BRIEFING NOTE:

DM Monthly Meeting

April 28, 2017

[redacted]

ieso
Connecting Today.
Powering Tomorrow.

[redacted]

2. Ontario Fair Hydro Plan

Commented [IESO4]: If we haven't already, we should reach out to Kim M. for an update.

Key Facts

- IESO is working with OPG regarding the purchase and sale of regulated assets
- We are in the process with accounting opinion; meeting with OEB next week and need clarity on their role of setting rates which creates the asset
- We met with the Auditor General earlier this week and presented an overview of the change in regulatory accounting
- IESO will issue a final form of a draft letter [2 hard copies enclosed] focused on seeking formal steps regarding backstop and indemnification that has been informally promised to the IESO by the Ministry.

Commented [DJB5]: Status?

Commented [RG6]: Who is meeting with the OEB and when??? I don't have anything in Bruce's calendar?

Commented [DJB7]: Did this occur?

Please contact Kim Marshall for further detail.

Background:

- The IESO will work with OPG to facilitate the refinancing of global adjustment over a 30-year term.
  - This will involve the IESO collecting less money from LDCs and transferring the outstanding amount to OPG as an "asset" they will manage
  - Current forecasts indicate this will be about $2.5B per year over the first ten years, with annual interest costs not exceeding $1.4B
  - Legislation will be introduced that will enable IESO and OPG to refinance GA
  - IESO contract holders will not be affected
- The Industrial Conservation Initiative is being expanded by reducing the threshold from 1MW to 500kW and targeting more small manufacturing and industrial customers

- The Rural or Remote Rate Protection will be broadened to cover more customers and its costs will be now be recovered through the tax base
- Market Renewal has been cited by the Minister as another solution to mitigate rates
    - Media backgrounder saying Market Renewal is "estimated to save at least $200M per year, starting in 2021"

[redacted]

[redacted]

~~3. Ontario Fair Hydro Plan~~

~~Key Facts~~

- ~~IESO is working with OPG regarding the purchase and sale of regulated asset~~
- ~~We are in the process with accounting opinion; meeting with OEB next week and need clarity on their role of setting rates which creates the asset~~
- ~~We are still planning to reach out to the Auditor General after Easter with 2016 financial statements with regulatory accounting.~~
- ~~IESO will issue a letter **to the Deputy Minister** [NTD: ready to bring Friday April 28?] focused on seeking formal steps regarding backstop and indemnification that has been informally promised to the IESO by the Ministry.~~

~~Please contact Kim Marshall for further detail.~~

~~Background:~~

- ~~The IESO will work with OPG to facilitate the refinancing of global adjustment over a 30-year term.~~
  - ~~This will involve the IESO collecting less money from LDCs and transferring the outstanding amount to OPG as an "asset" they will manage~~

Commented [DJB11]: Status?

Commented [RG12]: Who is meeting with the OEB and when??? I don't have anything in Bruce's calendar?

Commented [DJB13]: Did this occur?

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- ~~Current forecasts indicate this will be about $2.5B per year over the first ten years, with annual interest costs not exceeding $1.4B~~
    - ~~Legislation will be introduced that will enable IESO and OPG to refinance GA~~
    - ~~IESO contract holders will not be affected~~
- ~~The Industrial Conservation Initiative is being expanded by reducing the threshold from 1MW to 500kW and targeting more small manufacturing and industrial customers~~
- ~~The Rural or Remote Rate Protection will be broadened to cover more customers and its costs will be now be recovered through the tax base~~
- ~~Market Renewal was cited by the Minister during this morning's press conference and in a media backgrounder as another solution to mitigate rates~~
    - ~~The backgrounder saying it is "estimated to save at least $200M per year, starting in 2021"~~

[redacted]

[redacted]

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