

Global Adjustment Deferral for Companies - Questions and Answers

Q1. What is the Government of Ontario doing and why?

Ontario is deferring a portion of Global Adjustment (GA) charges for industrial and commercial electricity consumers that do not participate in the Regulated Price Plan (RPP), starting from April 2020. The government intends to keep this relief in place to the end of June 2020, subject to necessary extensions and approvals to implement this initiative

The GA rate for smaller industrial and commercial consumers (i.e., Class B) will be set at \$115 per megawatt-hour, which is roughly in line with the March 2020 value. Large industrial and commercial consumers (i.e., Class A) will receive the same percentage reduction in GA charges as Class B consumers.

This will provide immediate financial support for companies when they need it most: as they do their part to contain COVID-19 and as they prepare to help get our economy moving again.

Q2. Who will benefit?

Ontario anticipates that more than 50,000 industrial (typically Class A) and commercial (typically Class B) electricity consumers will benefit from this relief.

Subject to necessary extensions and approvals to implement this initiative, these consumers would be protected from a marked increase in GA cost caused by the low demand during the COVID-19 outbreak for the months of April, May and June 2020.

Q3. Will consumers be expected to pay back the temporary relief at a later date?

Yes, in 2021, Class A and Class B consumers would see an increase in their Global Adjustment (GA) costs over a 12-month period.

The government intends to propose regulatory amendments (together with other amendments as necessary) to O. Reg. 429/04 made under the Electricity Act, 1998 in May 2020. If approved, these proposed amendments would allow the Independent Electricity System Operator (IESO) to recover the deferred GA charges over a 12-month period beginning in January 2021. Interest costs related to the deferral would not be recovered from consumers.



Q4. Why is this relief only being provided temporarily?

These are temporary relief measures intended to provide immediate financial support for companies when they need it most: as they do their part to contain COVID-19 and as they prepare to help get our economy moving again.

Q5. My company has already been billed for April based on an estimated GA rate. Will I get a rebate?

You will receive an adjustment on a future bill. Please contact Elexicon Energy at 905-420-8440 or 1-888-420-0070 during business hours – Monday to Friday, 8:30 a.m. to 4:30 p.m, excluding holidays.