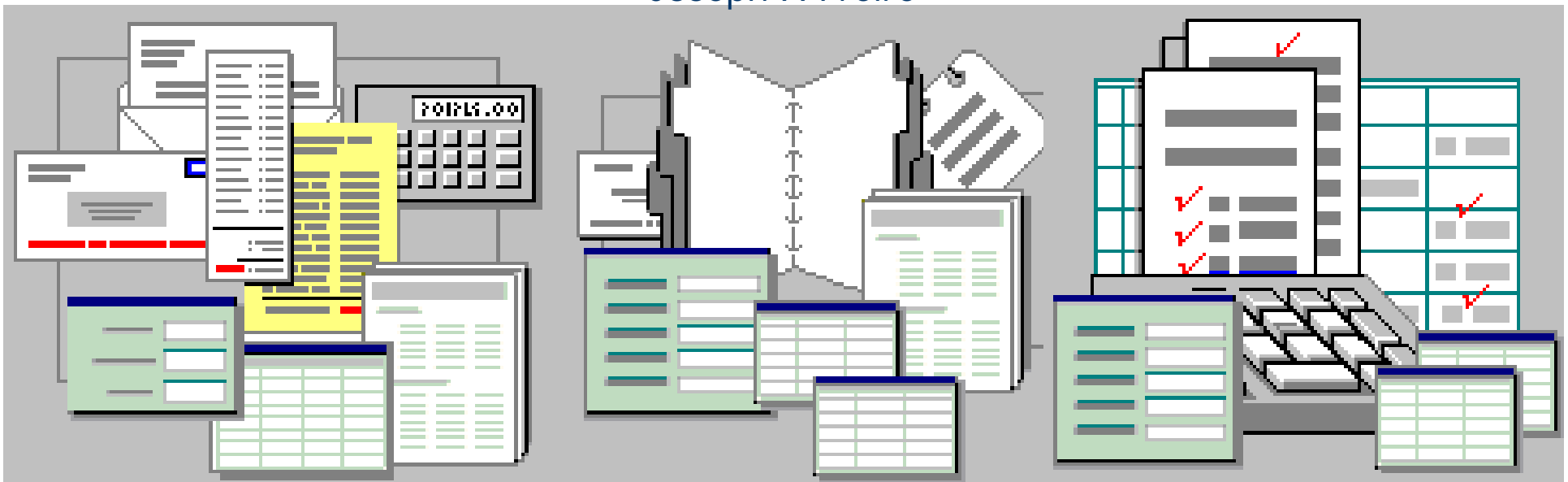


Bill 100 – Electricity Restructuring Act 2004

IMO Settlements Impact November 19, 2004

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Bill 100

- Bill 100 expected to become law later this year and take effect Jan/2005
- Bill 210 and Bill 4 submissions will end.

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- Bill 210 / Bill 4 True-ups are expected to continue for some time

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Proposed Changes to Electricity Regulations








The Ministry of Energy has posted the first set of consultation materials related to regulations which are proposed to be made under Bill 100, the "Electricity Restructuring Act, 2004", should it be passed by the Legislature.

These drafts are being made available for early consultation with interested parties and may be accessed here for review. We encourage interested parties to check this page on a regular basis as we continue to develop and post further consultation documents over the coming weeks.

The Ministry invites comments on these materials which may be directed to us using the form below.

Please identify a contact name and / or the name of your organization in your response.

The Documents

- [Adjustments Re Section 25.31 of The Act](#) 
- [Payments Re Section 25.31 of The Act](#) 
- [Payments Re Section 25.32 of The Act](#) 
- [Advisory Committee](#) 
- [Ontario Power Authority Procurement Processes](#) 
- [Integrated Power System Plan](#) 
- [Prescribed Generators and Facilities re: Section 78.1 of the \(Ontario Energy Board\) Act](#) 

Please submit your comments using the form below. All fields are required.

Bill 100 – Draft Regulations

- 4 Settlements related Draft Regulations posted on Ministry website
 - Adjustments Re Section 25.31 of The Act
 - Payments Re Section 25.31 of The Act
 - Payments Re Section 25.32 of The Act
 - Prescribed Generators and Facilities re: Section 78.1 of the (Ontario Energy Board) Act

Adjustments Re Section 25.31 of The Act

- Establishes an allocation mechanism for refunding/recovering the
 - adjustment for OPG regulated baseload generation
 - NUG adjustment
 - RFP payments (300 MW renewable, 2500 MW of new clean generation and demand side projects)
- Known as the “Global Adjustment”



Adjustments Re Section 25.31 of The Act

- Global Adjustment for the month is allocated to all MPs
- Feedback from LDCs indicates that a monthly Global Adjustment is not easy to allocate to non calendar month billed consumers
- May need to generate a daily estimate of the Global Adjustment for LDC use

Payments Re Section 25.31 of The Act

- Describes the process for calculating adjustment for LV & DC relative to RPP
 - For distributors [RPP – (HOEP+GA)]
 - For retailers using retailer-consolidated billing [RPP – payments required by the retail settlement code]

Payments Re Section 25.32 of The Act

- Describes the process for calculating adjustment for LV & DC relative to Contract amount
 - For retailers using distributor-consolidated billing
 - payments required by the retail settlement code
 - For retailers using retailer-consolidated billing – adjustment is [Contract – payments required by the retail settlement code]

Prescribed Generators and Facilities re: Section 78.1 of the (Ontario Energy Board) Act

- Prescribed generators are Pickering, Darlington, Sir Adam Beck, R H Saunders and DeCew
- Regulation is not clear on calculation methodology



LDC submissions to IMO

- GOAL – try to keep processes the same if possible and follow existing procedures
- Maintain existing timelines for submissions from LDCs ie. 4BD after month end



Information Required

- Difference between regulated prices that low volume and designated consumers pay (currently 4.7 and 5.5) and the cost of power to the LDC (market price plus global adjustment)
- Payments re participating retailers using DCB
- Payments re participating retailers using RCB
- Volume of electricity supplied by embedded generators
 - actual for prior month and daily forecast for current month

New Charge Types

- will need new charge types to implement Bill 100.
 - LDC monthly submission amounts for RPP
 - Equivalent to existing charge type 140
 - Will commence with the submission for January if Bill is passed before year end
 - 4 BD after January month end
 - OPA Fee

New Charge Types (cont'd)

- Regulated OPG Generation adjustment
- NUG contract adjustment
- 2500 MW RFP Payments
- Renewable 300 MW RFP Payments
- Global Adjustment Allocation



Summary

- Bill 100 and posted draft regulations expected to become law later this year and take effect Jan/2005
- Settlement statements will include additional charge types
- Distributor reporting requirements will change minimally
- As soon as new information becomes available market participants will be notified