

Message

Sent: 2017-06-22 8:59:38 PM
To: Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]
Subject: RE: IESO reporting of Ontario consumption for the following year (O. Reg. 442/01)

Thanks Michael – That’s helpful. I’ll do a bit more digging but I don’t think we explicitly provide the Ontario demand to the OEB specifically for the purpose of calculating the RPP.

The OEB retains Navigant to provide an “independent market price forecast for the Ontario wholesale electricity market”. From Navigant’s “Ontario Wholesale Electricity Market Price Forecast” (prepared for the purposes of calculating the RPP), Navigant specifies that they use a statistical model of the Ontario electricity market to develop a HOEP forecast. This statistical model was developed using Navigant’s historical database for the Ontario electricity market including, amongst other things, historical electricity demand in Ontario. Navigant then uses some assumptions around demand forecast, supply forecast and fuel prices to underpin their short-term HOEP forecast. The demand forecast that Navigant uses is the demand forecast in our 18-Month Outlook (that they just grab from our website).

In addition, the OEB’s RPP Manual states that “the forecast load shape of RPP consumers is based on historical hourly RPP consumer load data for virtually all Ontario electricity distributors from the OEB’s Cost Allocation Review process (EB-2005-0317). Load shapes change very slowly, so this is a reasonable approximation.”

From: Michael Boll
Sent: June 22, 2017 8:42 PM
To: Tam Wagner
Subject: RE: IESO reporting of Ontario consumption for the following year (O. Reg. 442/01)

Thanks Tam. No problem. The context is the Ministry is drafting a regulation relating to Fair Hydro. As part of the Fair Hydro scheme, the OEB will set a rate to recover the Clean Energy Adjustment (i.e. the amount OPG’s financing entity needs to recover in a 6 month period). In order to determine that rate, much like the OEB does now, it will need to forecast the consumption over the 6 month period of the specified consumers who need to pay the Clean Energy Adjustment. The draft reg currently has the IESO providing the demand forecast for this class of consumers. My understanding is the IESO only forecasts demand in the aggregate for the entire province, not by consumer class.

I’m looking for current language, if it exists, whereby the IESO provides this provincial demand forecast to the OEB. If there isn’t a requirement that is also fine because I think we could also argue this doesn’t need to be put in the regulation.

From: Tam Wagner
Sent: June 22, 2017 7:16 PM
To: Michael Boll
Subject: RE: IESO reporting of Ontario consumption for the following year (O. Reg. 442/01)

Sorry about that – Didn’t get the RPP context with the request. Just to clarify – Are you looking for reporting obligation specifically around the demand forecast for RPP?

From: Michael Boll
Sent: June 22, 2017 5:18 PM
To: Tam Wagner
Cc: Jeannette Briggs; Glenn Zacher (GZacher@stikeman.com)
Subject: RE: IESO reporting of Ontario consumption for the following year (O. Reg. 442/01)

Thanks Tam. That Regulation is for RRRP. Do you know if IESO has any other similar reporting obligation regarding RPP?

Copying Glenn as he is working on amending the draft regulation where this is relevant.

From: Tam Wagner

Sent: June 22, 2017 5:08 PM

To: Michael Boll

Cc: Jeannette Briggs

Subject: IESO reporting of Ontario consumption for the following year (O. Reg. 442/01)

Section 5.(2) of O. Reg. 442/01 – at least 60 days before the end of each calendar year, the IESO shall submit to the Board,

- (a) a forecast of the number of kilowatt hours of electricity that will be withdrawn from the IESO-controlled grid, as determined in accordance with the market rules, for use by consumers in Ontario during the next calendar year; and
- (b) supporting documentation for the forecast.

Hope this helps. Let me know if it's something else that you're looking for.

Cheers,

-Tam-