

Message

From: Jordan Penic [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=PENICJ]
Sent: 2017-03-02 8:47:30 PM
To: Tam Wagner [/O=IMO/OU=MSX1/cn=Recipients/cn=Tam Trinh]
Subject: FW: Today's Rate Mitigation Announcement
Attachments: Backgrounder - Energy Sector Efficiencies - March 2 2017.pdf; Backgrounder - Previous Actions to Reduce Energy Costs - March 2 2017.pdf; Backgrounder - Refinancing the Global Adjustment - March 2 2017.pdf; News Release - Fair Hydro Plan - March 2 2017.pdf; 02 03 17 Premier Kathleen Wynne Hydro Statement Media Copy.pdf; Backgrounder - Enhancing Electricity Support and Conservation Programs -....pdf

From: Andrew Dow
Sent: March 02, 2017 8:47 PM
To: Bruce Campbell; Kim Marshall; Michael Lyle; Terry Young; JoAnne Butler; Leonard Kula; Doug Thomas
Cc: Jordan Penic; Chuck Farmer; Mary Bernard; Reena Goyal; Glenna Ford; Anthy Lovachis
Subject: Today's Rate Mitigation Announcement

Hi,

As you'll have seen by now, the government announced its rate mitigation plan today – *Ontario's Fair Hydro Plan*. The IESO (Kim Marshall) participated in today's technical briefing for media and briefly spoke to the IESO's role in refinancing the global adjustment.

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"

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

Andrew

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