

IESO Impact from Ontario's Fair Hydro Plan



Ontario's Fair Hydro Plan Major Components

- Refinancing the Global Adjustment (GA) over a longer time period for Regulated Price Plan (RPP) eligible consumers, including families, farms and small businesses – similar to Ontario Rebate for Electricity Consumers (8% rebate)
- Helping vulnerable electricity consumers by enhancing electricity support and conservation programs, and funding these programs from provincial revenues
- Enhancing competitiveness for small manufacturers and industrials by lowering the eligibility threshold for Industrial Conservation Initiative (ICI)
- Ministry support for Market Renewal

Vulnerable Consumers Programs Impacting IESO

- Changing Rural or Remote Rate Protection (RRRP) program to provide distribution charge relief for the customers of the costliest local distribution companies (LDCs)
- Enhancing the Ontario Electricity Support Program (OESP) and working to ensure the program uptake is as close as possible to 100%
- Establishing a new First Nations On-Reserve Delivery Credit

Rural or Remote Rate Protection (RRRP)

- Expanding Hydro One R2 residential customer rate subsidy from \$245 M to ~ \$500M Two New CTs OEB to let us know amount/12
- Entire subsidy funded by provincial revenues and settled through IESO Settlements
- Remove the current subsidy dollars (\$245M) from the 2017 RRRP rate - moves from rate \$2.10/MWh to ~ \$0.70/MWh Rate Change
- IESO continue to settle remaining and hold variance account
- OEB to confirm rate shortly - **effective July 1, 2017**

Ontario Electricity Support Program (OESP)

- Expand eligibility and increase credits to cover more low income Ontarians, effective **May 1, 2017**
- OESP funded by provincial revenues settled through IESO Settlement Stop CT rate \$1.10. Can we “reuse” the CT for payment to government?
- Permits drawn down of IESO OESP variance (invoice province when variance is below zero not likely before January 2018)
- Removal of OESP fee from IESO and LDC rate payer invoices
- Requests for program recovery unchanged
- Additional Ministry reporting requirements Need to look after this

New First Nations On-Reserve Delivery Credit

- Eliminating the delivery charge for all on-reserve First Nations households and removing the monthly service charge for customers of licensed distributors which charge a bundled rate
- Automatically qualify on-reserve First Nations households (~21,500 customers)
- Eligible LDCs request refund from IESO ~ \$20M
- On-Reserve Delivery Credit funded by provincial revenues settled through IESO Settlement **Effective July 1, 2017** Two new CTs



