Message

Sent: 2017-05-10 12:29:22 PM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
Subject: RE: IESO Understanding of RRRP and the FHPA

I am confused this is not about a RPP rate

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Ceiran Bishop [mailto:Ceiran.Bishop@oeb.ca]
Sent: May 10, 2017 12:24 PM
To: Jeannette Briggs
Cc: Michael Boll
Subject: RE: IESO Understanding of RRRP and the FHPA

I'll forward this to Ted as well so he is aware of the expectations. For planning purposes, I can let you know we have anticipated issuing a D&O on the new RRRP rate in advance of July 1, since it's a rate we'll need to take it into account when measuring what RPP needs to be in order to achieve a 25% bill reduction by that date.

As for 2018 – about which very little has been said in leg. or regs as yet – I don't think the OESP or RRRP value will factor into the calculation of a rate adjustment after April 30 2018. As far as I understand, the policy is that RPP will be set so that the bill for a prescribed customer rises by an amount – likely inflation – to be set in regulation. That won't require mocking up an entire bill for 2018, just knowing what the 2017 reference FHP bill (ie, the one that is 25% lower than it otherwise would have been) is.

C

From: Jeannette Briggs [mailto:jeannette.briggs@ieso.ca]
Sent: May 10, 2017 12:02 PM
To: Ceiran Bishop
Cc: Michael Boll
Subject: FW: IESO Understanding of RRRP and the FHPA

Ceiran,

This is the email I sent to Dan and James as a result of a previous meeting and I think it is helpful to set IESO expectation of the OEB.

Further to our discussion on Monday, the IESO will expect to see an OEB Decision and Order (D&O) for changes to RRRP (the rate to be charged for remaining RRRP and the specific $s and customers eligible for receipt of the dollars similar to the attached D&O.

We have assumed the OEB will also need to provide the specific dollars for Hydro 1 R2 customers which Provincial revenues will cover and to address the new program Delivery Rebate Program (DRP) and First Nation On-Reserve Delivery Credit (FNDC) which again will be covered by Provincial revenues through a D&O. We understand these changes will be effective July 1, 2017, however, in all cases these are month-end calculation in the IESO settlement processes and therefore as long as we have specific direction before the end of July, we will be able to settle the FHPA.

I do have a question for you regarding the bill for 2018. Do you think that the 2017 OESP and RRRP reduction stays in your calculation for what does the bill look like without FHPA in 2018? I only ask because this assumes the $1.10 and $2.10 respectively for these programs forever and we know that is unrealistic. For example, RRRP went from $1.30 to $2.10 between 2016 and 2017 for program changes. How we treat these items really addresses the "plug" value for the modifier – is the 2% savings in or out?

Happy to discuss further.

Regards,

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From: Jeannette Briggs
Sent: April 27, 2017 4:10 PM
To: James.Rehob@ontario.ca; dan shear (Dan.Shear@ontario.ca)
Cc: Michael Boll; Glenn Zacher; Idalin McKenzie
Subject: IESO Understanding of RRRP and the FHPA

Dan/James

Rather than give you both policy decks, I simply removed the RRRP slides. My understanding is that RRRP rate is to be significantly lower due to FHPA which would have a bill impact because the R2 customers are moving to provincial revenues ($243.40 M) leaving only $38.02M in the RRRP requirement for 2017. (See the RRRP Decision and Order) . The move from 350,000 R2 customers to 800,000 R2 customers would increase the amount to be funded by provincial revenues to these type of customers to approximately $500M. Is it possible that this is where the confusion lies on the addition having no bill impact? In short, I thought the 25% reduction was obtained from:
ORECA 8%
OESP/ RRRP moving to provincial revenue 2%

GA smoothing 15%

Let me know if we understand this correctly.

Regards,

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