

Donna Kinapen

From: Donna Kinapen
Sent: March 3, 2017 12:10 PM
To: Beare, Michael (ENERGY) (Michael.Beare@ontario.ca)
Cc: brett.smith@ontario.ca; Singh, Inayat (ENERGY) (Inayat.Singh2@ontario.ca)
Subject: FW: OESP funding flows

Hi Michael.

- The IESO charges all market participants that draw electricity from the IESO-controlled grid (e.g. LDCs and direct transmission connected customers) the OEB's approved OESP charge of \$0.0011 per kWh as part of the monthly settlement process.
- The OESP charge (same amount) is then passed on through LDCs as part of the Regulatory Charges line item on the bill for all distributor accounts (and passed on again by USMPs to their customers).
- To recoup credit amounts paid out to OESP recipients, both LDCs and USMPs submit the amount paid out to the IESO monthly for settlement. The IESO holds the variance account.
- With respect to the OEB's costs, we invoice the IESO for administrative costs of, and incidental to, the ongoing operations of the OESP
- ICF settles directly with the IESO following OEB sign-off of the ICF itemized invoice
- Retailers are not involved in the collection of the charge or providing credits (all retailer customers are billed by the utility)

Thanks, Donna

From: Beare, Michael (ENERGY) (<mailto:Michael.Beare@ontario.ca>)
Sent: March-02-17 6:12 PM
To: Donna Kinapen
Cc: Smith, Brett (ENERGY); Singh, Inayat (ENERGY)
Subject: OESP funding flows

Hi Donna,

We would benefit from better understanding how funding flows for the OESP.

My understanding is that all accounts are charged the \$0.0011/ kWh, which LDCs collect on behalf of the IESO.

I assume each month, LDCs are compensated by the IESO for OESP credits paid out.

Any over collection of the OESP is then sent by the IESO to the OEB variance account on a monthly basis.

Is this correct?

How is OEB compensated for OESP administrative costs?

Could you please advise how USMPs are treated? Is it the same as LDCs?

Could you also please advise how retailers are treated? Are payments made to any of them?

Thanks,

Michael

Michael Beare
Senior Policy Advisor
Ministry of Energy
Strategic, Network and Agency Policy Division
Distribution and Agency Policy Branch
Distribution and Grid Modernization
77 Grenville St, 6th Floor
Toronto, ON M7A 2C1
Tel: 416-327-5313
E-mail: michael.beare@ontario.ca