

Message

From: Andrew Dow [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DOWA]
Sent: 2017-03-16 1:07:39 PM
To: Heimpel, Mitch [mitch.heimpel@pc.ola.org]
Subject: RE: Response to Your Letter

Hi Mitch,

Here are answers to your questions, as well as some background information to provide some context:

There are IESO Class A customers and there are local distribution company (LDC) Class A customers. The IESO's customers are those who are connected to the higher-voltage transmission grid, while LDC customers are connected to the distribution grid. Generally speaking, the IESO's customers are larger consumers with higher peak demands than LDC customers.

Customers who have a peak demand of over 5 MW are automatically included in the ICI program and have the option to opt-out. Eligible customers under 5 MW must opt-in if they wish to participate.

(1) How much load is represented by companies registered in the new ICI program (above 0.5 MW demand level).

The proposed ICI regulatory amendments would lower the minimum threshold from 1MW to 0.5MW for certain consumer groups and would require these new consumers to opt-in if they wish to participate. Since the regulation has not been finalized there has been no registration. However, if the proposed regulation is approved, the IESO expects almost all registrations to occur with LDCs. In fact, there may be no IESO customers who have an average monthly peak demand that low.

As you may be aware, the proposed regulatory change is now posted on the Regulatory Registry for public feedback: <http://www.ontariocanada.com/registry/view.do?postingId=23851&language=en>.

(2) How much is the GA reduction for the Class A ICI group.

Class A customers pay Global Adjustment (GA) based on their percentage contribution to the top five peak Ontario demand hours over a historical 12-month period. For example, if a consumer was responsible for 0.0001% of demand during the five peak demand hours over a 12-month period, they would then pay 0.0001% of the total monthly Global Adjustment amount going forward until they are re-assessed at the next annual interval. Since the amount of GA paid is based on a consumer's own consumption, the amount paid by each consumer varies. You can find the average Class A rate on page 11 of the Ontario Energy Report: https://www.ontarioenergyreport.ca/pdfs/5993_IESO_Q3OER2016_Electricity_EN.pdf.

As the system operator, we're also pleased to note that the ICI program reduced peak demand by about 1,200 MW in 2016. Reducing peak demand puts downward pressure on costs by allowing the IESO to avoid using higher-priced energy—Ontario's energy needs are met through the electricity market, where resources are chosen from lowest-cost and up until demand is met.

You can find more information about the Global Adjustment here: <http://www.ieso.ca/learn/electricity-pricing/what-is-global-adjustment>.

In addition, our ICI backgrounder provides detail about how Class A customers pay Global Adjustment: <http://www.ieso.ca/-/media/files/ieso/document-library/global-adjustment/ici-backgrounder.pdf?la=en>.

Let me know if you have any questions.

Andrew

Andrew Dow | Analyst, Government Affairs and Issues Management
Independent Electricity System Operator (IESO) | T: (416) 506-2827

From: Heimpel, Mitch [mailto:mitch.heimpel@pc.ola.org]
Sent: March 14, 2017 12:34 PM
To: Andrew Dow
Subject: RE: Response to Your Letter

*** EXTERNAL email. Please be cautious and evaluate before you click on links, open attachments, or provide credentials. ***

Hi Andrew,

We're going to need details on the ICI, including the planned expansion.

In specific, an answer to the following two questions prior to the 27th would be extraordinarily helpful in informing the discussion:

- (1) How much load is represented by companies registered in the new ICI program (above 0.5 MW demand level).
- (2) How much is the GA reduction for the Class A ICI group.

Thanks!

Sincerely,

Mitch Heimpel

Mitch Heimpel
Executive Assistant
Todd Smith, MPP
Prince Edward-Hastings
(t): 416 325 2702
(t): 416 524 8682
Mitch.heimpel@pc.ola.org

From: Andrew Dow [mailto:Andrew.Dow@ieso.ca]
Sent: March-14-17 10:25 AM
To: Heimpel, Mitch
Subject: RE: Response to Your Letter

Hi Mitch,

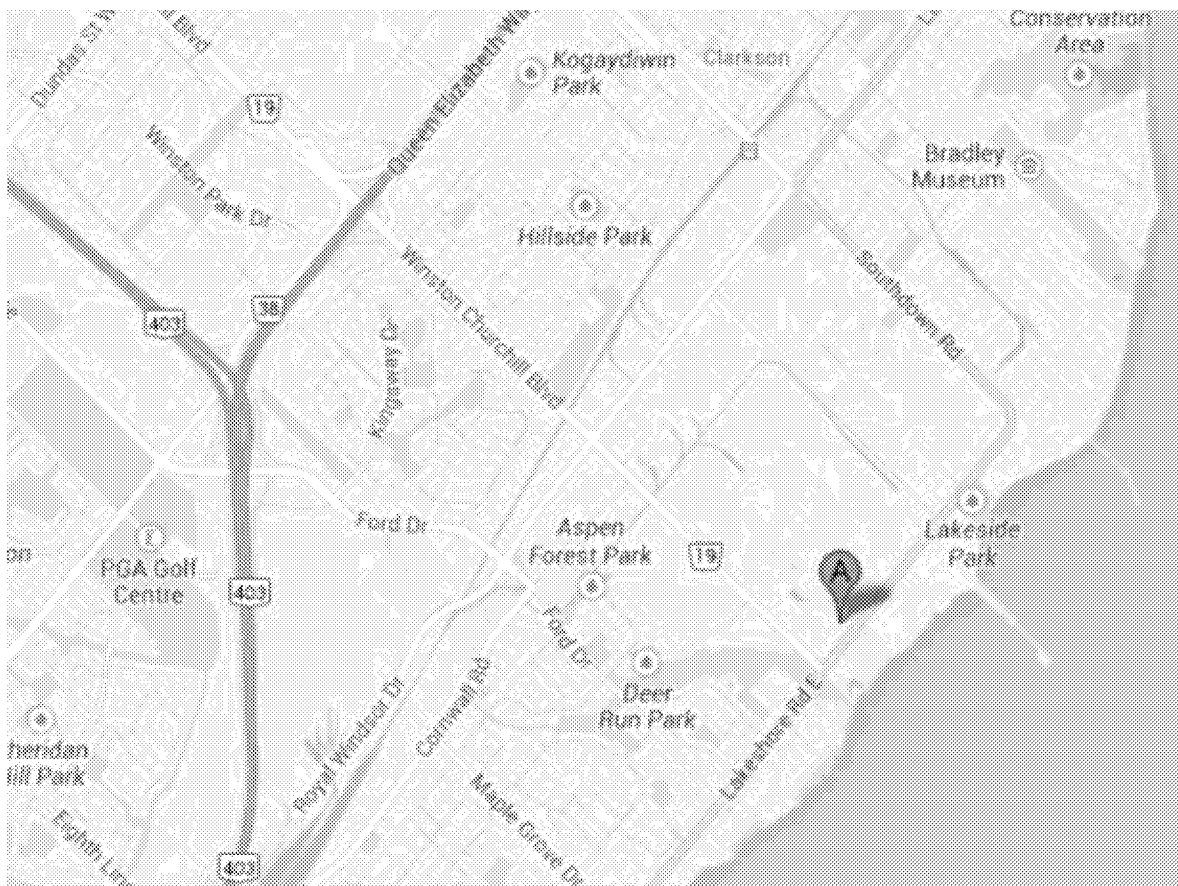
I can help coordinate any details from here on out. For the tour, if this works for you, we'll give a presentation about the IESO and some of our current initiatives (~45min) followed by a tour of our control room where we operate the provincial power grid (~45min). All-in-all we recommend about two hours for the visit. If Mr. Smith is interested in

learning about any particular topics, please let us know and we can build it into our presentation or be prepared to discuss them.

The IESO's Mississauga facility is located at **2635 Lakeshore Road West** in Mississauga. When you arrive at the gate, please press the intercom button and let security know who you are – they should be expecting you. **Please be prepared to show a piece of government-issued photo ID to gain access to the building.**

DIRECTIONS:

- QEW to Winston Churchill Boulevard exit in Mississauga.
- Turn South on Winston Churchill.
- It ends on Lakeshore Road West.
- Turn left on Lakeshore Road West
- Enter at the facility's 2nd driveway on your left (east entrance).



Andrew Dow | Analyst, Government Affairs and Issues Management
Independent Electricity System Operator (IESO) | T: (416) 506-2827

From: Heimpel, Mitch [<mailto:mitch.heimpel@pc.ola.org>]
Sent: March 14, 2017 10:05 AM
To: Lorraine Turnevicius
Subject: RE: Response to Your Letter

Lorraine,

10am will work. Address for the control centre?

Sincerely,

Mitch Heimpel

Mitch Heimpel
Executive Assistant
Todd Smith, MPP
Prince Edward-Hastings
(t): 416 325 2702
(t): 416 524 8682
Mitch.heimpel@pc.ola.org

From: Lorraine Turnevicius [<mailto:lorraine.turnevicius@ieso.ca>]
Sent: March-14-17 10:01 AM
To: Heimpel, Mitch
Subject: RE: Response to Your Letter

How about 10am?

Lorraine

From: Heimpel, Mitch [<mailto:mitch.heimpel@pc.ola.org>]
Sent: March 14, 2017 9:56 AM
To: Lorraine Turnevicius
Subject: RE: Response to Your Letter

Hi Lorraine,

March 27th am works. What time?

Sincerely,

Mitch Heimpel

Mitch Heimpel
Executive Assistant
Todd Smith, MPP
Prince Edward-Hastings
(t): 416 325 2702
(t): 416 524 8682
Mitch.heimpel@pc.ola.org

From: Lorraine Turnevicius [<mailto:lorraine.turnevicius@ieso.ca>]
Sent: March-14-17 9:54 AM
To: Heimpel, Mitch

Cc: Kimberly Veeneman; Liz Doherty; Andrew Dow
Subject: RE: Response to Your Letter

Hello Mitch:

We have Monday, March 27th, a.m. or Tuesday, April 4th p.m. available for the tour of our control centre. Mr. Terry Young-VP, Conservation & Corporate Relations and Mr. Leonard Kula-VP, Market & System Operations & COO would meet with Mr. Smith – please advise if either of these dates would work.

Regards,
Lorraine

Lorraine Turnevicius | Executive Assistant to Bruce Campbell

Independent Electricity System Operator (IESO) | T: (416) 506-2835

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Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](#) | LinkedIn: [saveONenergy](#)

From: Smith, Todd [<mailto:todd.smith@pc.ola.org>]

Sent: March 07, 2017 11:32 AM

To: Lorraine Turnevicius

Subject: Response to Your Letter

Hi Lorraine,

My name is Mitch Heimpel and I'm Todd Smith's Executive Assistant.

Mr. Smith would like to thank Mr. Campbell for his warm letter of congratulations and take him up on his offer to tour the control centre in Mississauga.

We're looking at the last week of March and April currently in Mr. Smith's schedule. Mondays and Tuesdays are best. Hopefully you and I will be able to set up a mutually agreeable time to meet.

Sincerely,

Mitch Heimpel

Mitch Heimpel
Executive Assistant
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Mitch.heimpel@pc.ola.org

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