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IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee
Date: February 4, 2009
Subject: **Public Sector Readiness for market pricing on May 1, 2009**

Information Item

Effective May 1, 2009 Ontario's public sector including municipalities, universities and colleges, schools, hospitals and other designated consumers (with accounts that use more than 50 kilowatts in demand or consume more than 250,000 kilowatt hours) will move from paying the regulated price plan (RPP) to the market price.

Current Situation

With the majority of their consumption being billed at the higher tiered RPP rate, most of these consumers have opted out of the RPP in advance of May 1 to save up to 20 per cent on their commodity costs. The status is as follows:

- Municipalities
 - Over 10 per cent of 445 municipalities are currently off RPP, representing over half of the total electricity consumption (smaller municipalities do not have interval meters and currently need contracts to exit RPP)
- Universities and Colleges
 - 42 out of 43 institutions (24 colleges and 19 universities) are off the RPP
- Schools
 - 58 out of 72 school boards have opted out
- Hospitals
 - Over 80 per cent of the 152 hospitals have opted out

The other 'designated' customers are a diverse and varied group that spans almost three pages of regulation. Identifying and tracking this group is challenging. Work will continue with local distribution companies in order to reach these customers.

Outreach Efforts

The IESO has notified all municipalities, universities and colleges, schools, hospitals and long term care facilities of the change on May 1 and the benefits associated with this move through the following communication products:

- Direct mail and emails to municipalities, universities and colleges, school boards, hospitals and long term care facilities.
- Publications - municipalities brochure, profiles, fact sheets, public sector calendar.
- Advertising and articles.
- Participation at over 30 sector conferences and trade shows.
- Co-hosting over 20 workshops for municipalities about managing electricity costs.
- Research and surveys with municipalities (hospitals and seniors homes underway).

The IESO will continue its outreach efforts for the first half of this year with a focus on municipal and healthcare customers.