Business Case Short Form for: Ontario Fair Hydro Plan

Document ID:	BC-114	**Preparer:**	Denise Myers
Issue:	0.1	**Owner/Approver:**	Jeannette Briggs
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Purpose:

The Ontario Fair Hydro Plan has been established by the Ministry of Energy to provide residential consumers with a 25 per cent reduction in their electricity bills through refinancing the Global Adjustment (GA) over a 30 year period for Regulated Price Plan (RPP) eligible consumers, including families, farms and small businesses – similar to Ontario Rebate for Electricity Consumers (8% rebate) , enhancement of the existing Ontario Electricity Rebate program (OESP) and Rural Remote Rate Plan Protection (RRRP), elimination of the delivery charges for on-reserve First Nations households and removal of the monthly service charge for customers of licensed distributors which charge a bundled rate.

The IESO will facilitate the settlement of the Ontario Fair Hydro Plan with local distribution companies (LDC) and unit sub-meter providers (USMP) on behalf of the Ministry of Energy. The LDCs are required to submit, on a monthly basis, differences in payments for invoiced Market commodity charges and payments received from RPP eligible consumers ~~as two line items: refinancing and forecast differences.~~ ~~The LDCs and USMPs are required to submit, on a monthly basis~~, request for OESP payment and reimbursement of First Nation on-reserve delivery charge credit (FNDC) and discount provided to customers on monthly service charge under Distribution Rate Protection (DRP) program. The OESP, FNDC and DRP programs will be funded by provincial revenue and the existing OESP rate which is collected through the Ontario market will be discontinued. The changes to OESP and RPP will come into effect on May 1, 2017 and the FNDC and DRP programs are expected to come into effect on July 1, 2017.

This project will ~~modify the~~ require the following changes:

- ~~Existing~~Modification of the existing RPP forms to add ~~another submission line~~ new input fields to account for GA refinancing~~.~~
- Modification of the~~the~~ existing OESP Online settlement form to add four new tariff codes
- Creation of two additional Online settlement forms ~~and develop two new Online settlement forms~~ to collect ~~the~~ FNDC and DRP data from local distribution companies

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(LDC) and unit sub-meter providers (USMP) efficiently and accurately.

LDCs and USMPs submissions will be automatically integrated into the settlement process without any significant manual intervention.

Business Objectives*:*

To provide residential consumers with a 25 per cent reduction in their electricity bills by refinancing the GA over a longer period for eligible consumers , making enhancements to the existing Ontario Electricity Rebate program (OESP) and Rural Remote Rate Plan Protection (RRRP) and implementing a process to eliminate delivery charges for on-reserve First Nations customers and removing monthly charges for customers who are eligible for Distribution Rate Protection(DRP)~~.~~

The objective will be achieved by the following project deliverables:

- ~~Deliver the changes to the RPP form by June 1, 2017, the submission date for claims for the month of May.~~

1. Deliver the changes to the OESP form and RPP forms by June 1, 2017, the submission date for claims for the month of May.
2. Deliver two additional Settlement Online forms by August 1, 2017, the submission date for claims for the month of July.
3. Establish an automated process to export LDCs and USMPs claims as manual line items to minimize the manual effort required to create manual lines for the programs under Ontario Fair Hydro Plan.
4. Remove the OESP rate from the settlement system by June 1, 2017 and update the market manuals
5. ~~4.~~ Create new charges to implement FNDP and DRP programs.

Timing*:*

The project is estimated to take approximately ~~10~~ 13 business weeks to complete design, development and testing plus one additional week of time contingency. The project is expected to start from the date of approval of the business case.

Costs:

OM&A	
IESO Labour:	~~$38,500~~50,820
Contingency:	$3,850
Total OM&A:	**~~$42,350~~54,670**

Procurement Approach: *If procurement is required, identify the recommended procurement*

approach after consultation with a procurement specialist. ☐ Invitational competitive process (minimum of 3 vendors) ☐ Open competitive process (published on MERX tendering system) ☐ Single Source *If procurement through single source exceeds $15,000, indicate the allowable exemption. Allowable exemptions are listed in the **Single Source Rationale** Form available on the "Business Services" intranet page.* *Not applicable*

Financial Information[1]			
Expected Service Life	**N/A**	Expected Disposal Proceeds	N/A
Existing Assets to be written Off	None		
Additional information, if any:			

[1] This information should be discussed and obtained from Finance (Corporate Controller)

Prepared by:	Role
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Reviewed by:	**Role**
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Approved by: (In accordance with OAR)	**Role**
Jeannette Briggs	Director, Settlements and Project Sponsor

Distribution List

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Citadel	IESO
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