

Message

From: Terry Young [/O=IMO/OU=MSX1/CN=RECIPIENTS/CN=TERRY YOUNG]
Sent: 2017-03-02 5:47:19 PM
To: Andrew Dow [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dowa]; Chuck Farmer [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Chuck Farmerfa1]
CC: Jordan Penic [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Penicj]
Subject: RE: Rate Mitigation Announcement

No concerns.

From: Andrew Dow
Sent: March 02, 2017 2:39 PM
To: Terry Young; Chuck Farmer
Cc: Jordan Penic
Subject: Rate Mitigation Announcement

Hi Terry, Chuck—here's a summary of today's announcement we propose sending to ELT. Let us know if any concerns.

Hello,

The government announced its rate mitigation plan today – *Ontario's Fair Hydro Plan* – and the IESO (Kim Marshall) participated in today's technical briefing for media.

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 this will be about \$2.5B per year 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"

Further information can be found in the government's media materials, attached.

Andrew

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