) The host distributor shall, for each month, adjust the accounts between the host distributor and the embedded distributor by giving a credit for the amount of each allocation to the embedded distributor determined for the month under this section that is negative or by adding as an additional charge the amount of each allocation to the embedded distributor that is positive. O. Reg. 398/10, s. 6.

Adjustments by licensed distributors re Class A consumers

14. (1) This section applies to adjustments to be made by licensed distributors under subsection 25.33 (2) of the Act with respect to Class A consumers. O. Reg. 398/10, s. 6.

(2) Subject to subsection (3), every licensed distributor shall allocate for a month to the account of a Class A consumer the amount calculated using the formula,

$$GG \times HH/II$$

in which,

"GG" is the amount allocated for the month to the licensed distributor under subparagraph 2 i of subsection 11 (2) or under subsection 12 (2),

"HH" is the peak demand factor of the Class A consumer as determined under subsection (5) for the adjustment period, and

"II" is the peak demand factor of the licensed distributor as determined under subsection 11 (5) or 12 (3) for the adjustment period.

O. Reg. 398/10, s. 6.

(3) Instead of the amount determined under subsection (2), in respect of a Class A consumer, a licensed distributor may allocate for a month to the account of the Class A consumer the amount calculated using the formula,

$$(HH \times JJ) + KK$$

in which,

"HH" has the same meaning as in subsection (2),

"JJ" is the estimated global adjustment for the month as published by the IESO under subsection 1.1 (3), and

"KK" is the difference, if any, between the amount allocated to the Class A consumer under subsection (2) for the previous month and the amount that would be determined under this subsection for the previous month before adding the amount of "KK" for the previous month.

O. Reg. 398/10, s. 6.

(4) If a licensed distributor changes the method of allocating to the account of a Class A consumer from the method permitted under subsection (3) to the method under subsection (2), the licensed distributor shall account for and provide details for each month of any difference in amounts between the two methods in the first invoice issued to the Class A consumer after the change. O. Reg. 398/10, s. 6.

(5) The peak demand factor of a Class A consumer for an adjustment period is the factor calculated to eight decimal places using the formula,

$$LL/W$$

in which,

"LL" is the total volume of electricity distributed to the Class A consumer by the licensed distributor during the peak hours in the applicable base period, and

"W" has the same meaning as in subsection 11 (4).

O. Reg. 398/10, s. 6.

(6) If the Class A consumer does not have a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall adjust the invoice issued to the Class A consumer for the month by giving a credit for the amount determined under subsection (2) or (3) if the amount is negative or by adding the amount determined under subsection (2) or (3) as an additional charge if the amount is positive. O. Reg. 398/10, s. 6.

(7) If the Class A consumer has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall adjust the accounts between the licensed distributor and the retailer with whom the consumer has the contract by giving a credit for the amount determined under subsection (2) or (3) if the amount is negative or by adding the amount determined under subsection (2) or (3) as an additional charge if the amount is positive. O. Reg. 398/10, s. 6.

(8) If, under subsection (7), a licensed distributor adjusts the accounts between the licensed distributor and a retailer with respect to a Class A consumer, the retailer shall adjust the invoice issued to the Class A consumer,

(a) by giving a credit in the same amount, if the licensed distributor gave a credit under subsection (7) with respect to the Class A consumer; or

(b) by adding an additional charge in the same amount, if the licensed distributor added an additional charge under subsection (7) with respect to the Class A consumer. O. Reg. 398/10, s. 6.

(9) If, under subsection (6) or (8), an invoice issued to a Class A consumer is adjusted to give a credit or add an additional charge, the licensed distributor or retailer who issues the invoice to the consumer shall ensure that the invoice,

(a) clearly labels the credit or additional charge as "Global Adjustment";

(b) clearly indicates the amount of the credit or additional charge; and

(c) includes the Class A consumer's peak demand factor for the adjustment period. O. Reg. 398/10, s. 6.

(10) If a licensed distributor or retailer is unable for technical or operational reasons to adapt its invoices to include the peak demand factors of Class A consumers on the first invoices issued after 2010, it shall take steps to ensure that it does include Class A consumers' peak demand factors for the applicable base period on invoices as soon as possible and on all invoices issued to Class A consumers on and after a day specified by the Minister. O. Reg. 398/10, s. 6.

(11) A licensed distributor shall provide written notice to each Class A consumer of its peak demand factor for each adjustment period, as calculated under subsection (5), as follows:

1. If the adjustment period commences January 1, 2011, the notice must be given on or before November 30, 2010.
2. If the adjustment period commences July 1 in 2011 or a later year, the notice must be given on or before May 31 of the same year. O. Reg. 398/10, s. 6.

Subsequent adjustments re: Class A consumers and Class A market participants

15. (1) The following rules apply if a licensed distributor ceases to distribute electricity to a Class A consumer during a month and, by the last business day of the month, knows the date on which it ceased distributing electricity to the Class A consumer:

1. The amount of the global adjustment for the month allocated to the Class A consumer by the licensed distributor is adjusted to equal the amount that would otherwise be determined under section 12 for the month, multiplied by the ratio of the number of days in the month during which the licensed distributor distributed electricity to the Class A consumer to the total number of days in the month.
2. If the licensed distributor is a wholly-embedded distributor,
   i. its host distributor shall make such adjustments as are appropriate,
      A. to the amount of the global adjustment allocated to the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the wholly-embedded distributor under paragraph 1, and
      B. to exclude amounts relating to the Class A consumer from the calculation of the wholly-embedded distributor's peak demand factor for the remainder of the adjustment period, and
   ii. the IESO shall make such adjustments as are appropriate,
      A. to the amount of the global adjustment allocated to the host distributor of the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the licensed distributor under paragraph 1, and
      B. to the host distributor's peak demand factor for the remainder of the adjustment period to reflect the change to the wholly-embedded distributor's peak demand factor described in subsubparagraph i B.
3. If the licensed distributor is a market participant, the IESO shall make such adjustments as are appropriate,
   i. to the amount of the global adjustment allocated to the licensed distributor for the month, and
   ii. to the licensed distributor's peak demand factor to exclude amounts relating to the Class A consumer from the calculation of the licensed distributor's peak demand factor for the remainder of the adjustment period,
4. The IESO, the licensed distributor and, if the licensed distributor is an embedded distributor, its host distributor shall exchange with one another such information concerning the Class A consumer's peak demand factor and the adjustments as is necessary for the purposes of this subsection, within such time limits as the IESO specifies. O. Reg. 398/10, s. 6.

(2) Subsection (3) applies if,

(a) a Class A consumer,

   (i) to whom electricity is distributed by a licensed distributor enters into a contract during a month with a retailer who uses retailer-consolidated billing, or

   (ii) ceases during a month to have a contract with a retailer who uses retailer-consolidated billing; and

(b) the licensed distributor is informed of the date of the change described in subclause (a) (i) or (ii) no later than the last business day of the month. O. Reg. 398/10, s. 6.

(3) If this subsection applies, the following rules apply:

1. The licensed distributor shall adjust the invoice issued to the Class A consumer for the month to equal the amount that would otherwise be determined under subsection 14 (6) for the month multiplied by the ratio of the number of days in

the month during which the consumer did not have a contract with a retailer who uses retailer-consolidated billing to the total number of days in the month.

2. The licensed distributor shall adjust the accounts between the licensed distributor and the retailer with whom the consumer has the contract to equal the amount that would otherwise be determined under subsection 14 (7) for the month multiplied by the ratio of the number of days in the month during which the consumer had a contract with a retailer who uses retailer-consolidated billing to the total number of days in the month.

3. The retailer shall adjust the invoice issued to the Class A consumer for the month as follows:

   i. If the licensed distributor gave a credit under paragraph 2 with respect to the Class A consumer, the retailer shall give a credit in the same amount.

   ii. If the licensed distributor added an additional charge under paragraph 2 with respect to the Class A consumer, the retailer shall add an additional charge in the same amount.

4. The licensed distributor and retailer shall exchange such information concerning the Class A consumer and the adjustments as is necessary for the purposes of this subsection within such time limits as the Board specifies. O. Reg. 398/10, s. 6.

(4) The following rules apply if a Class A market participant who was an embedded market participant is deemed under subsection 6 (3) during a month to become a Class A consumer for the remainder of the adjustment period:

1. The licensed distributor shall adjust the invoice issued to the Class A consumer for the month to equal the amount that would otherwise be determined under subsection 14 (6) for the month multiplied by the ratio of the number of days in the month during which the consumer was not a market participant to the total number of days in the month.

2. If the licensed distributor is a wholly-embedded distributor,

   i. its host distributor shall make such adjustments as are appropriate,

      A. to the amount of the global adjustment allocated to the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the wholly-embedded distributor under paragraph 1, and

      B. to include amounts relating to the Class A consumer in the calculation of the wholly-embedded distributor's peak demand factor for the remainder of the adjustment period, and

   ii. the IESO shall make such adjustments as are appropriate,

      A. to the amount of the global adjustment allocated to the host distributor of the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the licensed distributor under paragraph 1, and

      B. to the host distributor's peak demand factor for the remainder of the adjustment period to reflect the change to the wholly-embedded distributor's peak demand factor under subsubparagraph i B.

3. If the licensed distributor is a market participant, the IESO shall make such adjustments as are appropriate,

   i. to the amount of the global adjustment allocated to the licensed distributor for the month, and

   ii. to the licensed distributor's peak demand factor to include amounts relating to the Class A consumer in the calculation of the licensed distributor's peak demand factor for the remainder of the adjustment period.

4. The IESO, the licensed distributor and, if the licensed distributor is a wholly-embedded distributor, its host distributor shall exchange with one another such information concerning the Class A market participant's peak demand factor and the adjustments as is necessary for the purposes of this subsection within such time limits as the IESO specifies. O. Reg. 398/10, s. 6.

(5) The following rules apply if a Class A consumer becomes an embedded market participant during a month:

1. The licensed distributor shall adjust the invoice issued to the Class A consumer for the month to equal the amount that would otherwise be determined under subsection 14 (6) for the month multiplied by the ratio of the number of days in the month before the person or entity became an embedded market participant to the total number of days in the month.

2. If the licensed distributor is a wholly-embedded distributor,

   i. its host distributor shall make such adjustments as are appropriate,

      A. to the amount of the global adjustment allocated to the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the wholly-embedded distributor under paragraph 1, and

B. to exclude amounts relating to the Class A consumer from the calculation of the wholly-embedded distributor's peak demand factor for the remainder of the adjustment period, and

ii. the IESO shall make such adjustments as are appropriate,

A. to the amount of the global adjustment allocated to the host distributor of the wholly-embedded distributor for the month to reflect the adjustment in the amount of the global adjustment allocated to the Class A consumer by the licensed distributor under paragraph 1, and

B. to the host distributor's peak demand factor for the remainder of the adjustment period to reflect the change to the wholly-embedded distributor's peak demand factor described in subsubparagraph i B.

3. If the licensed distributor is a market participant, the IESO shall make such adjustments as are appropriate,

i. to the amount of the global adjustment allocated to the licensed distributor for the month, and

ii. to the licensed distributor's peak demand factor to exclude amounts relating to the Class A consumer from the calculation of the licensed distributor's peak demand factor for the remainder of the adjustment period.

4. If the Class A consumer is deemed under subsection 7 (4) during a month to become a Class A market participant for the remainder of the adjustment period, the IESO shall allocate to that Class A market participant the amount determined by multiplying the global adjustment for the month by the product of the Class A market participant's peak demand factor multiplied by the ratio of the number of days in the month during which the person or entity was a Class A market participant to the total number of days in the month.

5. The IESO, the licensed distributor and, if the licensed distributor is a wholly-embedded distributor, its host distributor shall exchange with one another such information concerning the Class A consumer's peak demand factor and the adjustments as is necessary for the purposes of this subsection, within such time limits as the IESO specifies. O. Reg. 398/10, s. 6.

(5.1) The following rules apply if a consumer to whom subsection 7 (5) applies becomes an embedded market participant during a month:

1. The IESO shall make such adjustments as are appropriate to the peak demand factor for the Class A market participant who distributes electricity to the embedded market participant to exclude amounts relating to the embedded market participant from the calculation of the Class A market participant's peak demand factor for the remainder of the adjustment period and for the subsequent adjustment period.

2. The IESO shall allocate to the embedded market participant the amount determined by multiplying the global adjustment for the month by the product of the embedded market participant's peak demand factor multiplied by the ratio of the number of days in the month during which the person or entity was an embedded market participant to the total number of days in the month. O. Reg. 263/16, s. 2.

(6) The following rules apply if the business or assets of a Class A consumer are transferred during a month and the Minister determines that subsection 8 (3) applies:

1. The licensed distributor shall adjust the invoice issued to the transferor for the month to equal the amount that would otherwise be determined under subsection 14 (6) for the month multiplied by the ratio of the number of days in the month before the effective date specified by the Minister under subclause 8 (2) (d) (ii) to the total number of days in the month.

2. The licensed distributor shall adjust the invoice issued to the transferee for the month to equal the amount that would otherwise be determined under subsection 14 (6) for the month multiplied by the ratio of the number of days remaining in the month, including the effective date specified by the Minister under subclause 8 (2) (d) (ii), to the total number of days in the month. O. Reg. 398/10, s. 6.

(7) Subsection (8) applies if,

(a) a registered facility is transferred during a month;

(b) the Minister determines that subsection 8 (5) applies; and

(c) the IESO determines that either the transferor, the transferee or both of them is a Class A market participant for the remainder of the adjustment period following the effective day specified by the Minister under subclause 8 (4) (e) (ii). O. Reg. 398/10, s. 6.

(8) The IESO shall allocate to the Class A market participant the amount determined by multiplying the global adjustment for the month by the product of the Class A market participant's peak demand factor, as calculated after the effective date specified by the Minister under subclause 8 (4) (e) (ii), multiplied by the ratio of the number of days remaining in the month, including the effective date specified by the Minister, to the total number of days in the month. O. Reg. 398/10, s. 6.

Adjustments by licensed distributors re Class B consumers

16. (1) This section applies to adjustments to be made by licensed distributors under subsection 25.33 (2) of the Act with respect to Class B consumers. O. Reg. 398/10, s. 6.

(1.1) In this section,

"low-volume consumer" means a low-volume consumer as defined in section 56 of the *Ontario Energy Board Act, 1998*. O. Reg. 311/13, s. 2 (1).

(2) In determining an adjustment under this section, a licensed distributor shall use,

(a) the first estimate of the Class B rate for the month made by the IESO and published no later than the last business day of the previous month;

(b) the second estimate of the Class B rate for the month made by the IESO and published no later than the last business day of the month; or

(c) the Class B rate for the month as finally determined by the IESO. O. Reg. 398/10, s. 6.

(3) If a licensed distributor chooses to use the estimate of a Class B rate described in clause (2) (a) or (b) in determining the amount to be allocated for a month to the account of a Class B consumer, it must do the following:

1. Use the same Class B rate in respect of all Class B consumers who are included in the same consumer class in an order issued by the Board under subsection 78 (2) of the *Ontario Energy Board Act, 1998*.
2. Establish and maintain, in accordance with any protocols established by the Board, such variance accounts as may be necessary to record all differences arising by reason of using the estimate of the Class B rate instead of the actual Class B rate as finally determined by the IESO. O. Reg. 398/10, s. 6.

(4) Every licensed distributor shall make adjustments with respect to its Class B consumers who are not low-volume consumers in accordance with the following rules:

1. For each Class B consumer whose electricity use is measured by an interval meter and who is neither a regulated consumer nor a consumer who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

   i. for each month in the Class B consumer's billing period, multiply the specified Class B rate for that month by the volume of electricity that was distributed to the Class B consumer by the licensed distributor in that month,

Note: On July 1, 2018, subparagraph 1 i of subsection 16 (4) of the Regulation is amended by adding "and subtract, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month, multiplied by the specified Class B rate for that month" at the end. (See: O. Reg. 516/17, s. 5 (1))

   ii. add the monthly amounts determined under subparagraph i for the billing period, and

   iii. adjust the invoice that the licensed distributor issues to the Class B consumer for the billing period by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.

2. For each Class B consumer whose electricity use is not measured by an interval meter and who is neither a regulated consumer nor a consumer who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

   i. determine a weighted average rate applicable to the consumer's billing period, based on the specified Class B rate for each month in the billing period and the hourly net system load shape determined in accordance with the Retail Settlement Code for each month in the billing period,

   ii. multiply the weighted average rate determined under subparagraph i by the volume of electricity that was distributed to the Class B consumer during the billing period, and

Note: On July 1, 2018, subparagraph 2 ii of subsection 16 (4) of the Regulation is amended by adding "and subtract, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer during the billing period, multiplied by the weighted average rate" at the end. (See: O. Reg. 516/17, s. 5 (2))

   iii. adjust the invoice that the licensed distributor issues to the Class B consumer for the billing period by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.

3. For each Class B consumer whose electricity use is measured by an interval meter and who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

   i. for each month in the Class B consumer's billing period, multiply the specified Class B rate for that month by the volume of electricity that was distributed to the Class B consumer by the licensed distributor in that month,

Note: On July 1, 2018, subparagraph 3 i of subsection 16 (4) of the Regulation is amended by adding "and subtract, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer in that month, multiplied by the specified Class B rate for that month" at the end. (See: O. Reg. 516/17, s. 5 (3))

ii. add the monthly amounts determined under subparagraph i for the billing period, and

iii. adjust the accounts between the licensed distributor and the retailer with whom the Class B consumer has a contract by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.

4. For each Class B consumer whose electricity use is not measured by an interval meter and who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

i. determine a weighted average rate applicable to the consumer's billing period, based on the specified Class B rate for each month in the billing period and the hourly net system load shape determined in accordance with the Retail Settlement Code for each month in the billing period,

ii. multiply the weighted average rate determined under subparagraph i by the volume of electricity that was distributed to the Class B consumer during the billing period, and

Note: On July 1, 2018, subparagraph 4 ii of subsection 16 (4) of the Regulation is amended by adding "and subtract, in the case of a Class B consumer that is an electricity storage facility, the volume of electricity, if any, that was conveyed into the distribution system of the licensed distributor by the Class B consumer during the billing period, multiplied by the weighted average rate" at the end. (See: O. Reg. 516/17, s. 5 (4))

iii. adjust the accounts between the licensed distributor and the retailer with whom the Class B consumer has a contract by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive. O. Reg. 398/10, s. 6; O. Reg. 311/13, s. 2 (2).

(4.1) Every licensed distributor shall make adjustments with respect to its Class B consumers who are low-volume consumers in accordance with the following rules:

1. For each Class B low-volume consumer, the licensed distributor shall make adjustments in accordance with the rules set out in subsection (4), except that, wherever those rules require the licensed distributor to use the volume of electricity in determining the amount of the adjustment, the licensed distributor shall use the volume of electricity exclusive of the volume for total losses, as defined in the Retail Settlement Code, that is attributed to the consumer.

2. For each Class B low-volume consumer, the licensed distributor shall make separate adjustments in accordance with subsection (4.2) regarding the volume of total losses, as defined in the Retail Settlement Code, that is attributed to the consumer. O. Reg. 311/13, s. 2 (3).

(4.2) Every licensed distributor shall make separate adjustments described in paragraph 2 of subsection (4.1) with respect to its Class B consumers who are low-volume consumers in accordance with the following rules:

1. For each Class B low-volume consumer whose electricity use is measured by an interval meter and who is neither a regulated consumer nor a consumer who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

i. for each month in the Class B low-volume consumer's billing period, multiply the specified Class B rate for that month by the volume of total losses, as defined in the Retail Settlement Code, that is attributed to the consumer for that month,

ii. add the monthly amounts determined under subparagraph i for the billing period, and

iii. adjust the invoice that the licensed distributor issues to the Class B low-volume consumer for the billing period by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.

2. For each Class B low-volume consumer whose electricity use is not measured by an interval meter and who is neither a regulated consumer nor a consumer who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

i. multiply the weighted average rate determined for the billing period under subparagraph 2 i of subsection (4) by the volume of total losses, as defined in the Retail Settlement Code, that is attributed to the consumer for the billing period, and

ii. adjust the invoice that the licensed distributor issues to the Class B low-volume consumer for the billing period by giving a credit for the amount determined under subparagraph i if the amount is negative or by adding the amount determined under subparagraph i as an additional charge if the amount is positive.

3. For each Class B low-volume consumer whose electricity use is measured by an interval meter and who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

i. for each month in the Class B low-volume consumer's billing period, multiply the specified Class B rate for that month by the volume of total losses, as defined in the Retail Settlement Code, that is attributed to the consumer for that month,

ii. add the monthly amounts determined under subparagraph i for the billing period, and

iii. adjust the accounts between the licensed distributor and the retailer with whom the Class B low-volume consumer has a contract by giving a credit for the amount determined under subparagraph ii if the amount is negative or by adding the amount determined under subparagraph ii as an additional charge if the amount is positive.

4. For each Class B low-volume consumer whose electricity use is not measured by an interval meter and who has a contract with a retailer who uses retailer-consolidated billing, the licensed distributor shall,

i. multiply the weighted average rate determined for the billing period under subparagraph 4 i of subsection (4) by the volume of total losses, as defined in the Retail Settlement Code, that is attributed to the consumer for the billing period, and

ii. adjust the accounts between the licensed distributor and the retailer with whom the Class B low-volume consumer has a contract by giving a credit for the amount determined under subparagraph i if the amount is negative or by adding the amount determined under subparagraph i as an additional charge if the amount is positive. O. Reg. 311/13, s. 2 (3).

(5) If, under subsection (4), a licensed distributor adjusts the accounts between the licensed distributor and a retailer with respect to a Class B consumer who is neither a low-volume consumer nor a regulated consumer, the retailer shall adjust the invoice that the retailer issues to the Class B consumer by,

(a) giving a credit in the same amount, if the licensed distributor gave a credit under subsection (4) with respect to the Class B consumer; or

(b) adding an additional charge in the same amount, if the licensed distributor added an additional charge under subsection (4) with respect to the Class B consumer. O. Reg. 398/10, s. 6; O. Reg. 311/13, s. 2 (4).

(5.1) If, under subsections (4.1) and (4.2), a licensed distributor adjusts the accounts between the licensed distributor and a retailer with respect to a Class B consumer who is a low-volume consumer and is not a regulated consumer, the retailer shall adjust the invoice that the retailer issues to the consumer by,

(a) giving a credit equal to the total of the adjustment made under paragraph 1 of subsection (4.1) and the adjustment made under paragraph 2 of subsection (4.1), if the licensed distributor gave a credit under subsections (4.1) and (4.2) with respect to the Class B low-volume consumer; or

(b) adding an additional charge equal to the total of the adjustment made under paragraph 1 of subsection (4.1) and the adjustment made under paragraph 2 of subsection (4.1), if the licensed distributor added additional charges under subsections (4.1) and (4.2) with respect to the Class B low-volume consumer. O. Reg. 311/13, s. 2 (5).

(6) If, under subsection (4) or (5), an invoice issued to a Class B consumer who is not a low-volume consumer is adjusted to give a credit or add an additional charge, the licensed distributor or retailer who issues the invoice to the consumer shall ensure that the invoice,

(a) clearly labels the credit or additional charge as "Global Adjustment";

(b) clearly indicates the amount of the credit or additional charge;

(c) clearly indicates the volume of electricity that was used to calculate the amount of the credit or additional charge; and

(d) clearly indicates the rate, in cents per kilowatt hour, that the volume referred to in clause (c) would have to be multiplied by to give the amount of the credit or additional charge. O. Reg. 398/10, s. 6; O. Reg. 311/13, s. 2 (6).

(7) If, under subsections (4.1) and (4.2) or under subsection (5.1), an invoice issued to a Class B consumer who is a low-volume consumer is adjusted to give a credit or add an additional charge, the licensed distributor or retailer who issues the invoice to the consumer shall ensure that the invoice, in addition to meeting the requirements of Ontario Regulation 275/04 (Information on Invoices to Low-Volume Consumers of Electricity) made under the *Ontario Energy Board Act, 1998*, meets the following requirements:

1. An additional sub-heading entitled "Global Adjustment" shall be added to the invoice after the sub-heading "Electricity" referred to in subsection 1 (2) of Ontario Regulation 275/04 but before the sub-heading "Delivery" referred to in that subsection.

2. Under the sub-heading "Global Adjustment", the invoice must clearly indicate,

i. the amount of the credit or additional charge,

ii. the volume of electricity, exclusive of the volume for total losses as defined in the Retail Settlement Code, that was used to calculate the amount of the credit or additional charge, and

iii. the rate, in cents per kilowatt hour, by which the volume of electricity referred to in subparagraph ii would have to be multiplied to give the amount of the credit or additional charge.

3. The total cost of the delivery charges that are indicated under the sub-heading "Delivery" on the invoice under section 3 of Ontario Regulation 275/04 shall include the separate adjustment made for volume of total losses, as defined in the Retail Settlement Code, in accordance with subsection (4.2) of this section.

4. The glossary of terms and their meanings that is required to be included on or with the invoice under section 10 of Ontario Regulation 275/04 shall include the following additional term and its meaning:

Global Adjustment	Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation and payments under contracts. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

O. Reg. 311/13, s. 2 (7).

(7.1) For greater certainty, a licensed distributor or retailer who issues an invoice to a Class B consumer who is a low-volume consumer shall add the amount of the separate adjustment made for the volume of total losses, as defined in the Retail Settlement Code, in accordance with subsection (4.2) of this section to the sum of all amounts used to calculate the total cost of delivery charges and listed in subsection 3 (2) of Ontario Regulation 275/04 (Information on Invoices to Low-Volume Consumers of Electricity) made under the *Ontario Energy Board Act, 1998*. O. Reg. 311/13, s. 2 (7).

(8) Fort Frances Power Corporation shall make such additional adjustments with respect to its Class B consumers who do not have a contract with a retailer to ensure that, over time, those Class B consumers do not pay or receive any global adjustment in respect of the net volume of electricity withdrawn from the IESO-controlled grid by Fort Frances Power Corporation under its physical bilateral contract with Abitibi-Consolidated Hydro Limited Partnership. O. Reg. 398/10, s. 6.

(9) In this section,

"specified Class B rate" means the Class B rate estimated or finally determined by the IESO that is used for the month by the licensed distributor in accordance with this section in respect of the Class B consumer. O. Reg. 398/10, s. 6.

17. REVOKED: O. Reg. 121/12, s. 6.

Deemed Class B market participant and deemed Class B consumer

18. (1) In this section,

"extraordinary event" means, in respect of a consumer or market participant,

(a) a fire that damages the operations or facilities of the consumer or market participant,

(b) a natural disaster that directly adversely affects the operations or facilities of the consumer or market participant,

(c) the start of a strike, as defined in subsection 1 (1) of the *Labour Relations Act, 1995*, of employees of the consumer or market participant, or

(d) the commencement of an event that directly adversely affects the operations or facilities of the consumer or market participant to such an extent that the Minister considers it in the public interest to deem the event to be an extraordinary event for the purposes of this section. O. Reg. 398/10, s. 6.

(2) This section applies to a market participant if the IESO determines that the following conditions are satisfied:

1. An extraordinary event occurs in respect of the market participant.

2. The market participant is a Class A market participant or, but for the extraordinary event, could reasonably be expected to be a Class A market participant in the next adjustment period.

3. The net volume of electricity withdrawn from the IESO-controlled grid by the market participant in the month in which the extraordinary event occurred or in a subsequent month is less than 25 per cent of the average net volume of electricity withdrawn by the market participant in the six months ending immediately before the month in which the extraordinary event occurred.

4. It is reasonable to believe that the reduction in the net volume of electricity withdrawn by the market participant from the IESO-controlled grid is the direct result of the extraordinary event.

5. The market participant provides a notice to the IESO that the market participant wants this section to apply and provides to the IESO,

   i. if the extraordinary event is described in clause (a), (b) or (c) of the definition of "extraordinary event" in subsection (1), such information concerning the extraordinary event as the Board may specify, or

   ii. if the extraordinary event is described in clause (d) of the definition of "extraordinary event" in subsection (1), confirmation from the Minister that an extraordinary event has occurred and the date on which it commenced. O. Reg. 398/10, s. 6.

(3) If the IESO determines that this section applies to a market participant, the market participant is deemed to be a Class B market participant,

(a) for the month in which the notice and the information or confirmation are provided under paragraph 5 of subsection (2), if the notice and the information or confirmation are provided before the 15th day of that month; and

(b) for the remaining months, if any, in the adjustment period that are after the month referred to in clause (a). O. Reg. 398/10, s. 6.

(4) This section applies to a consumer if the licensed distributor that distributes electricity to the consumer determines that the following conditions are satisfied:

1. An extraordinary event occurs in respect of the consumer.
2. The consumer is a Class A consumer or, but for the extraordinary event, could reasonably be expected to be a Class A consumer in the next adjustment period.
3. The volume of electricity distributed to the consumer by the licensed distributor in the month in which the extraordinary event occurred or in a subsequent month is less than 25 per cent of the average volume distributed to the consumer in the six months ending immediately before the month in which the extraordinary event occurred.
4. It is reasonable to believe that the reduction in the volume of electricity distributed to the consumer is the direct result of the extraordinary event.
5. The consumer provides a notice to the licensed distributor that the consumer wants this section to apply and provides to the licensed distributor,
   i. if the extraordinary event is described in clause (a), (b) or (c) of the definition of "extraordinary event" in subsection (1), such information concerning the extraordinary event as the Board may specify, or
   ii. if the extraordinary event is described in clause (d) of the definition of "extraordinary event" in subsection (1), confirmation from the Minister that an extraordinary event has occurred and the date on which it commenced. O. Reg. 398/10, s. 6.

(5) The following rules apply if the licensed distributor determines this section applies to the consumer:

1. The consumer is deemed to be a Class B consumer,
   i. for the month in which the notice and the information or confirmation are provided under paragraph 5 of subsection (4), if the notice and the information or confirmation are provided before the 15th day of that month, and
   ii. for the months, if any, remaining in the adjustment period that are after the month referred to in subparagraph i.
2. If the licensed distributor who distributes electricity to the consumer is a wholly-embedded distributor,
   i. its host distributor shall make such adjustments as are appropriate to the wholly-embedded distributor's peak demand factor to exclude amounts relating to the consumer from the calculation of the distributor's peak demand factor for the first month for which the consumer is deemed to be a Class B consumer and for the remainder of the adjustment period, and
   ii. the IESO shall make such adjustments as are appropriate to the host distributor's peak demand factor to exclude amounts relating to the consumer from the calculation of the wholly-embedded distributor's peak demand factor for the first month for which the consumer is deemed to be a Class B consumer and for the remainder of the adjustment period.
3. If the licensed distributor is a market participant, the IESO shall make such adjustments as are appropriate to the licensed distributor's peak demand factor to exclude amounts relating to the consumer from the calculation of the licensed distributor's peak demand factor for the first month in which the consumer is deemed to be a Class B consumer and for the remainder of the adjustment period.
4. The licensed distributor shall provide such information concerning the deemed Class B consumer and the adjustments as the IESO specifies to the IESO or, if the licensed distributor is a wholly-embedded distributor, to its host distributor, within such time limits as the IESO specifies. O. Reg. 398/10, s. 6.

(6) For the purpose of determining if a person or entity to whom this section applies is a Class A market participant or a Class A consumer for a subsequent adjustment period, the person or entity is deemed not to have been a market participant or a consumer to whom electricity was distributed by a licensed distributor for any portion of the applicable base period occurring before the month in which the extraordinary event occurred. O. Reg. 398/10, s. 6.

Election to be Class B market participant or Class B consumer

19. (1) A person or entity may elect to be a Class B market participant for an adjustment period if the person or entity will be a market participant for the adjustment period. O. Reg. 121/12, s. 7.

(2) A person or entity may elect to be a Class B consumer for an adjustment period if the person or entity will be a consumer for the adjustment period. O. Reg. 121/12, s. 7.

(3) The person or entity may make the election under this section for an adjustment period by giving written notice of the election to the IESO or to its licensed distributor, as the case may be, during the calendar year in which the adjustment period begins, but the notice must be given no later than June 15 of that year. O. Reg. 121/12, s. 7.

(4) The election ceases to have effect at the end of the adjustment period. O. Reg. 121/12, s. 7.

PART IV
GENERAL

Information

20. (1) The Financial Corporation and every licensed distributor who is a market participant shall give the IESO such information as the IESO may require for the purposes of this Regulation in the form specified by the IESO and before the expiry of the period specified by the IESO. O. Reg. 398/10, s. 6; O. Reg. 285/14, s. 7 (1).

(2) Every embedded distributor shall give its host distributor such information as the host distributor may require or the IESO may require from the host distributor for the purposes of this Regulation and shall do so before the expiry of the period specified by the host distributor. O. Reg. 398/10, s. 6.

(3) If an embedded distributor is a market participant, it shall, for the purposes of Part III,

(a) provide information to the IESO, and not to a host distributor, about the total volume of electricity distributed to its Class A consumers; and

(b) provide information to the IESO, and not to a host distributor, about the total volume of electricity supplied to it by embedded generators, adjusted for losses as required by the Retail Settlement Code. O. Reg. 398/10, s. 6.

(4) Every retailer who uses retailer-consolidated billing shall give a licensed distributor such information as the licensed distributor or the IESO may require for the purposes of this Regulation and shall do so before the expiry of the period specified by the licensed distributor. O. Reg. 398/10, s. 6.

(5) Every licensed distributor shall give a retailer who uses retailer-consolidated billing such information as the retailer may require for the purposes of this Regulation and shall do so before the expiry of the period specified by the retailer. O. Reg. 398/10, s. 6.

(6) Upon request by the Board, the IESO, a licensed distributor, an embedded generator, a retailer or the Financial Corporation shall give the Board such information relating to this Regulation as the Board may require, in the form and within the period specified by the Board. O. Reg. 285/14, s. 7 (2).

Reliance on certain information

21. (1) For the purposes of this Regulation, the IESO shall rely on the information provided to it by licensed distributors. O. Reg. 398/10, s. 6.

(2) For the purposes of this Regulation, host distributors shall rely on the information provided to them by their embedded distributors. O. Reg. 398/10, s. 6.

(3) For the purposes of this Regulation,

(a) licensed distributors shall, for the purposes of Part II, rely on the information provided to them by retailers who use retailer-consolidated billing; and

(b) retailers who use retailer-consolidated billing shall, for the purposes of Part III, rely on the information provided to them by licensed distributors. O. Reg. 398/10, s. 6.

Reconciliation of estimated and actual amounts

22. (1) The IESO may adjust the global adjustment for a month as determined under subsection 1.1 (1) to reflect any adjustments relating to previous months. O. Reg. 398/10, s. 6.

(2) The IESO or the Board may establish protocols authorizing or requiring interim determinations of any amount referred to in this Regulation and the subsequent adjustment of those interim determinations to reflect differences between interim and actual amounts. O. Reg. 398/10, s. 6.

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