



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

Pursuant to certain legislative amendments that will result if 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. Should the *Ontario Fair Hydro Plan Act, 2017* come into force, the OESP ~~discount to consumers will continue to be settled~~ directly by the respective local distribution companies (LDC) and unit sub-meter providers (USMP), and a central 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 on a monthly basis via a Settlement Online form.

The following *charge type* has been created to settle this Program should the *Ontario Fair Hydro Plan Act, 2017* come 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 collect the funds from the Ministry of Energy and distribute the OESP credits ~~as per the OFHP~~.

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 [SY1]: Rebate? Credits?

Commented [AJ2]: I believe it is a type of discount, since the OESP program establishes special rates for low-income consumers. I could reword to say, "the OESP program will continue to be settled...". This is sufficient as the program is already described in this section, in the previous paragraph (please refer to HST guide).

Commented [SY3R2]: We say "OESP credits" in the 3rd paragraph. So we can say credits, or use the language you suggest above.

Commented [AJ4]: Should I remove "as per the OFHP"

Commented [SY5R4]: Yes, delete.

Commented [AJ6]: I believe it would have been checked by settlements as these Charge Types were provided to me by them. But on my end there was no duplication found when I was creating them in Lawson.

Commented [SY7R6]: Okay.

8.32 Ontario Fair Hydro Plan Act

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

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

- Ontario Fair Hydro Plan Eligible Consumer Discount Settlement Amount (*charge type* 1142);
- 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).

Should the *Ontario Fair Hydro Plan Act, 2017* come into force, Effective May 1, 2017, LDCs will submit to the IESO 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 *charge type* 1192 (Ontario Fair Hydro Plan Eligible Consumer Discount Balancing Amount). In addition, LDCs will submit to the IESO the ~~OFHP 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).

Commented [AJ8]: I can removed this word. I think it still gets the point across without it.

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.

Commented [SY9]: Are there words missing? A supply of what?

Commented [AJ10]: This is consistent with terminology in previous sections

Commented [SY11R10]: Okay.