



INTERIM MARKET DOCUMENT CHANGE

Title: Ontario Rebate for Electricity Consumers

File #: IMDC-35

Version #: 1.0

Part 1 – General Information

Document Affected:	"HST Guide for IESO Transactions"		
	"IMO_GDE_0002"		
Market Rule Reference(s)			
<i>This Interim Market Document Change represents an amendment to the market document noted above. In the event of any inconsistency between the terms of this Interim Market Document Change and the terms of the affected document, the terms of this Interim Market Document Change shall prevail.</i>			
Date Prepared:	"May 19 th , 2017"	Valid From:	May 24 th , 2017
		Valid To:	September 13 th , 2017
Subject:	"Ontario Fair Hydro Plan (OFHP) – HST Treatment"		
Reason For Change:	"Update the HST guide with the OFHP charge types and its HST treatment, as a result of the Ontario Fair Hydro Plan Act, 2017"		

Part 2 – General Information

Description of Change

The information following will be included in a revision of the affected document, on or about the 'valid to' date provided in Part 1.

See Attachment A – HST Guide for IESO Transaction

Attachment A

8.28 Ontario Electricity Support Program

Through the Ontario Fair Hydro Plan (OFHP), the Ministry of Energy will lower electricity bills for residential customers, consumers, small businesses and farms. Effective May 1, 2017, savings from shifting the Ontario Electricity Support Program (OESP) costs from ratepayers to provincial revenues will be implemented under the Pursuant to certain legislative amendments that will result if and when the *Ontario Fair Hydro Plan Act, 2017* comes into force, the Ontario Electricity Support Program (OESP) will no longer be funded by consumers, but instead will be funded out of money appropriated by the Legislature after the variance account maintained by the IESO is exhausted. As before, Once the *Ontario Fair Hydro Plan Act, 2017* comes into force, the OESP discount to residential consumers will continue to be settled directly by the respective local distribution companies (LDC) and unit sub-meter providers (USMP), and a CSP or Central Service-service Provider (CSP) will manage the administration of the program. The LDCs, USMPs and CSP are required to continue to submit to the IESO requests for OESP payments to the IESO on a monthly basis via the Settlement Online form.

Commented [SY1]: Is this sentence even needed here? I suggest deleting.

Commented [SY2]: As of May 1, 2017, more people are eligible for OESP and credits have increased by up to 50%. The "shift" from ratepayers to provincial revenues is not effective May 1, instead that is effective when the Fair Hydro Act comes into force.

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Commented [SY3]: Rebate? Credits?

The following *charge type* has been created to settle this program once the *Ontario Fair Hydro Plan Act, 2017* comes into force:

- MOE - Ontario Electricity Support Program Balancing Amount (*charge type 2470*).

Through the MOE - Ontario Electricity Support Program Balancing Amount under *charge type 2470*, the IESO will distribute the OESP payments and collect the funds from the Ministry of Energy and distribute the OESP credits, as per the OFHP.

Commented [SY4]: There's a sentence below this paragraph in the HST guide that says:
"Not recovered from market.. paid directly by MOE".

Not sure if this should be deleted.

Commented [SY5]: Not sure this is correct.

HST Treatment

Charge type 2470 is an amount recovered from the Ministry of Energy and, as such, it is not subject to HST.

Charge type 2470 is an amount paid by the market participants to the IESO under the OESP program and is viewed as a surcharge on the price of electricity and is subject to HST.

Commented [SY6]: Have all charge types in this document been cross-checked against the Charge Type and Equations document?

8.32 Ontario Fair Hydro Plan Act

The *Ontario Fair Hydro Plan Act, 2017* would, if passed, Through the Ontario Fair Hydro Plan (OFHP) the Ministry of Energy will lower electricity bills on an after-tax basis by 25% for residential ~~customers~~ consumers, small businesses and farms. The 25% ~~relief~~ reduction measure includes the 8% rebate already in effect from January 1, 2017 under the *Ontario Rebate for Electricity Consumers Act, 2016* (Ontario Regulation O. Reg. 363/16), as outlined in section 8.31.

The following *charge types* have been created to settle this program ~~once the Ontario Fair Hydro Plan Act, 2017 comes into force:~~

- Ontario Fair Hydro Plan Eligible Consumer Discount Settlement Amount (*charge type* 1142); and
- Ontario Fair Hydro Plan Eligible Consumer Discount Balancing Amount (*charge type* 1192);
- Ontario Fair Hydro Plan Eligible Non-RPP Consumer Discount Settlement Amount (*charge type* 1143); and
- Ontario Fair Hydro Plan Eligible Non-RPP Consumer Discount Balancing Amount (*charge type* 1193).

Effective May 1, 2017, LDCs will submit the new Regulated Price Plan (RPP) OFHP discount amount for eligible consumers. The discount amount will be applied under *charge type* 1142 (Ontario Fair Hydro Plan Eligible Consumer Discount Settlement Amount), and balanced to an IESO variance account under the *charge type* 1192 (Ontario Fair Hydro Plan Eligible Consumer Discount Balancing Amount). In addition, LDCs will submit the OFHP discount amount for non-RPP consumers under *charge type* 1143 (Ontario Fair Hydro Plan Eligible Non-RPP Consumer Discount Settlement Amount), and balanced under the *charge type* 1193 (Ontario Fair Hydro Plan Eligible Non-RPP Consumer Discount Balancing Amount).

HST Treatment

Similar to RPP, *charge type* 1142 is an adjustment, either positive or negative, to the price of electricity sold to Ontario *market participants*. As such, it is subject to HST.

The payment to or from the IESO under *charge type* 1192 is not subject to HST as it is not a payment for a supply.

Similar to the treatment of RPP consumers, *charge type* 1143 is subject to HST.

Similar to the payment to or from IESO for RPP consumers, *charge type* 1193 is not subject to HST.

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Commented [SY7]: LDCs will submit to the IESO?

Commented [SY8]: Is discount the right word?

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Commented [SY9]: Same comment as above. Seems like incomplete sentence.

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Commented [SY10]: Are there words missing? A supply of what?

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