

Global Adjustment Deferral Webinar May 8, 2020 Responses to webinar participant questions

The IESO presented an overview of Global Adjustment (GA) deferral for stakeholders via webinar on May 8. The table below contains stakeholders' questions and IESO responses on this topic. Some questions were edited to remain concise.

Question	Response
So essentially is this saying the GA 1st estimate should stay at 137 for April and then 93 for May- this then averages to 115 for the customer over the 2 months?	The Class B 1st estimate for April 2020 was set prior to the government's announcement. A lower 1st estimate rate of \$92.93/MWh for May 2020 has been calculated to offset the higher April rate for these customers.
Will we get a copy of this presentation?	The webinar presentation is posted on the LDC extranet and on the IESO public website http://www.ieso.ca/Sector-Participants/Settlements/Global-Adjustment-Class-A-Eligibility under Resources Available for LDCs.
Can you clarify if LDCs will be charged the actual unadjusted GA rate or the adjusted rate for RPP customers?	The GA deferral is applicable to all non-RPP Class B market participants and consumers who pay GA. The unadjusted rate (i.e. \$115/MWh) should be used for non-RPP customers only. For additional guidance on RPP vs non-RPP, please consult with the OEB.

Question	Response
<p>If an LDC bills Class B GA on the 1st estimate for April and May, would they continue to bill using the 1st estimate in June, July and so on, i.e. no change to using a different estimate method for any of the following months?</p>	<p>Please continue with your billing practices. If you are using the 1st estimate to bill customers, please continue with this practice. If you have further questions about the billing practices due to this Emergency Order, please consult the OEB.</p>
<p>Page 11 of the presentation, are we submitting this calculation on June 4th for the month of May? If not, what data is the IESO using to calculate this adjustment?</p>	<p>Yes - the RPP submissions made within the first 4 business days of the month will be for the previous month (i.e. first 4 business days of June RPP values will be submitted for the month of May). Applicable forms are (1) Regulated Price Plan vs Market Price - Variance for Conventional Meters and (2) Regulated Price Plan vs Market Price - Variance for Smart Meters. The IESO will use these submitted values in the calculation of the 'non-RPP Class B MWh'. See definition on IESO webinar slide 7.</p>
<p>Slide 11 – Is RPP Class B mWh to still be invoiced at the “unadjusted” GA rate within CT148? Is RPP settlement therefore to also be done using the “unadjusted” GA rate?</p>	<p>The GA deferral is applicable to all non-RPP Class B market participants and consumers who pay GA. The unadjusted rate (i.e. \$115/MWh) should be used for non-RPP customers only. For additional guidance on RPP vs non-RPP, please consult with the OEB.</p>
<p>Are the GA offsets for CT147 and CT148 shown on the IESO invoice or can they only been seen on the daily settlement statements?</p>	<p>See IESO webinar slides 11 and 13. The preliminary settlement statement will show each settlement amount separately on the month-end PSS. The invoice will show one aggregated amount for CT147 and CT148.</p>

Question	Response
<p>Please confirm that the class A GA charge showing on May IESO Invoice is adjusted Class A GA or unadjusted Class A GA. How about April IESO Invoice?</p>	<p>The May invoice is for trade dates April 1-April 30. The amount invoiced for Class A (CT147) will include the unadjusted charge and the Class A deferral amount. Refer to IESO webinar slide 13. The April invoice was for trade dates March 1-March 31 and will only reflect the unadjusted Class A charge.</p>
<p>Is the net Class A GA CT 147 in adjusted \$ on the IESO invoice? Why wouldn't LDCs just use the adjusted CT 147 and apply the customer's pdf (same as today). What is the reason we would use the deferral adjustment ratio?</p> <p>Will the IESO be amending our Class A GA cost on our invoice to account for the adjustments to the Class A customers?</p>	<p>The April, May and June invoices will have the net GA charges for both Class A (CT147) and Class B (CT148). Market participants will see two records on their month-end preliminary settlement statement (refer to the webinar slide 11 (Class B) and slide 13 (Class A): 'DP' record type for the unadjusted Class A/B charge and an 'MP' record type for the Class A deferral amount or Non-RPP Class B deferral amount.</p> <p>The deferral adjustment ratio is the ratio between the adjusted non-RPP Class B dollars and the unadjusted total non-RPP Class B dollars for a given month. This is the reduction that Class B non-RPP and Class A receive for the same settlement month (refer to webinar slide 7). LDC's using 2nd estimate GA Total to bill Class A customers must include the deferral adjustment ratio into their billing calculation on a subsequent bill to pass along the deferral calculation (refer to webinar slide 17).</p>

Questions Referred to the Ministry of Energy, Northern Development and Mines (ENDM)

Question	ENDM Response
<p>How [would] deferred GA costs will be recovered over a 12-month period in 2021?</p>	<p>Subject to the approval of proposed regulatory amendments, deferred Global Adjustment (GA) charges would be recovered over a 12-month period beginning in January 2021. Interest costs related to the deferral would not be recovered from consumers.</p> <p>Subject to regulatory approvals, during the recovery period industrial (i.e., Class A) and commercial (i.e., Class B) electricity consumers would see increased costs reflecting the amounts being recovered.</p> <p>The deferred costs would be recovered from Class B consumers volumetrically and from Class A consumers according to their share of Ontario demand in the five highest demand hours in the base period.</p>
<p>In Jan 2021 the deferral will be recouped for next 12 months, what effect will that have for customers that transition from Class A to B during the period starting July 2010?</p>	<p>Such a consumer would receive the deferral based on their peak demand factor during the May to June 2020 period.</p> <p>Should a consumer decide to become Class B as of July 1, 2020, subject to regulatory approval, it would pay back deferred costs volumetrically in 2021.</p>
<p>What happens if an ICI Class A customer does not opt-in for the ICI program period 2021-2021 but have received the benefit in April 2020 and May 2020?</p>	

<p>The Emergency Order stated that this only applies to Commercial and Industrial customers. Has this been amended to include residential and GS<50 retailer enrolled customers?</p>	<p>Business and residential consumers on retail contracts will benefit from the deferral of Global Adjustment (GA) costs, as these consumers are billed GA volumetrically as a separate line item on bills.</p> <p>Subject to regulatory approval, they would see increased costs during the recovery period starting in January 2021.</p>
<p>Will overages for each individual customer, Class A and Class B, be tracked, and will each customer pay back their own specific overage starting in January 2021 (i.e., there will be no cross subsidization)?</p>	<p>ENDM is proposing that the IESO would record the total dollar amount of the Global Adjustment (GA) deferral.</p> <p>Subject to regulatory approval, in 2021, recovery of deferred costs would result in increased costs for consumers.</p> <p>Each non-Regulated Price Plan (RPP) Class B consumer's share of deferred GA costs would depend on their consumption throughout 2021.</p> <p>Each Class A consumer's share of the total amount recovered would depend on their share of peak demand in the two base periods that determine Class A GA costs in calendar year 2021.</p>

Questions Referred to the Ontario Energy Board

Distributors are referred to the guidance on implementing the Emergency Order [provided by the OEB](#) on May 15, 2020 (as corrected May 26, 2020).

Questions:

Will we have to file this calculated through the settlement process on June 4th?

Will there be any additional forms and values to complete and file for settlement on June 4th, or is this a deferral amount that just stays on our books for now.

If LDCs are charged the unadjusted rate will they be given the opportunity to resubmit 1598 amounts for April which were based on the adjusted amount?

For individual customer bills, IESO direct connect and LDCs, will a specific \$\$\$ amount be shown as deferred to 2021 for accounting purposes?

LDCs submit estimated splits of RPP and non-RPP on the 4th business day. Will there be a true up for LDC non-RPP load page 11?

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