

Metering and Settlements

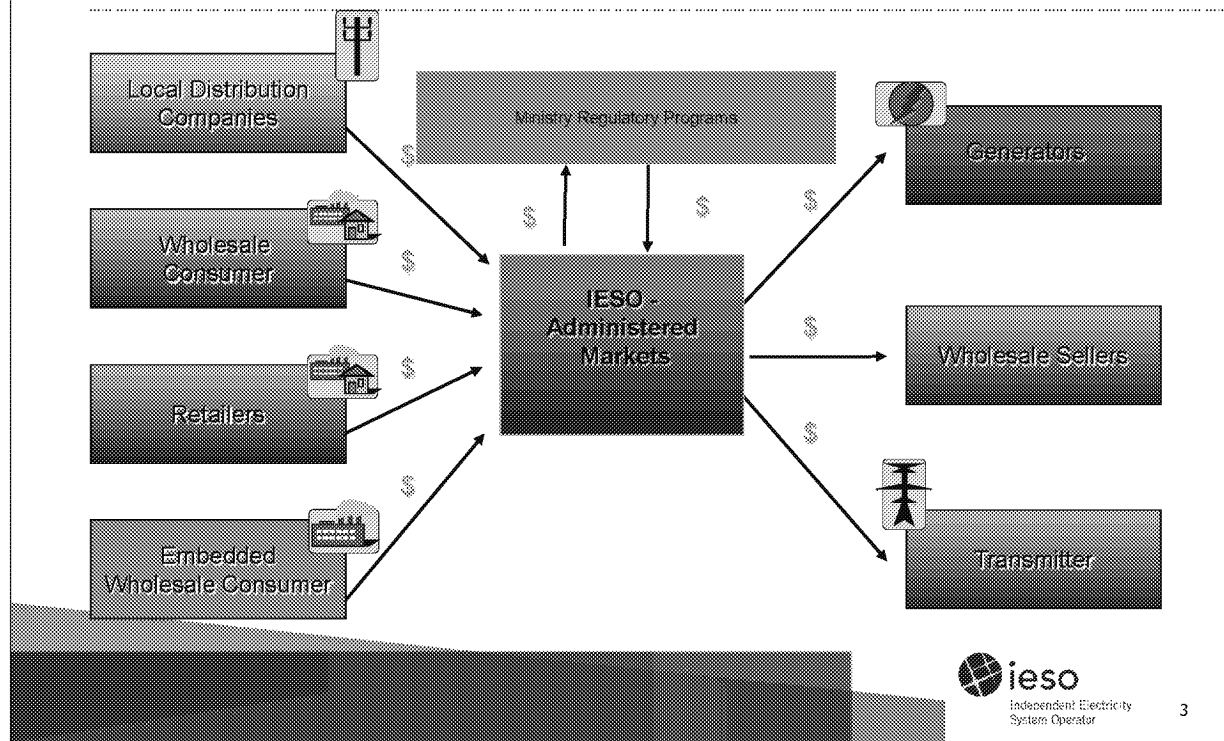
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Agenda

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

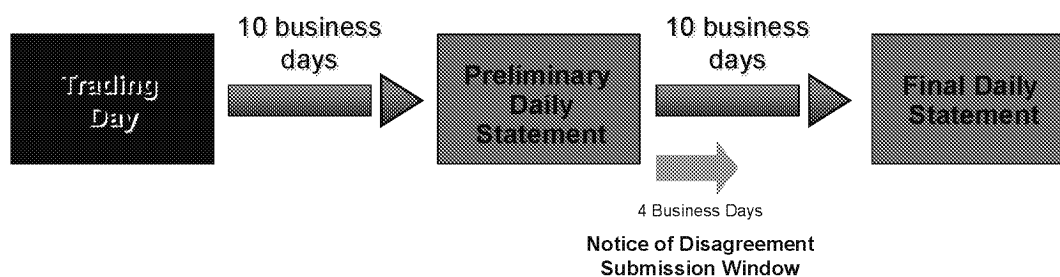
Overview - Who the IESO Settles



Metering

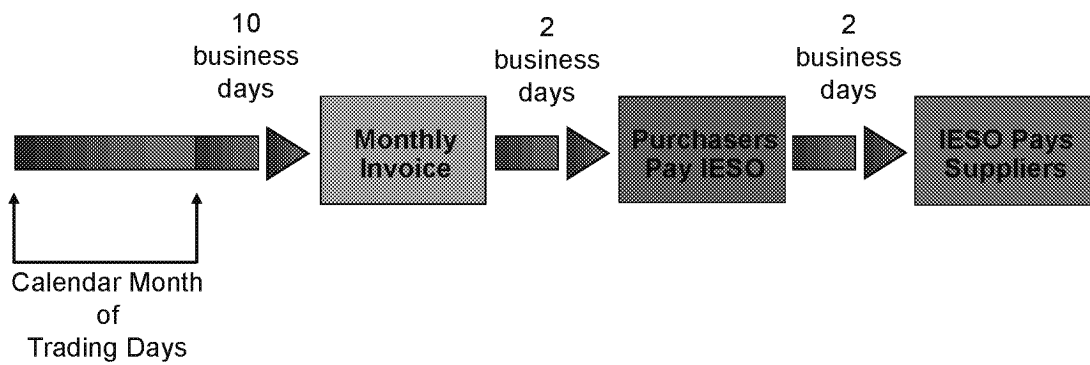
- IESO collects meter data nightly via modem and internet
- Approximately 4,100 meters are polled for meter readings
- Meter readings are on a 5 minute basis
- Each meter reading provides multiple pieces of information
- In excess of 8 million separate pieces of information is collected each night
- IESO issues meter trouble reports for any metering problems encountered (on average 23 reports are issued each business day)
- IESO audits approximately 5% of the meter installations every year

Physical Settlement Timelines



- Collection, validation, estimation and editing of metering data
- Other market data collected
- Reconcile markets

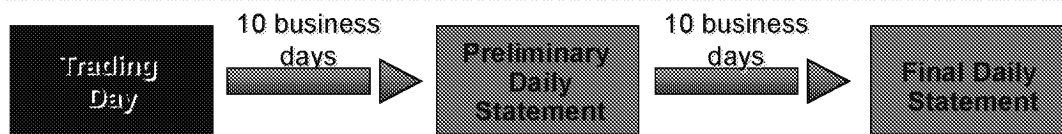
- MPs submit notice of disagreement
- Data adjustments
- Reconcile markets



Physical Settlement Statements

- 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.

Physical Preliminary and Final Statements



- Preliminary statements are issued ten business days after the trade day
- Preliminary statements allow participants to see details of charges and revenues
- Participant can file a notice of disagreement (NoD) within 4 business days if there is a perceived problem
- Final statements are issued 20 business days after the trade day
- Approximately 145,000 statements are issued annually or approximately 400 per day
- Volume of information contained within a settlement statement varies greatly depending upon the nature and size of the market participant

Notice of Disagreement (NoD)

- A NoD allows an MP to identify issues they have with a preliminary settlement statement
- A market participant may disagree with among other things:
 - Meter readings
 - Application of price
 - Schedules
- A market participant may not disagree with the calculation of prices or the equations used in calculating charges
- A NoD must be filed no later than 4 business days after the issuance of the preliminary statement

Notice of Disagreement

- If the issue is resolved before the final statement
 - the adjustment if required will appear on the final statement
- If the issue is resolved after the final statement
 - the adjustment if required will appear on a subsequent preliminary statement and related final statement
- IESO must close a NoD within 15 business days after final statement issue
 - IESO may agree with the adjustments proposed by the market participant, agree with the basic principle but implement a different solution, or determine that no correction is necessary.
- A dispute process exists for the market participant who does not agree with IESO's resolution to the NoD

Financial Transmission Rights Market

- Preliminary statements issued on 2nd business day after the trading day of auction
- NoD must be filed within 2 days after preliminary statement issued
- Final statements issued on 6th business day after the trading day of auction
- Notice of dispute must be filed within 20 business days of final statement being issued

Other Settlement Activities

- Ontario Rebate for Electricity Consumers
 - A program to rebate 8% of eligible consumer bills
- Ministry of Northern Development and Mines
 - A program designed to reduce electricity costs for certain businesses in northern Ontario that commit to increased energy efficiency.

Other Settlement Activities

- Supporting Ontario's Fair Hydro Plan

- 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 small manufacturers and industrials by lowering the eligibility threshold for Industrial Conservation Initiative (ICI)
- 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)