

Metering and Settlements

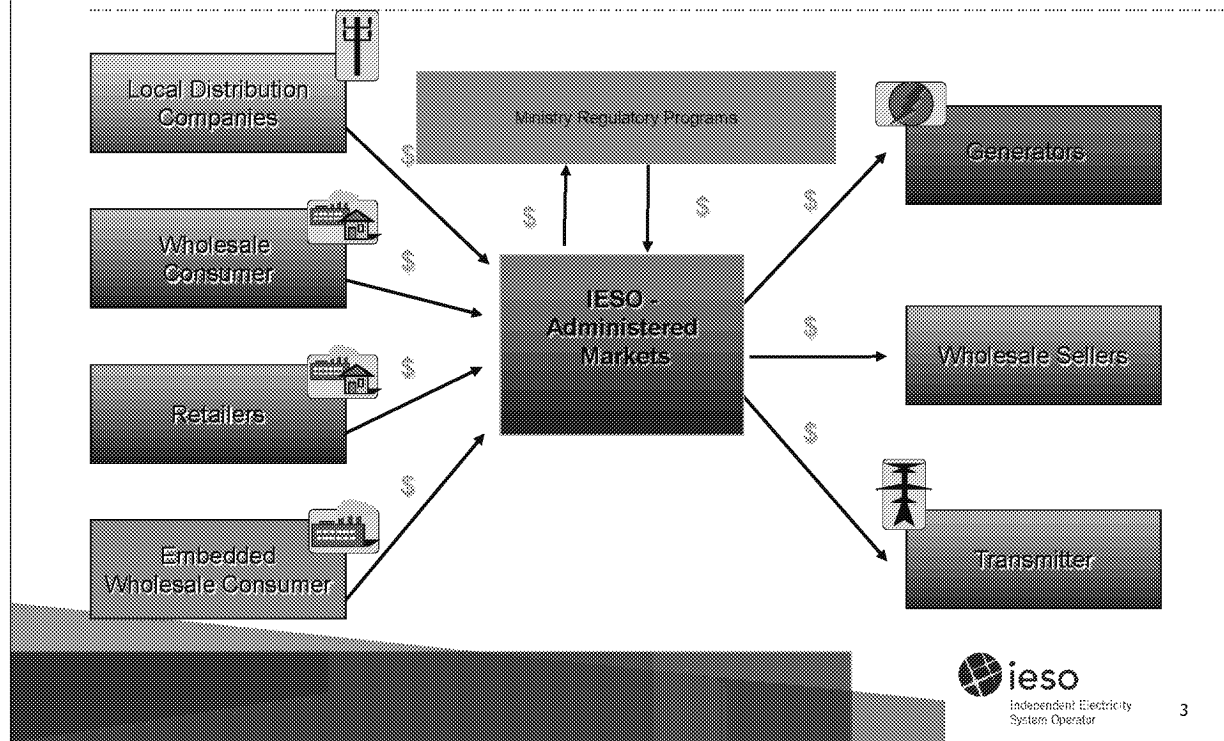
Jeannette Briggs- Director, Settlements
June 2017



Agenda

- Settlement overview
- Metering
- Settlement Timelines
- Settlement Statements
- Notice of Disagreement
- Transmission Rights Market
- Other settlement activities

Overview - Who the IESO Settles



Metering – Start With Measuring Injection/Consumption

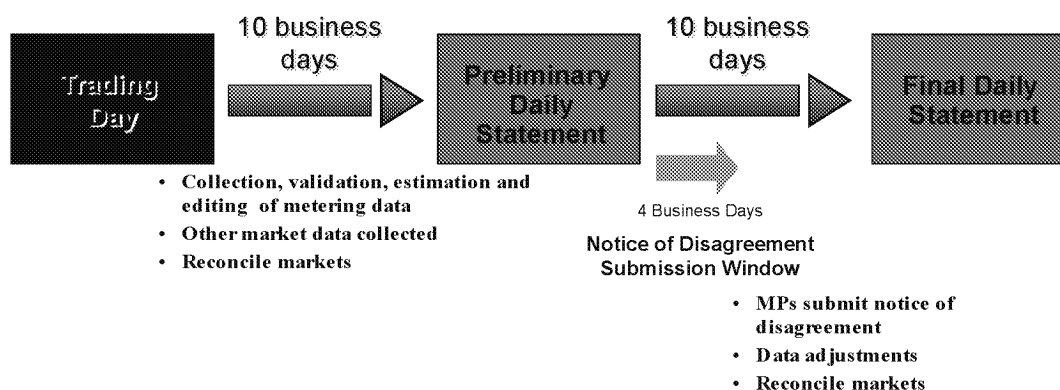
- IESO collects meter data nightly via modem and internet
- Approximately 4,140 meters are polled for meter readings
- Meter readings are on a 5 minute basis
- Each meter reading provides multiple pieces of information
- In excess of 8 million separate pieces of information is collected each night
- IESO issues meter trouble reports for any metering problems encountered (on average 22 reports are issued each business day) and resolves the issues quickly when possible

- Responsible for establishing metering standards – MOU with Measurement Canada
- Registered meters through online IESO, reviewing all supporting info and documentation
- Registering Meter Service Providers (MSP), including performance measurement and compliance (working closely with MACD)
- IESO audits approximately 5% of the meter installations every year (External auditors review the meters where the IESO is the Metered Market Participant for RES I/ RES II)
- IESO complete DR audits

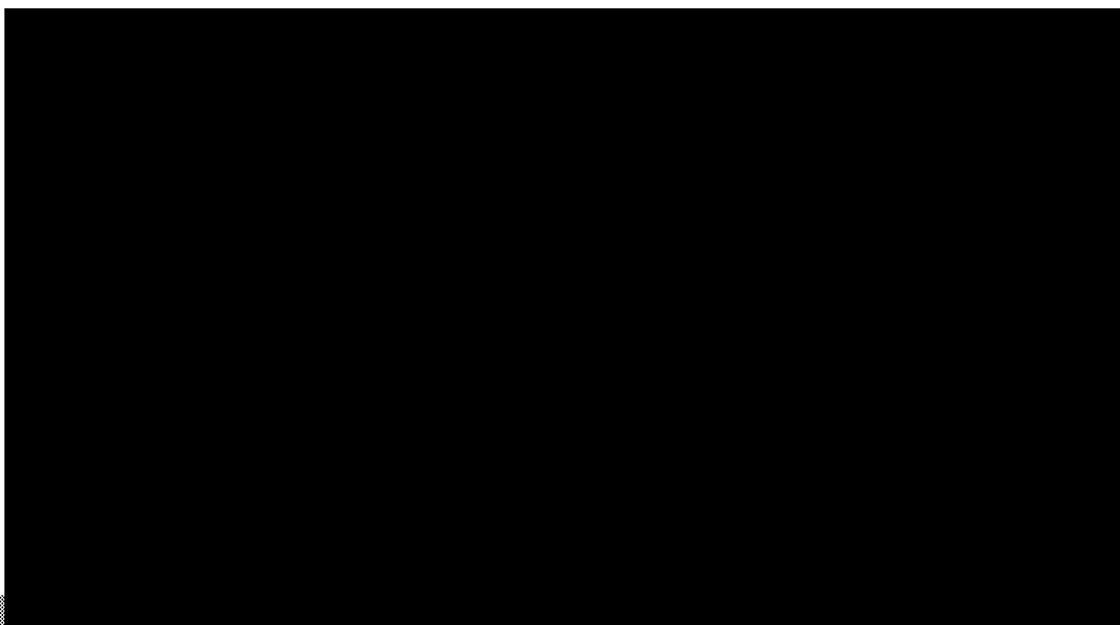
Physical Market Settlement Statements – Moving Measurement to Settlement

- A settlement statement may contain up to four generic types of transactions:
 - Costs or revenues related to the operation of the IESO-administered market (e.g. energy and energy related charges);
 - Costs or revenues that the IESO collects and disburses under an Ontario Energy Board order (e.g. transmission charges);
 - Costs or revenues that the IESO collects and disburses under government legislation or regulation (e.g. global adjustment); and
 - Costs or revenues related to programs that the IESO settles on behalf of the Ministry funded programs e.g. 8% rebate, Ontario Electricity Support Program, Northern Development and Mines rebate etc.
- Volume of information contained within a settlement statement varies greatly depending upon the nature and size of the market participant
- Approximately 690 statements are issued per business day
- Approximately \$17.5 billion was settled in the wholesale electricity market in 2016

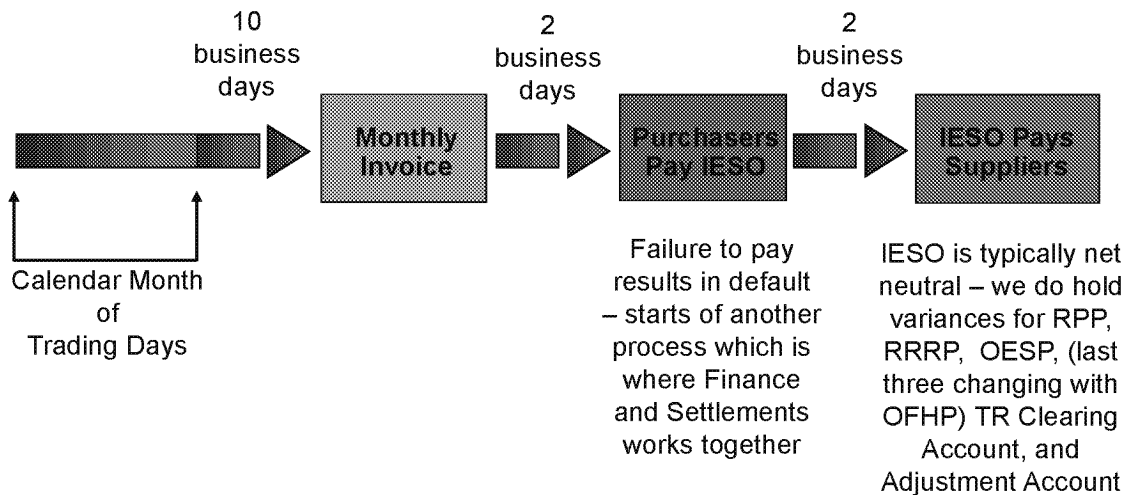
Physical Market Settlement Timelines



NoD



Physical Market Settlement Moves to Invoices





Other Settlement Activities

- Processing MACD adjustments
- Disbursing adjustment account and over-collection of IESO fees
- Conservation/Contract (Ancillary Services and GA) settlement including most recently Hydro Quebec contract
- Ontario Rebate for Electricity Consumers Act (ORECA)
[REDACTED]
- NEIRP for Ministry of Northern Development and Mines
[REDACTED]

Other Settlement Activities

- **Supporting Ontario's Fair Hydro Plan Act**
- 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)
- Enhancing competitiveness for NAICS small manufacturers and industrials by lowering the eligibility threshold to 500 KWs for Industrial Conservation Initiative (ICI). We calculate all the Peak Demand Factors for Class A customers
- Helping vulnerable electricity consumers by enhancing electricity support and conservation programs, and funding these programs from provincial revenues (RRRP, OESP and First Nations On-Reserve Delivery Credit). We developed forms to permit participants to submit amounts to be recovered and will be reporting to both OEB and Ministry

Working Relationships

- Your group – fielding questions through you from stakeholders, asking you for bulletin releases, helping with government queries or keeping you informed particularly if we need your help on interaction with government
- Who else:
 - Finance, MACD, Legal, Contacts, Conservation, Regulatory Affairs, Operations, Markets (including part in MRP), Planning, IT (a lot of IT interaction! – we are replacing the Commercial Reconciliation System in advance of MRP implementation), IA (many audit internal and external)