

Message

To: jrangooni@eda-on.ca
CC: Terry Young [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=872fa3f6e61a48709b11458c0c3b6ca6-Terry Young]
Subject: RE: Fair Hydro Plan Related Question
Attachments: order_2017 OESP Program Changes_20170425.pdf

Justin,

Please see responses to many of your questions below in red. Some answers will be addressed following the OEB's published directions expected on June 22nd. The IESO's webinar scheduled for June 28th, will go over forms, submissions and reporting for Ontario's Fair Hydro Plan Act and corresponding regulations.

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals

From: Justin Rangooni [<mailto:jrangooni@eda-on.ca>]
Sent: June 02, 2017 4:19 PM
To: Terry Young
Subject: Fair Hydro Plan Related Question

Hi Terry – hopefully you can point us in the right direction at the IESO who could help address the following member concerns we received today:

We are reaching out to you for information about the IESO's incremental reporting, revised reporting deadlines and in particular the proposed webinar date. Can you please point us to who we might work with at the IESO on this matter? We will happily communicate updates with our membership at the earliest opportunity.

We have received a number of questions and concerns about these recent changes; our members are seeking clarification about the data to be provided. Any information you have on when this webinar is scheduled to take place is appreciated. June 28th, invitation to go out to all LDCs contacts early this week. This date was chosen to follow the OEB's release of direction on OFHPA, expected on June 22. Our members look forward to this webinar and clarification on the updates to the online forms.

Our members have raised the following specific questions/concerns:

- Tiered Prices for consumers with conventional meters, and TOU prices for consumers with smart meters are now split into two sets of prices: Forecast Tiered Prices without consideration of the OFHP and Tiered Prices including a portion of the OFHP (I included a picture of this below):
Please confirm which scenario below each of the terms "RPP Variance" and "RPP Fair Hydro Plan discount" relate to. Our form released for June 1, for May submissions reflected expected requirements before the

finalization of legislation (Ontario's Fair Hydro Plan Act) and corresponding regulations. At that time, there was some concern about including the current "forecast variance – differences using RPP rates without OFHP versus weighted average price plus GA", in with the deferral amount for the OFHPA. So we built a form that would permit two calculations – thinking is evolving and we expect to know by the release of the OEB's June 22 RPP with OFHP rate and modifier for non-RPP OFHP eligible consumers, whether LDCs need to provide two calculations. If only a single number is require, the IESO will update the RPP form accordingly and will relay clearly the details and expectations in the webinar on June 28th. The webinar will answer many of your queries below highlighted in yellow below. I know you seek confirmation now but if you can bear with us, we will avoid the experience that happened last week, noted below.

We are aware that the current form created some confusion for May submissions as the OEB released on May 1 new RPP rates and TOU prices without OFHP impacts and a rates and TOU prices with partial OFHP as you noted above. The IESO was initially told by the OEB to direct LDCs to exclude OFHP impacts as they were not releasing OFHP rates and prices until June 22 (we believed the middle column was to used) and then to OEB revised the direction. They indicated LDCs include submissions using the last column with partial OFHP rates and TOU prices aligning with what the LDCs has indeed collected from RPP eligible customers. By waiting until the OEB has published documentation, the IESO will eliminate risks of misstating.

TOU Price Periods	Existing TOU Prices	Forecast TOU Prices without consideration of the proposed Fair Hydro Plan	May 1, 2017 TOU Prices including a portion of the proposed Fair Hydro Plan
Off-Peak	8.7¢/kWh	9.1¢/kWh	7.7 ¢/kWh
Mid-Peak	13.2 ¢/kWh	13.3 ¢/kWh	11.3 ¢/kWh
On-Peak	18.0 ¢/kWh	18.5 ¢/kWh	15.7 ¢/kWh

The table below shows the same sets of prices for RPP customers who pay tiered prices.

Price Tiers	Existing Tiered Prices	Forecast Tiered Prices without consideration of the proposed Fair Hydro Plan	May 1, 2017 Tiered Prices including a portion of the proposed Fair Hydro Plan
Tier 1	10.3 ¢/kWh	10.7 ¢/kWh	9.1 ¢/kWh
Tier 2	12.1 ¢/kWh	12.5 ¢/kWh	10.6 ¢/kWh

i. the difference between the value billed to customers (using discounted FHP rates starting May 1st) and the weighted average price + Global adjustment (RPP billed with FHP discount – (WAP+GA))

ii. The same calculation noted in (i) had the Fair Hydro Plan discounts not existed (ie. The difference between the value that would have been billed to customers without FHP discounts and the weighted average price + Global adjustment (RPP without

FHP discount – (WAP+GA)), or

iii. The difference between what was billed after applying FHP discounts and what would have been billed had the discounts not existed. (Ie. the delta between i. and ii.)

b. kWh - The May settlement will include a portion of consumption in April prior to the FHP discounts taking effect, and a portion of consumption in May to which the FHP discounts were applied. Please confirm that LDCs must only report the total quantity of kWh consumed, and that it is not necessary to report the quantity of kWh to which FHP discounts did apply.

- Final Variance Settlement Amount

- a. Please advise what the terms “RPP Final Variance” and “RPP FHP Discount” relate to in this submission. There is a single FVSA factor available to make this calculation. If there is a requirement to identify the FHP discount relating to the FVSA, there should be two factors available, one which is used, and another which is for LDC simulation purposes only. It is difficult or perhaps impossible for LDCs to retroactively make such a calculation for the month of May.
- OFHP for Eligible Non-RPP Customers (section 5.24 of the Guide)
 - a. Please confirm what this settlement relates to. I suspect a discounted Global Adjustment rate will apply to low volume consumers who are not, but could have been, on RPP (Residential, GS<50, plus GS<50 who are eligible for OREC, those who have chosen spot market pricing or retailers) and this submission is looking to capture the value of their discount. Correct, consumers eligible for ORECA, will be eligible for OFHP and the OEB will be providing a modifier for LDCs/USMPs to use for non-RPP consumers with direction on how to reduce bills accordingly. The IESO will be publishing the modifier to our website as soon as it is available.
 - b. Does this settlement impact Charge Type 148 Class B Global Adjustment, and if so, how? Regulation 429/04 will not be changing as result of OFHPA, therefore, the Class A and Class B settlement is unchanged.
 - c. If there is a discounted global adjustment rate provided, will it apply to any higher volume Non-RPP customers (particularly large users) in any way? See answer above.
 - d. Is this required for May or does the requirement begin only in July after the FHP is fully implemented? OFHPA has both May 1 and July 1 aspects. For example, OESP is no longer on bills increases to the classes and amounts for eligible OESP began as of May 1 and the IESO updated the OESP form accordingly (LDC Order attached). LDCs should use RPP rates and TOU prices provided by the OEB. If there is any retroactive application of the rate and prices, the OEB will be directing accordingly. All other vulnerable consumer programs managed by the IESO including changes to RRRP, and the new DRP and FNDC programs begin as of July 1. The IESO will discuss the forms with market participants on June 28 and new forms will be available by July 31 for submissions by eligible Distributors.
 - Final variance settlement dollar amounts need to be reported in two different categories, one without consideration of the OFHP and one including a portion of the OFHP. This is increasing the workload of LDCs. The IESO agrees, and it increases our workload too. Rest assured we are exercising our role as trusted advisory here on behalf of the LDC community and USMPs. The Ministry, IESO, OEB and LDCs have been working together to implement this change for rate payers by this summer. The Ministry has another scheduled LDC – FHP Working Group meeting scheduled for June 16th, happy to forward the meeting notice to you as I did not see your name on the invitee list.

Thanks for whatever assistance you can provide.

Justin

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