MARKET SURVEILLANCE ADMINISTRATOR

NOTICE TO MARKET PARTICIPANTS AND STAKEHOLDERS

April 7, 2025

RE: Summaries of RoLR Stakeholder Consultation Technical Sessions

BACKGROUND

On March 21, 2025, the MSA posted a notice amending the deadline for stakeholders to comment on the MSA's Draft of the Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation (Draft Parameters) and the draft Appendix C Data Submissions Workbook (Data Submissions Workbook).[1] The MSA also offered technical sessions to RoLR providers and held technical sessions with all RoLR providers who requested one.

MSA SUMMARIES OF TECHNICAL SESSIONS

Technical sessions with RoLR providers were held on April 1, 2025. Attendees' questions and the MSA's responses in all technical sessions are summarized below. Some questions have been omitted or generalized to maintain the confidentiality of owners (RoLR providers), energy price setting plans (EPSPs), and attendees. RoLR providers in attendance in any session are referred to as "the attendees".

Prior to answering questions from RoLR providers in technical sessions, the MSA explained the purpose of the consultation is to seek input from stakeholders on the MSA's financial performance parameters, and that in particular the MSA is seeking input from RoLR providers so they can tell the MSA about their business and what information can be collected from them to make the MSA's parameters workable.

At various points in all technical sessions, attendees made recommendations and provided feedback to the MSA; these recommendations and feedback have been included in the questions summarized below. The MSA is interested in receiving written comments from RoLR providers pertaining to their recommendations and feedback by the April 11, 2025 stakeholder comment deadline. The MSA is open to revising the Draft Parameters based on the recommendations and feedback of stakeholders.

Draft parameters questions

MSA considerations when developing the Draft Parameters

<u>Attendees asked about the purpose of the rate reopener and the impact of different EPSP constructs on the MSA's Draft Parameters.</u>

[1] Notice Re: RoLR Stakeholder Consultation Timeline Amendments.

The MSA's position is that the rate reopener is intended to provide a mechanism to adjust RoLR energy charges in cases where a RoLR provider's financial performance is significantly impacted by a change in the market for which it was not compensated ex-ante by its approved risk margin. The MSA does not view the purpose of the rate reopener to be to ensure the reasonable return approved by the Regulatory Authority is maintained throughout the RoLR rate term. The MSA's Draft Parameters were developed and set in accordance with the *Rate of Last Resort Regulation* AR 262/2005 (Regulation) and its understanding of differences in EPSPs between RoLR providers.

The Draft Parameters reflect the minimum requirements for EPSPs set in the Regulation. Namely, the requirement to set a two-year energy charge, the requirement to have a just and reasonable risk margin, and the allowance for a reasonable return. The MSA's assessment of RoLR providers' financial performance is intended to be consistent across RoLR providers, accounting for the fact that RoLR providers have different EPSPs. The specific regulated rate tariff (RRT) and EPSP approved by each RoLR provider's Regulatory Authority should not make a rate reopener proceeding more or less likely.

The MSA accounts for different EPSP constructs in how the parameters will be implemented when assessing financial performance for each RoLR provider. This is reflected in the varying data requirements for revenue and cost submissions listed in sections 2.1 and 2.2 of the Draft Parameters. The varying data requirements ensure comparable measures of financial performance can be created for each RoLR provider that are not systemically biased for some RoLR providers because of a particular construct in some RoLR providers' EPSPs.

The MSA's consideration of different EPSP constructs is also reflected in the requirement that RoLR providers provide written comments explaining whether they have faced uncompensated risks that are expected to significantly impact their financial performance. This reflects the MSA's understanding that RoLR providers may be exposed to different risks and may receive compensation for different risks under their EPSPs.

<u>Attendees asked if the MSA agreed that the following overarching principles can form the basis for reasonable parameters for financial performance monitoring:</u>

- <u>must identify significant and unexpected changes to the market conditions in place at the time the energy charge calculation methodology was established; and</u>
- <u>must identify through leading indicators the potential for future material changes to the financial performance of RoLR providers as compared to the expectation at the time the energy charge calculation methodology was established.</u>

The intent of the Regulation is for the RoLR energy charge to be set for a two-year term. Significant market changes will occur over a two-year period. RoLR providers receive a reasonable opportunity to recover their costs, including the costs of risk, in exchange for taking on the risk of incurring costs resulting from potential market changes over those two years.

The MSA's responsibility under the Regulation is to assess realized financial performance over the RoLR rate term, because the RoLR energy charge is intended to be fixed for a two-year term.

The MSA's task under the Regulation is to evaluate whether RoLR providers' financial performance is acceptable; it is not to monitor or evaluate whether the assumptions or factors that led to approval of an EPSP have turned out as expected.

<u>Attendees asked if the MSA's assessments of financial performance would involve quantitative and qualitative analysis.</u>

The MSA's parameters involve both quantitative and qualitative methods. The Return on RoLR Costs (ROC) parameter is a quantitative assessment. The Relative Risk Exposure (RRE) parameter involves the qualitative assessment of submissions from RoLR providers and may involve quantitative methods depending on the nature of risks expressed by RoLR providers in these submissions.

<u>Attendees expressed concern that the information presented to Regulatory Authorities be easily understandable so they can make an informed decision on whether to adjust an energy charge or EPSP. Attendees expressed a desire to work with the MSA to develop parameters that could be understood by their Regulatory Authorities.</u>

The MSA is interested in receiving written recommendations from RoLR providers regarding how the MSA's parameters, information requested from RoLR providers, or information provided to Regulatory Authorities may be made more intuitive.

<u>Attendees asked how unacceptable financial performance relates to the obligation to offer regulated rate services over a two-year period.</u>

Whether a RoLR provider's financial performance is unacceptable is in relation to their obligation to offer regulated rate services at a two-year fixed energy charge. Despite an EPSP having an approved return margin and risk margin, a RoLR provider's costs may differ from the approved energy charge. When evaluating whether a RoLR provider's financial performance is unacceptable, the MSA will examine forecast costs of offering the RoLR over the two-year period and will assess risks to establish if a RoLR provider's financial performance differs significantly from what was anticipated by the EPSP.

Circumstances leading to unacceptable financial performance

<u>Attendees asked under what circumstances the MSA would find financial performance to be unacceptable, and the extent to which changes in energy prices could lead to rate reopener proceedings.</u>

At this time, the MSA cannot say what scenarios might lead to any particular RoLR provider being found to have unacceptable financial performance. That assessment will be done in accordance with the parameters that the MSA establishes, created in consultation with the RoLR providers. The MSA cannot engage in hypotheticals.

The MSA will remain mindful of its obligations under the Regulation and will make findings that are appropriate in the circumstances based on the facts that are available at the time.

Given the uncertainty inherent in forward-looking rate setting, it is impossible to identify what risks, if any, will materialize during the RoLR rate term or how any risks that materialize will impact RoLR providers' financial performance. For that reason, establishing rigid parameters for acceptable financial performance risks re-opening an approved RRT when no rate reopener is warranted and, conversely, leaving an approved RRT in place when a rate reopener is warranted.

Energy prices are one of several factors that impact RoLR providers' financial performance, but energy prices are not a proxy for RoLR providers' financial performance. Changes in energy prices may impact RoLR providers' financial performance, but may not, on their own, result in unacceptable financial performance. The MSA's Draft Parameters do not consider "change in energy prices" as a stand-alone parameter to evaluate RoLR providers' financial performance, so there can be no sensitivity analysis relating changes in energy prices to whether a reopener will be triggered.

Furthermore, RoLR providers that receive compensation for price risk in their RoLR energy charge would not be exposed to uncompensated price risk in the event of a change in energy prices, which may result in the MSA finding a RoLR provider's financial performance to be acceptable in such a scenario.

However, price changes impact the ROC parameter, so it is a factor in the MSA's assessment of financial performance. The ROC parameter will still be assessed in situations where a risk is incurred that is compensated by the EPSP.

<u>Attendees asked how often the MSA expected rate reopener proceedings would result from its financial performance reporting.</u>

The MSA's Draft Parameters have not been developed in a manner intended to prescribe a specific frequency of rate reopeners.

<u>Attendees asked whether the MSA believed a rate reopener should be triggered if a risk accounted for in the RoLR energy charge does not materialize in the prevailing RoLR rate term.</u>

The MSA is not evaluating whether realized experience matches up with a particular outcome anticipated by the EPSP; realized financial performance will likely differ from what is contemplated in the EPSP. All else equal, the MSA does not believe a rate reopener proceeding must be triggered if a single risk compensated for by the risk margin does not materialize as a "cost" on a realized or forecast basis during a RoLR rate term.

<u>Attendees asked if the MSA will recommend a rate reopener proceeding if a RoLR provider exceeds its return margin by more than 10%, and whether this suggests a RoLR provider could have added an additional 10% to its RoLR energy charge return margin.</u>

The MSA may find financial performance to be unacceptable if the ROC parameter is outside of the ±10% threshold around the Approved Return on Prevailing Costs (ARPC). The MSA's assessment and parameters are not suggestive of what EPSP or RoLR energy charge a Regulatory Authority ought to have approved.

ROC parameter

<u>Attendees asked what the rationale and intent were behind the MSA's statement describing the ROC parameter as "[a]n ROC more than the ARPC + 10% or less than ARPC - 10%, may result in a finding [that] the owner's financial performance is unacceptable".</u>

Under the Regulation, the MSA must determine whether a RoLR provider's financial performance is acceptable. The Regulatory Authority approves a reasonable return margin, but a RoLR provider is not guaranteed they will earn precisely the approved return. RoLR providers may earn more or less than the approved return margin without their financial performance being "unacceptable".

The ARPC ±10% threshold sets out criteria for when a RoLR provider's realized financial performance diverges so far from the approved return margin that it may be unacceptable. The MSA recognizes that RoLR providers could experience realized returns of such an excessive magnitude for many reasons, and that such returns are a possibility by virtue of the length of the term and the nature of risks. These factors are accounted for in the Draft Parameters by use of a forecast ROC value in the ROC parameter, and the RRE parameter, respectively.

<u>Attendees asked about the intent of the ARPC, and how the risk margin is treated in the Adjusted RoLR Energy Revenue (ARER).</u>

The ARPC is necessary to ensure the MSA's finding on the acceptability of a RoLR provider's financial performance would not contradict a determination made by its Regulatory Authority when approving an EPSP, and on this basis, the ARPC is a necessary component of the parameters and must be provided to the MSA.

The ARER calculation will include revenues attributed to some or all of the risk margin included in the RoLR energy charge. To establish a forecast return, the ROC parameter in part compares the approved risk margin and return margin inherent in the energy charge to the cost of risks incurred.

<u>Attendees asked why the MSA's ROC parameter uses an "ostensibly" symmetrical threshold of ±10% and not an asymmetric threshold to reflect asymmetric risk.</u>

The MSA has determined that a realized or forecast return significantly above or below the reasonable return approved by the relevant Regulatory Authority may indicate unacceptable financial performance. In the interest of fairness, the threshold has been set symmetrically in magnitude around the approved return margin.

Whether or not RoLR providers face asymmetric risk, the MSA is assessing realized financial performance during RoLR rate terms, and asymmetric risk does not imply RoLR providers face asymmetric profits. Whether RoLR providers have asymmetric profits, and whether that asymmetry predisposes them to a greater probability of profits or losses, depends in part on the magnitude of risk compensation received as part of their revenues.

The MSA is not aware of profit distributions that could support the use of asymmetric thresholds. Further, even if a RoLR provider faces asymmetric profits this does not imply that asymmetric thresholds should be used to assess RoLR providers' financial performance. Setting asymmetric bands in alignment with RoLR providers' asymmetric risks or profits would also increase the burden on RoLR providers, as these distributions would vary by RoLR provider, and RoLR providers would be required to model these distributions.

<u>Attendees asked if the MSA was aware the calculations underlying the ±10% threshold are slightly asymmetrical in the opposite direction previously noted by the attendees.</u>

The MSA is aware that the ±10% threshold could be asymmetrical in probability depending on the probability distribution of RoLR provider profits. The MSA is interested in hearing more about this asymmetry in RoLR providers' written submissions.

<u>Attendees asked why the MSA will forecast revenues and costs under the Draft Parameters.</u>

The MSA's ROC parameter uses forecasts of RoLR providers' revenues and costs to ensure its assessment of financial performance reflects the financial performance of the RoLR provider over the entire two-year RoLR rate term. An assessment of financial performance based only on realized revenues and costs for part of a RoLR rate term may lead to a rate reopener proceeding when none may be warranted, or a rate reopener proceeding not being recommended when a rate reopener may be warranted, considering expected revenues and costs for the remainder of the term. The MSA seeks to avoid this.

The MSA's responsibility is to establish parameters to assess financial performance. These parameters apply to all RoLR providers, and so the MSA will forecast revenues and costs itself to ensure a consistent application of the parameters across RoLR providers.

Treatment of hedging

<u>Attendees asked for the MSA's views on incorporating hedging costs incurred by RoLR providers into the assessment of financial performance.</u>

The MSA's view is that RoLR providers have the obligation to manage their business, including managing the costs of delivering the RoLR. This includes the cost of managing risks through hedging. As hedging costs are largely within the control of management, the MSA's view is that they should not be included in the analysis of realized financial performance.

The MSA is open to hearing feedback from RoLR providers on how the MSA's parameters impact RoLR providers' risk management activities.

Attendees suggested the MSA's parameters penalize RoLR providers for managing their risks.

The MSA's Draft Parameters are intentionally agnostic to RoLR providers' risk management strategies except insofar as the RoLR energy charge is set by the price of hedges with approval of the Regulatory Authority. RoLR providers that undertake activities to manage their risk within a two-year term or otherwise do not tie the costs associated with those risk management activities to the RoLR energy charge, will incur gains or losses in accordance with the incremental value of those risk management activities. If these gains or losses were accounted for in measures of financial performance, a rate reopener could result solely from an extremely successful or extremely poor risk management strategy, and not as a result of changes in market conditions. This runs counter to the principle that regulated utilities are responsible for the management of their own businesses.

The MSA is interested in hearing from RoLR providers as to how the parameters could penalize risk management activities.

Attendees asked if the MSA agrees that RoLR providers are permitted to establish their own hedging and risk mitigation strategies as determined within their organizations and that these strategies are not determined by the EPSPs.

The MSA agrees. Just as RoLR providers have flexibility to establish their own strategies to manage non-energy costs (e.g. administration costs), they have flexibility to manage the costs associated with risk through hedging.

Attendees asked if the MSA agrees that the financial performance assessments or parameters may need to be adapted to align with a RoLR provider's hedging and risk mitigation strategy.

The MSA does not agree that the financial performance assessments or parameters need to be adapted to align with a RoLR provider's hedging and risk mitigation strategy, except where a Regulatory Authority has approved the use of the price of procured hedges to calculate the RoLR energy charge.

Alternatives to the MSA's Draft Parameters

Attendees asked whether EPSP energy charge calculations could be used as the baseline to assess financial performance given these calculations are approved by Regulatory Authorities.

The MSA's evaluation of financial performance is a different exercise from the rate setting process.

The MSA will not be evaluating whether, on a realized basis, RoLR providers are a) achieving the approved return or b) recovering their approved costs through rates. The MSA will evaluate whether RoLR provider financial performance is unacceptable; the MSA takes "unacceptable" to be in relation to the RoLR providers' obligation to offer regulated rate services at a two-year fixed energy charge.

The approved EPSP, return margin, or risk margin are not completely irrelevant to the ROC parameter. The approved return is what the Regulatory Authority considered “just and reasonable” compensation for offering the RoLR. However, achieving the approved rate of return isn’t guaranteed, and the MSA’s evaluation of “acceptable financial performance” must account for that. The ARPC value is estimated using the approved return but with adjustments as necessary to ensure the analysis is focused on current-term financial performance.

The MSA’s RRE parameter accounts for the risks compensated by the EPSP, and in doing so uses the EPSP and energy charge calculations as a “baseline”.

Requested data and information questions

Data availability

<u>Attendees asked how particular data required by the MSA could be provided if that data was not available to RoLR providers. Some attendees indicated the requested volume data could not be provided.</u>

The MSA is interested in receiving written comments from RoLR providers about the obstacles to the provision of particular data required by the MSA, including any suggested alternative data that could be provided to the MSA for use in financial performance assessments.

The MSA requires the data requested from RoLR providers to establish whether RoLR providers’ financial performance is acceptable. Data requested from RoLR providers under the Draft Parameters can be estimated by RoLR providers where not otherwise available. There is no specific estimation methodology required by the Draft Parameters to be used where data is not available. Estimations may require the use of assumptions, which can be discussed with the MSA.

The MSA recognizes that work will be required for RoLR providers to gather and provide the requested data. The MSA expects that RoLR providers likely track at least some of the data requested in the Data Submissions Workbook for risk management purposes and as such does not anticipate this data being difficult to provide. If there are insurmountable obstacles to providing the data requested, the MSA is interested in hearing about them from RoLR providers. The MSA is also open to hearing from RoLR providers as to alternative formats for providing this data.

The MSA recognizes actual revenue, cost, volume, and site data will not be available for the entire two-year RoLR rate term when a RoLR provider submits data to the MSA. By the first financial performance reporting period, the MSA recognizes only four months of actual data (January to April 2025) may be available. In recognition of this, RoLR providers are only required to submit data for months where actual data is available.

For example, if only four months of actual data are available to a RoLR provider by the time it submits its Data Submissions Workbook(s) by June 1, 2025, only four months of data should be included in its submission to the MSA. The MSA’s July 1, 2025 financial performance report would then assess financial performance using the four months of actual data submitted by the RoLR provider (for the months of January through April 2025) and MSA forecasts of the remaining 20 months of data (for the months of May 2025 through December 2026).

The MSA also understands some previously submitted "actual" data will need revision throughout the RoLR rate term. Previously submitted "actual" data in the Data Submissions Workbook that requires revision should be updated by RoLR providers and submitted to the MSA in RoLR providers' bi-annual data submissions.

<u>Attendees asked if an approved return margin must be separated from the approved risk margin before calculating the ARPC.</u>

If a RoLR provider's EPSP includes a single number that serves as both the approved return margin and risk compensation, this number should not be used as the ARPC. In such a case, the approved return margin must be estimated, and this estimate must be used to calculate the ARPC.

Data granularity

<u>Attendees asked if data is required to be provided at the distribution system-owner level of granularity, and if the assessment will be performed at the RoLR provider level.</u>

For RoLR providers with more than one RoLR energy charge, both the data provided by RoLR providers and the assessment performed by the MSA will be at a RoLR provider-energy charge level of granularity.

For RoLR providers with a single RoLR energy charge, both the data provided by RoLR providers and the assessment performed by the MSA will be at a RoLR provider level of granularity.

<u>Attendees asked why the MSA requires RoLR providers submit specific monthly cost data in the Data Submissions Workbook "Cost Data" sheet rather than aggregate monthly cost values, and whether RoLR providers could submit their own forecasts of cost data in their submissions.</u>

The MSA will establish forecasts of costs for all RoLR providers and requires specific cost data from RoLR providers to facilitate these forecasts. The MSA's process will be consistent across all RoLR providers to ensure the forecasts and parameters are not biased for different RoLR providers based on their data submissions or EPSPs.

Submissions of records

<u>Attendees asked how the MSA would like RoLR providers to provide required records that are not captured by data to be submitted in existing fields of the Data Submissions Workbook.</u>

Additional records required may be submitted to the MSA as separate records. If these records are calculations of a value submitted in the Data Submissions Workbook, these calculations may be added as separate worksheets in the Data Submissions Workbook.

Confidentiality of information

<u>Attendees asked about the MSA's views on the confidentiality of data and information requested from RoLR providers, and whether the MSA will release data submitted in the Data Submissions Workbook to the public.</u>

Section 6(1) of the *Market Surveillance Regulation* requires the MSA keep records it receives confidential except in specific circumstances. The MSA will keep the information it receives from RoLR providers confidential; where required, the MSA will follow the process set out in the Market Surveillance Regulation.

Necessity of data requested

<u>Attendees requested the MSA explain how and why all data and information requested by the MSA is necessary. In particular, attendees asked why RoLR customer site information, volume information, and specific non-energy costs were required.</u>

The MSA is collecting data found in the Data Submissions Workbook to conduct its assessment of financial performance; among other things, the data will be used in developing forecasts of revenues and costs, and to evaluate the RRE parameter.

The MSA will be assessing volumetric risks as part of its forecasts of revenues and costs, and its evaluation of uncompensated risks. To do so, the MSA requires the requested data on RoLR volumes and customers. This data is required for the MSA to carry out its work under the Regulation.

The MSA requires specific non-energy cost data from some RoLR providers to confirm their EPSP contemplated recovering the non-energy costs submitted in the Data Submissions Workbook using the RoLR energy charge. This ensures the MSA's ROC parameter is consistent with each RoLR provider's specific EPSP.

Calculations in the Data Submissions Workbook

<u>Attendees asked if the "N/A" values in the Data Submissions Workbook "Energy Revenue Data" sheet were intended to be formulae, and how the revenues would be summed.</u>

The "N/A" values are unused and are not supposed to contain formulae. Each value contained in Row 7 of the Data Submissions Workbook "Energy Revenue Data" sheet for a particular month is the energy revenue in that month, and the "Total" value is the sum of energy revenues for the entire RoLR rate term.

Particular data items requested in the Data Submissions Workbook

<u>Attendees asked if the calculation of "Non-prevailing term energy charge components" (Item No. 2. in the Data Submissions Workbook "Energy Revenue Data" sheet) should include revenues</u>

collected for a risk or a premium related to a subsequent term, or price differentials between the prevailing term and previous RoLR rate terms.

To the extent an EPSP contemplates any mechanism to recover costs or cost differentials between RoLR rate terms, such cost components of the RoLR energy charge should be included in the calculation of “Non-prevailing term energy charge components”.

If the 10% limit on energy charge differences between RoLR rate terms prevents a RoLR provider from setting a RoLR energy charge in some term in accordance with its EPSP, the “Non-prevailing term energy charge components” calculation should include the difference between the RoLR energy charge and the energy charge that would have otherwise been calculated in accordance with the EPSP.

For example, if a RoLR provider establishes a $100/MWh RoLR energy charge in the first RoLR rate term, it is limited to RoLR energy charges between $90/MWh and $110/MWh in the second RoLR rate term. In the second RoLR rate term, if the RoLR provider’s energy charge calculated in accordance with its EPSP is $120/MWh, a $110/MWh RoLR energy charge would be established as a result of the 10% limit, and the difference between RoLR energy charge and the EPSP-calculated energy charge would be included in the “Non-prevailing term energy charge components” calculation ($110/MWh –$120/MWh = -$10/MWh).

Attendees asked if the calculation of “Total consumption billed to customers” (Item No. 3. in the Data Submissions Workbook “Energy Revenue Data” sheet) should include losses.

If consumption billed to a RoLR provider’s customers does not include losses, then the RoLR provider should not include losses in the calculation of “Total consumption billed to customers”. Similarly, if losses are included in the consumption billed to a RoLR provider’s customers, that RoLR provider must include losses in the calculation of “Total consumption billed to customers”.

Attendees asked if the AESO cost data requested (Items No. 1. to 5. in the Data Submissions Workbook “Cost Data” sheet) should only include AESO costs incurred to serve RoLR customers.

AESO cost data submitted by RoLR providers should only include costs to serve RoLR customers.

Attendees indicated “Income tax / Payment in lieu of tax” could be improved if it used percentage units.

The MSA is interested in RoLR providers expanding on this recommendation in their written comments.

Attendees asked if, for the purposes of the “Consumer Awareness Surcharge remittance” calculation (Item No. 12. in the Data Submissions Workbook “Cost Data” sheet), Consumer Awareness Surcharge (CAS) amounts remitted to the Minister should be allocated by month in which a remittance was made by RoLR providers. The attendees expressed that CAS remittances could not be allocated by month in which RoLR consumption occurred that led to the CAS revenues received, and that the sum of actual remittances over 2025 to 2026 months would not equate to all CAS revenues payable to the Minister for RoLR consumption over the 2025 to 2026 period if CAS remittances were allocated by remittance month.

RoLR providers should allocate CAS remittances by the month in which amounts were remitted to the Minister. The MSA is interested in RoLR providers providing their views on CAS remittance allocation in their written comments.

Attendees asked about how a particular cost incurred to provide the RoLR should be recorded in the Data Submissions Workbook "Cost Data" sheet.

Definitions for data items required to be submitted in the Data Submissions Workbook are included in each worksheet of the Data Submissions Workbook. Definitions can be used by RoLR providers to determine how revenue or cost data should be recorded in the Data Submissions Workbook.

Attendees requested clarification on the structure of the Site ID Data (Item No. 4. in the Data Submissions Workbook "Other Data" sheet) requested by the MSA.

For each continuous period a site is served by a RoLR provider, that RoLR provider should include a single row in the site ID data provided to the MSA. Site ID data should not be submitted at a monthly level of granularity. Sites that remain on the RoLR at the time the Data Submissions Workbook is submitted to the MSA should not include a value in "Last day served by the owner, inclusive" (Item No. 4.d.). The MSA does not require the volumes consumed by each site over each period.

For example, if a site is served by a RoLR provider between January 7, 2025 and March 8, 2025 (inclusive), the RoLR provider would report a single row for that site, where the "First day served by the owner" would be specified as January 7, 2025, and the "Last day served by the owner, inclusive" would be specified as March 8, 2025. If that site returns to the RoLR at some future point, an additional row would be created for that site.

Description of all data items in the Data Submissions Workbook

Attendees requested the MSA explain how the Data Submissions Workbook should be completed.

The MSA described the data required to be submitted using the Data Submissions Workbook.

Overview

In the Data Submissions Workbook "Overview" sheet, RoLR providers must submit the name of the RoLR provider (as the "Owner"), the energy charge, and the date the Data Submissions Workbook was submitted to the MSA.

Energy Revenue Data

In the Data Submissions Workbook “Energy Revenue Data” sheet, RoLR providers must submit three types of data: the “Energy charge” (Item No. 1.), “Non-prevailing term energy charge components” (Item No. 2.), and the “Total consumption billed to customers” (Item No. 3.).

The “Energy charge” is the RoLR energy charge approved by RoLR providers’ Regulatory Authorities.

“Non-prevailing term energy charge components” include those elements of the EPSP used to calculate the energy charge that account for risks or costs in terms other than the current term (2025-2026). Non-prevailing term energy charge components are used in the ARER calculation to remove any revenues collected that are intended to recover costs in other terms.

“Total consumption billed to customers” is the consumption billed to customers in that month.

Cost Data

Some data in the Data Submissions Workbook “Cost Data” sheet must be submitted by all RoLR providers, while other cost data must only be submitted by particular RoLR providers, depending on their EPSP.

All RoLR providers must submit AESO charges (Items No. 1. to 5.), “Income tax / Payment in lieu of tax” (Item No. 11.), and “Consumer Awareness Surcharge remittance” (Item No. 12.) data in the “Cost Data” sheet.

The AESO charges to be provided include:

1. “AESO - energy charges” (Item No. 1.);

2. “AESO - retail adjustment to margin (RAM)” (Item No. 2.);

3. “AESO - trading charges” (Item No. 3.);

4. “AESO - uplift charges” (Item No. 4.); and

5. “AESO - other” (Item No. 5.).

Uplift charges include payment to suppliers on the margin (PSMs) and adjustments to load on the margin (ALMs). AESO charges can be found on monthly pool statements.

“Income tax / Payment in lieu of tax” (Item No. 11.) should reflect payments towards income tax or payment in lieu of tax. If these values are incurred as lump-sum annual costs, they may be amortized to a monthly level.

“Consumer Awareness Surcharge remittances” (Item No. 12.) are the monthly amounts remitted to the Minister.

RoLR providers may be required to submit the remaining cost data values specified in the “Cost Data” sheet, depending on their EPSPs.

RoLR providers that use the price of procured forward market hedges to set the RoLR energy charge must submit costs for “Net hedging cost (revenue)” (Item No. 6.), “ICE NGX - trading charges/auction fees” (Item No. 7.), “Other electricity procurement costs” (Item No. 8.), and “Credit costs” (Item No. 9.). RoLR providers must submit additional records to support this data if they are required to submit hedging cost data.

The MSA may clarify the nature of the hedging cost data and record submissions in the parameters and is interested in hearing recommendations from RoLR providers in written submissions.

RoLR providers that recover costs associated with bad debt using the RoLR energy charge in accordance with their EPSP must submit data for “Bad debt expense - all RRT billings” (Item No. 10.a.) and the “Share of bad debt expense recovered through energy charges” (Item No. 10.b.). RoLR providers must submit additional records to support this data if they are required to submit bad debt data.

Approved Non-Energy Costs

RoLR providers that recover costs that do not vary with energy consumption (non-energy costs) using the energy charge must submit data on approved non-energy costs using the Data Submissions Workbook “Approved Non-Energy Costs” sheet. RoLR providers must submit additional records to support this data if they are required to submit approved non-energy cost data.

A RoLR provider that recovered non-energy costs using the energy charge must list each type of non-energy cost and the relevant component of the energy charge intended to recover that cost. These costs must be submitted at a monthly level of granularity.

Other Data

RoLR providers must submit data on volumes and sites in the Data Submissions Workbook “Other Data” sheet. This data includes:

- For each day:
    - “Total RoLR energy usage (MWh)” (Item No. 1.a.);
    - “Total RoLR energy losses (MWh)” (Item No. 1.b.);
    - “Total RoLR unaccounted-for-energy (MWh)” (Item No. 1.c.); and
    - “Total RoLR sites, daily (end of day)” (Item No. 2.).
- For each hour:

    - “Total RoLR energy consumption, hourly” (Item No. 3.).

- For each continuous period a site was served by the RoLR:
    - “Site ID” (Item No. 4.a.);
    - “Energy charge charged to the site” (Item No. 4.b.);
    - “First day served by the owner” (Item No. 4.c.); and
    - “Last day served by the owner, inclusive” (Item No. 4.d.).

Start of Term Data – ARPC

RoLR providers must calculate the ARPC and submit this in the Data Submissions Workbook “Start of Term Data – ARPC” sheet. To calculate ARPC, RoLR providers must calculate the return margin as a percentage of total cost components in the EPSP reflective of costs expected to be incurred over the prevailing RoLR rate term.

RoLR providers must submit the ARPC value with other records required to be submitted as part of their Start of Term data submission. For the 2025-2026 RoLR rate term, RoLR providers will be required to provide this data by May 1, 2025.

Other record submission requirements

RoLR providers are required to submit additional records to the MSA with its Start of Term data submission. This includes the approved EPSP, energy charge calculations, the RRT application, and any other materials submitted to the Regulatory Authority as part of the RRT application.

By June 1 and December 1 of each year, RoLR providers are also required to submit written comments identifying any uncompensated risks that will significantly impact their financial performance under the RoLR to the end of the RoLR rate term. RoLR providers must characterize uncompensated risks they are exposed to, describe how the risk is not compensated for by the EPSP, and quantify how the realization of that risk impacts their financial performance. RoLR providers must provide all necessary supporting records.