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A PROPOSAL TO CREATE REGULATION

made under the

ELECTRICITY ACT, 1998

Amending O. Reg. 429/04

(ADJUSTMENTS UNDER SECTION 25.33 OF THE ACT)

1. Subsection 5 (1) of Ontario Regulation 429/04 would be amended by adding the following definitions:

“carrying costs” has the same meaning as in subsection 9.1 (4) of Ontario Regulation 206/17 (General) made under the *Ontario Fair Hydro Plan Act, 2017*;

“financing entity” has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017*;

“specified consumer” has the same meaning as in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017*;

2. The Regulation would be amended by adding the following section:

Determination of monthly total net volume, specified consumers

10.1 The IESO shall, in respect of each month, starting with the month of May 2021, determine the monthly total net volume of electricity consumed by specified consumers by calculating the sum of the following:

1. The total volume of electricity distributed to specified consumers who are Class A consumers by a licensed distributor during the month.
2. The total volume of electricity distributed to specified consumers who are Class B consumers by a licensed distributor during the month.
3. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class A market participants during the month.

4. The total net volume of electricity withdrawn from the IESO-controlled grid by specified consumers who are Class B market participants during the month.

3. The Regulation would be amended by adding the following section:

[Note: Commencement for this section will provide for it to come into force on May 1, 2021.]

Determination of rate re IESO security

10.2 The IESO shall, in respect of each month, determine the rate payable by specified consumers in respect of the costs incurred by the IESO to fulfil its obligations, if any, under an agreement with a financing entity to provide security by dividing the costs it incurred in respect of the month for the security by the monthly total net volume of electricity consumed by specified consumers calculated under section 10.1.

4. The Regulation would be amended by adding the following sections:

Determination of monthly amounts payable re IESO security

10.3 (1) The IESO shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A market participant or a Class B market participant for the costs referred to in section 10.2 for the month by multiplying the rate calculated under section 10.2 for the month by the total net volume of electricity withdrawn during the month by the market participant.

(2) Each licensed distributor shall, in respect of each month, determine the amount allocated to each of its specified consumers that is a Class A consumer or a Class B consumer for the costs referred to in section 10.2 for the month by multiplying the rate calculated under section 10.2 for the month by the total volume of electricity distributed to the consumer during the month by a licensed distributor

(3) Each licensed distributor shall track the amounts determined under subsection (2) separately and remit those amounts to the IESO separately from the amounts otherwise determined and remitted under this Regulation.

(4) The IESO shall separately track the amounts determined under subsection (1) from the amounts otherwise determined and remitted under this Regulation.

Variance accounts

10.4 (1) The amount of the global adjustment determined under section 10.3 that is allocated by the IESO to a specified consumer who is a Class A market participant or a Class B market participant is to be tracked in one or more variance accounts held by the IESO in respect of each of the market participants.

(2) The amount of the global adjustment determined under section 10.3 that is allocated by the licensed distributor to a specified consumer who is a Class A consumer or a Class B

consumer is to be tracked in one or more variance accounts held by the distributor in respect of each of the consumers.

Adjustments by IESO

10.5 (1) The IESO shall make adjustments to add the amount referred to in subsection 10.3 (1) to the amounts allocated by the IESO under section 11.

(2) Section 11 applies, with necessary modifications, to the adjustments made under subsection (1).

(3) For greater certainty, the IESO shall adjust the invoice that it issues to the market participant referred to in section 10.3 for the month by adding the amounts determined under subsection 10.3 (1) as an additional charge to the amount, if any, of the global adjustment allocated to the market participant under this Regulation.

Adjustments by licensed distributor

10.6 (1) Each licensed distributor shall make adjustments to the accounts of a specified consumer that is a Class A consumer or a Class B consumer to add the amounts referred to in subsection 10.3 (2) to the accounts of those specified consumers referred to in sections 14 and 16.

(2) Sections 14 and 16 apply, with necessary modifications, to the adjustments made under subsection (1).

(3) For greater certainty, the licensed distributor shall adjust the invoice that it issues to the consumer for the month by adding the amount determined under subsections 10.3 (2) as additional charges to the amount, if any, of the global adjustment allocated to the consumer under this Regulation.

Commencement

4. (1) Subject to subsection (2), this Regulation would come into force on a day established by Government.

(2) Section 3 would come into force on May 1, 2021.