

Message

From: Martine Band [Martine.Band@oeb.ca]
Sent: 2017-06-28 3:12:57 PM
To: Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]; Nancy Marconi [Nancy.Marconi@oeb.ca]
CC: Ceiran Bishop [Ceiran.Bishop@oeb.ca]
Subject: RE: Guidance on FHP Implementation - excerpts for your review

Hi Jeanette,

Thanks for your help with these issues. We have revised the text regarding settlement timelines for the DRP and FNDC to read as shown below – if I have misunderstood anything about your settlement process and how you are dealing with these two programs, please let me know:

The OEB understands from the IESO that the settlement timeline will require market participant DRP and FNDC Distributors to provide the required information to the IESO by the 4th business day of a month. The amount of the reimbursement will be reflected on the invoice issued to the DRP or FNDC Distributor by the IESO on the 10th business day of the month, and payment will be made on the 12th business day of the month. The upstream portion of the settlement regime will therefore be completed by the 12th business day of each month. As such, DRP and FNDC Distributors that are market participants would as of that day be in a position to provide the reimbursement referred to in section 9(2)(c) of the DRP Regulation or section 10(2)(c) of the FNDC Regulation to their wholly-embedded DRP or FNDC Distributors.

The OEB is therefore setting the 15th business day of each month as the date before which the payments referred to in section 9(2)(c) of the DRP Regulation and in section 10(2)(c) of the FNDC Regulation must be made by host DRP or FNDC Distributors to their wholly-embedded DRP or FNDC Distributors. The OEB understands that the first upstream DRP and FNDC settlements will occur in August, and therefore no downstream payments are required to be made in July.

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Please note my email address has changed to Martine.Band@oeb.ca. Please update your address book accordingly.

From: Jeannette Briggs [mailto:jeannette.briggs@ieso.ca]
Sent: June-26-17 5:20 PM
To: Nancy Marconi
Cc: Ceiran Bishop; Martine Band
Subject: RE: Guidance on FHP Implementation - excerpts for your review

If the LDCs just need confirmation on the amount they will receive for DRP and FNDC and to be clear it will be whatever they have submitted for recovery on forms (no mathematical formula) then you are correct to use 10th business day which is invoicing day. However, if they need the cash flow, the payment day is the 12th business day.

All the forms will be available for August 1st. The first submission of the complete set of forms for OFHPA will be on the first four business days of August for trade day July 31st, setting off the August 15th invoice, payable on August 17th.

Who will determine June versus July for the RPP variance settlement factor? Given we provided the information for May in June which had the “partial” OFHP RPP numbers, perhaps for consistency with May the IESO provides the data for the month of June too by July 15 for OEB posting to your website?. The Act did not come into force until July 1 – but this is your call really. Just let us know what you want.

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: Nancy Marconi [mailto:Nancy.Marconi@oeb.ca]
Sent: June 26, 2017 4:49 PM
To: Jeannette Briggs
Cc: Ceiran Bishop; Martine Band
Subject: Guidance on FHP Implementation - excerpts for your review

Hi Jeannette,

We are wondering whether you'd mind reviewing the paragraph below on the DRP and FNDC to confirm that what we are planning to say is accurate. We have been assuming that the IESO will be using the same cycle as for ORECA (and OCEB before that), consistent with your normal settlement cycle. Is this what you are going to be telling LDCs in a few weeks? Also – can you confirm whether you'll be settling anyone in relation to the DRP and the FNDC in the first few days of the month of July?

DRP and FNDC Distributors that are market participants will provide the required information to the IESO by the 4th business day of a month, and the amount of the reimbursement will be reflected on the invoice issued to the DRP or FNDC Distributor by the IESO on the 10th business day of the month. The upstream portion of the settlement regime will therefore be

completed by the 10th business day of each month. As such, DRP and FNDC Distributors that are market participants would as of 12th business day be in a position to provide the reimbursement referred to in section 9(2)(c) of the DRP Regulation or section 10(2)(c) of the FNDC Regulation to their wholly-embedded DRP or FNDC Distributors.

Also – as discussed, here is the language we've drafted related to the settlement factor. Let us know if you have any concerns.

As of July 15th, the OEB will no longer be releasing variance settlement factors to be used by licensed distributors to calculate a one-time credit or charge for customers who choose to stop purchasing electricity through the Regulated Price Plan. All variances over the smoothing period, whether from electricity prices established on the wholesale electricity market, consumption, or weather will be included in the IESO deferral account as established under the OFHPA. Beginning with consumption on or after July 1, 2017, customers will no longer be charged or refunded the difference between amounts paid and actual costs should they exit the Regulated Price Plan.

Thanks!

Nancy Marconi

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