

Message

From: Jordan Penic [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=PENICJ]
Sent: 2017-03-01 5:14:39 PM
To: Andrew Dow [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Dowa]
Subject: FW: Market Renewal Benefits Case
Attachments: 2017-03-01 IESO Market Renewal Report Draft_clean.pdf

From: Jordan Penic
Sent: March 01, 2017 5:10 PM
To: Cayley, Daniel (ENERGY)
Subject: Market Renewal Benefits Case

Daniel,

Attached is the almost complete 2nd draft benefits case for Market Renewal. One minor section will be added tomorrow morning but the benefits communicated in the report will not change.

Note that the net benefit has changed marginally since the initial findings were published in December, with total efficiency benefits over the study period now \$3.4 B rather than \$3.5 B.

Regarding the bullet in the news release, "Changes related to IESO's market renewal initiatives are estimated to save at least \$200 million per year, starting in 2021", here are two considerations for you.

- 1) It is unclear what is meant by "save", it is true that in the base case efficiency benefits will exceed \$200 M in 2021 and grow from there. However, if this is meant to illustrate customer benefits that figure is not accurate (gross customer benefits are in the range of \$180 million and net benefits are more like \$150 M – this is the estimation of the consumers' share of the total efficiency benefits)
- 2) The statement reads "at least" – the benefits case assesses high, base, and low case benefits. In the low case, the efficiency benefits are less than \$200 M in 2021 (roughly \$180 gross and \$150 net) and again the consumers' share of the benefits is a portion of the efficiency total.

This will be posted publicly on the IESO website early next week for stakeholder comment. The final report is still intended for end of March.

Cheers,

Jordan

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