Message

From: Miriam Heinz [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MIRIAM HEINZ59A]
Sent: 2017-03-03 1:26:48 PM
To: Tam Wagner [/O=IMO/OU=MSX1/cn=Recipients/cn=Tam Trinh]
Subject: RE: Today's Rate Mitigation Announcement

Thanks Tam!

Miriam

From: Tam Wagner
Sent: March 03, 2017 12:52 PM
To: David Barrett; Maia Chase; Phillip Chisulo; Miriam Heinz; Adrian Pye; Hanna Smith
Subject: FW: Today's Rate Mitigation Announcement

FYI – Below is a summary of how yesterday's rate mitigation announcement affects the IESO. As you can see, there are some regulatory and settlement implications to the announcement. I'll keep you posted on these developments.

Cheers,
-Tam-

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As you'll have seen by now, the government announced its rate mitigation plan today – *Ontario's Fair Hydro Plan.*

Here's how the plan impacts the IESO:

- 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 Ministry of Energy forecasts indicate a GA reduction of about $2.5B per year for consumers 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 contracts 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 measure to mitigate rates
    - The backgrounder saying it is "estimated to save at least $200M per year, starting in 2021"