

Message

From: Calwell, Carolyn (ENERGY/MEDEI/MRI) [Carolyn.Calwell@ontario.ca]
Sent: 2017-04-26 3:26:03 PM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]; Rehob, James (ENERGY) [James.Rehob@ontario.ca]
Subject: RE: IESO funding shortfall

Michael, James is your best contact on that addition. I think the intent is just to make sure that if we need to run any of the funding shortfall through the GA, we will be able to do so, but the primary recovery for IESO will be through s. 21xx(1).

I just tried James' line, and he was tied up, but I am certain he will get back to you shortly.

Also, I know Peter and Steve talked about the "transfer" definition and the creation of the regulatory asset this morning. As long as you are ok with the language they agreed on, I will bring that forward in the instructions we provide tonight.

Carolyn

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: April-26-17 3:03 PM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: RE: IESO funding shortfall

Hi Carolyn,

Would you have a few minutes to discuss the intent of new section 200.1xx with Stikemans and myself? It would help us to understand the intent to better comment on it.

I'm with Stikemans and we could call you if you are available.

Michael

From: Calwell, Carolyn (ENERGY/MEDEI/MRI) [mailto:Carolyn.Calwell@ontario.ca]
Sent: April 26, 2017 10:33 AM
To: Michael Boll
Subject: RE: IESO funding shortfall

Hi Michael – I'm expecting the turn any time but having promised to get a draft out last night and having not yet seen the turn, I am reluctant to make another promise as to time. I apologize for keeping people hanging.

The intent is still to have rate reductions after April 30, 2022 to gradually increase rates. We haven't yet done a great job of building that in and need to address it more thoroughly, I think.

Carolyn

From: Michael Boll [mailto:Michael.Boll@ieso.ca]
Sent: April-26-17 10:26 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: RE: IESO funding shortfall

Hi Carolyn,

Do you know when the next draft will be circulated? No pressure, just trying to manage availability on our side.

Also, a question has come up regarding transitioning from the fair adjustment rate in the 2017 to 2022 period. Is the intent to no longer have any rate reduction occur after April 30, 2022 to gradually increase rates? From IESO's perspective this will be relevant to how long we may expect to incur funding shortfalls.

Regards,
Michael

From: Calwell, Carolyn (ENERGY/MEDEI/MRI) [<mailto:Carolyn.Calwell@ontario.ca>]
Sent: April 25, 2017 5:50 PM
To: Michael Boll
Subject: RE: IESO funding shortfall

Thanks for following up, Michael. I'm open to putting the calculation in the regulations. In that case, I would leave in the legislation an obligation of electricity vendors to provide IESO with information, but I might move the provision that deals with estimates and errors to the regulation.

I also heard from the OEB that it might be helpful for IESO to be clear that the IESO funding shortfall commence May 1, 2017, even if the new prices aren't effective until July 1. We may need to deal with this in the legislation if we are considering a time after the Act might come into force.

Carolyn

From: Michael Boll [<mailto:Michael.Boll@ieso.ca>]
Sent: April-25-17 5:38 PM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: IESO funding shortfall

Hi Carolyn,

This turned out to be more complicated than anticipated and unfortunately Jeanette Briggs who knows the technical aspects of the settlements processes in way more detail is away until Thursday. I wanted to let you know we won't be sending you the contemplated draft language today but will continue to consider the issue.

One thought was to leave the detail of how the shortfall is determined to regulation since it may require more technical drafting and provides additional time to consider the various factors and consequences of the different approaches. We wondered if section 20xx (1) could be drafted similar to the following:

20xx. (1) The IESO funding shortfall for each month arising from the application of Part II of this Act will be determined in accordance with the regulations.

This would still indicate the intent is to have the funding shortfall relate to the application of the rate(s) arising from the fair adjustment but would leave the technical details of how to calculate the shortfall to regulation.

Regards,

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