



AG ENERGY COOPERATIVE - AEC

ELECTRICITY

REGULATED PROGRAMS

February 23rd RPP Prices:

Price Tiers	Tiered RPP prices (winter tier thresholds)	May 1, 2020 tiered prices	February 23, 2021 tiered prices
Tier 1	Residential – first 1,000 kWh/month Non-residential – first 750 kWh/month	11.9 ¢/kWh	10.1 ¢/kWh
Tier 2	Residential –above 1,000 kWh/month Non-residential –above 750 kWh/month	13.9 ¢/kWh	11.8 ¢/kWh

Prices are as published by the IESO. Price updates are scheduled to occur in May and November of each year. The most recent pricing can be found on the IESO website.



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February 23rd Time of Use Prices:

TOU Price Period	June 1, 2020 TOU Prices	February 23, 2021 TOU prices
Off Peak (Weekdays 7pm-7am, weekend and holidays)	12.8 ¢/kWh	8.5 ¢/kWh
Mid-Peak (Weekdays 11 a.m. – 5 p.m.)	12.8 ¢/kWh	11.9 ¢/kWh
On-Peak (Weekdays 7 a.m. – 11 a.m. and 5 p.m. – 7 p.m.)	12.8 ¢/kWh	17.6 ¢/kWh

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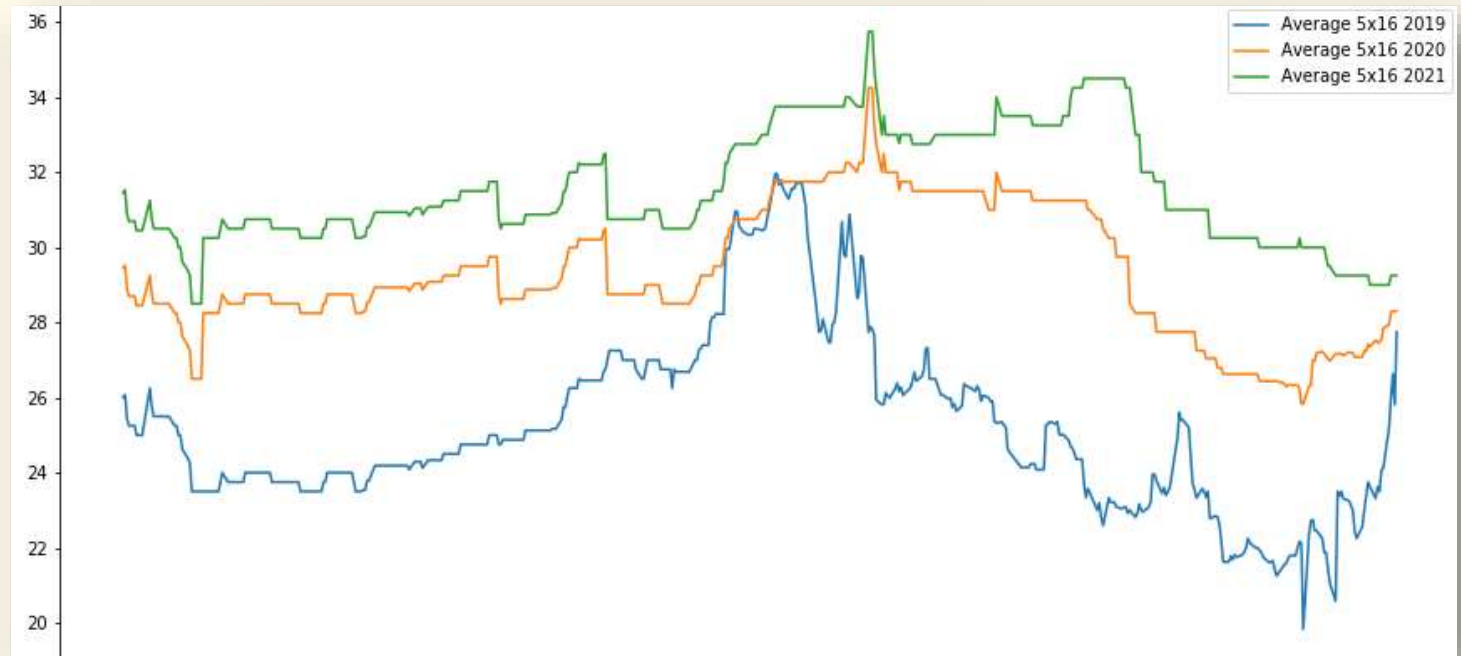
FIXED PRICES

- **Block Prices – specific volume for each hour**
 - **5 x 16**
 - 5 days a week for 16 peak and mid peak hours
 - **7 x 24**
 - 7 days a week for 24 hours each day
- **Load Following – full requirements**
 - Unlike a Block price where a specific volume is purchased a Load Following price provides the same price for all volumes consumed during every hour and day of the term

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5 x 16 Pricing

- The 5 x 16 Block is a standard price.
- The forward years show increased prices.
- Prices are reflected in \$'s per MW.
- These are wholesale prices.



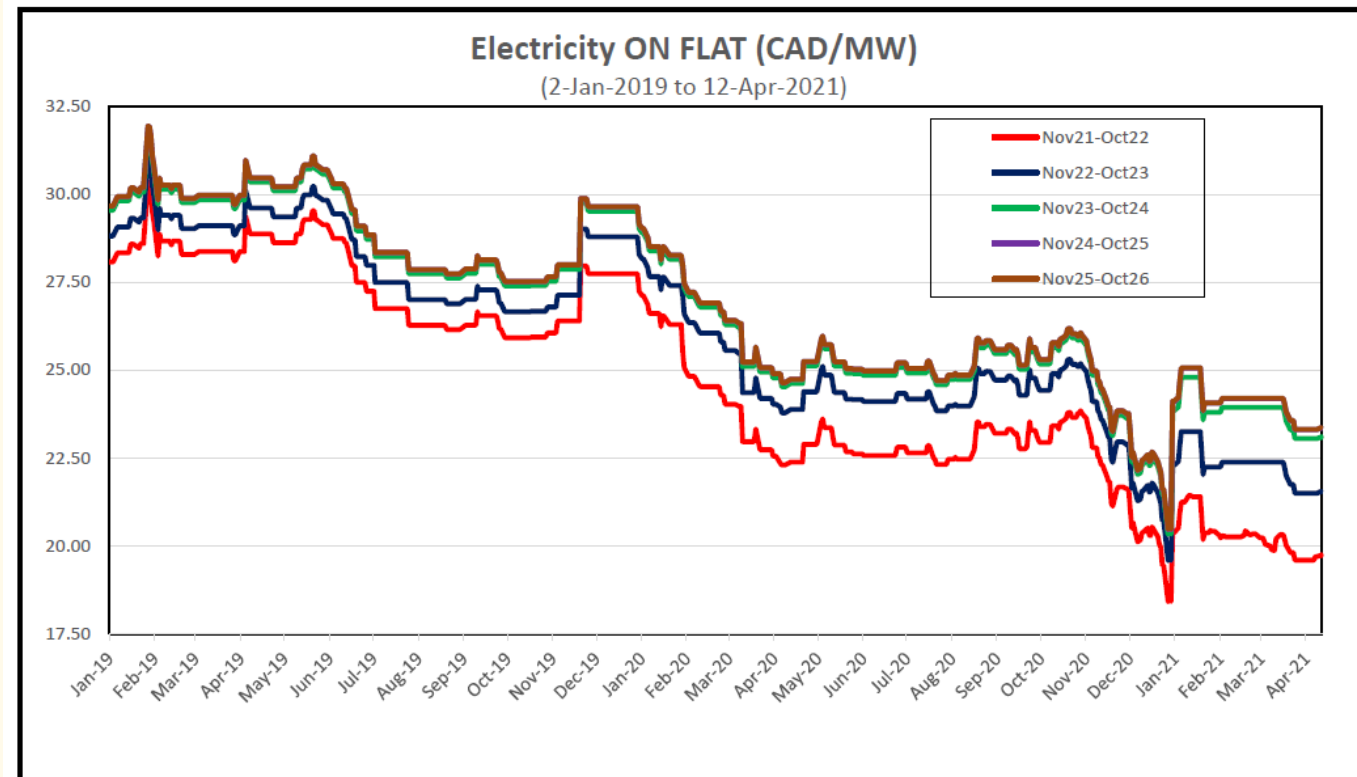
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- The 7 x 24 Block is a less expensive than a 5 X 16 block as this price includes off peak prices.
- The forward years show increased prices.
- Prices are reflected in \$'s per MW.
- These are wholesale prices.



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- The 2021 forward curves so prices lower than the historical curves
- Hedge prices are reasonable for electricity based on historical performance however the Ontario market is counterintuitive to fixed prices due to the GA (Global Adjustment)



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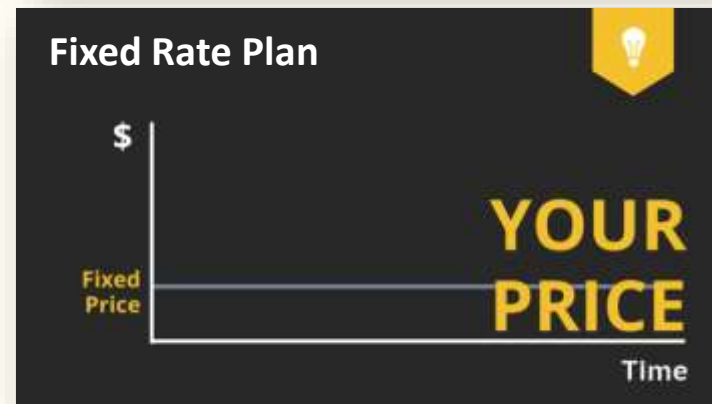
FIXED PRICES

Market Prices

- HOEP (Hourly Ontario Energy Price)
- GA (Global Adjustment)

- 5 year Historical

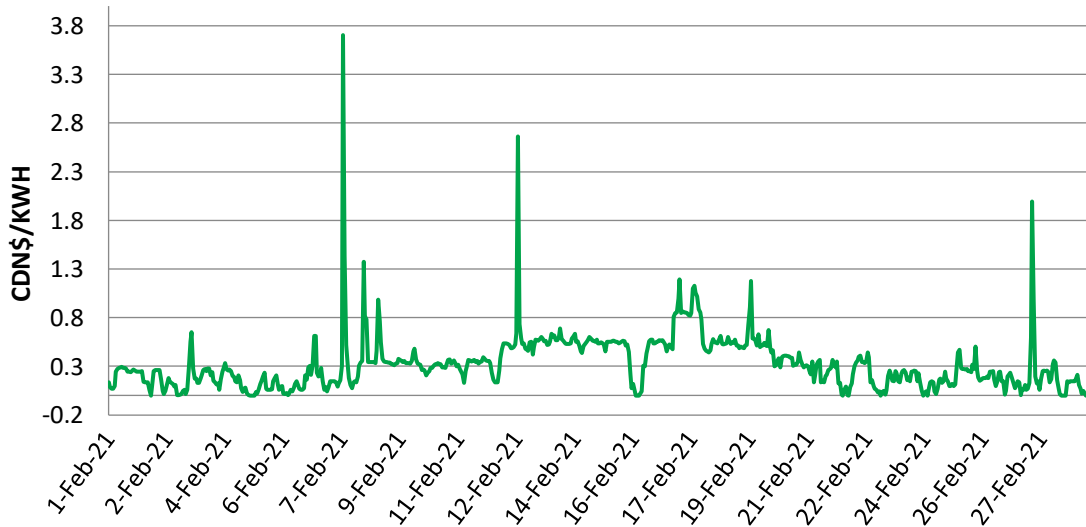
- Fixed versus HOEP



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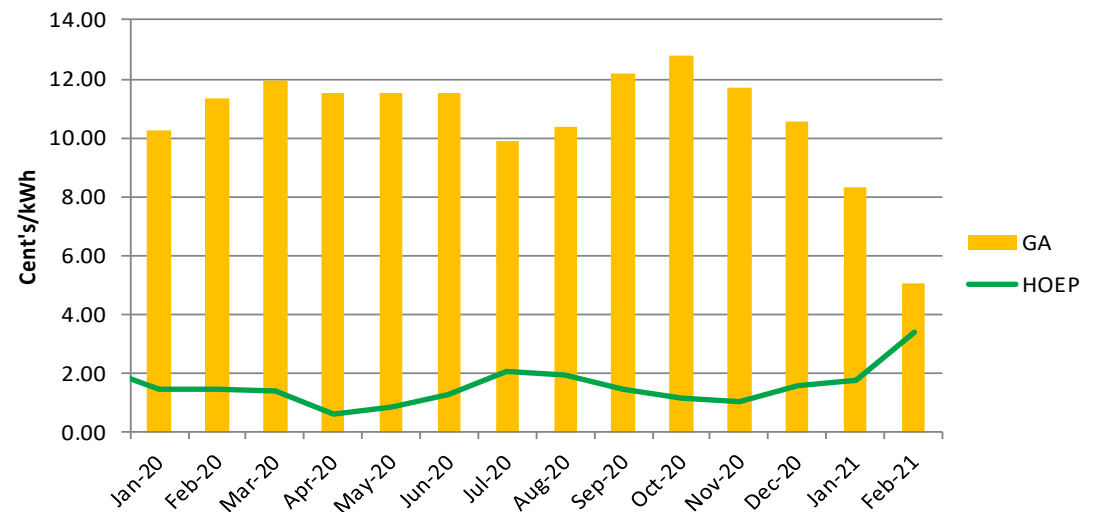
Hourly Ontario Energy Price (HOEP)

Hourly Ontario Energy Price CDN\$/KWH



Global Adjustment (GA)

Global Adjustment (GA) vs. HOEP



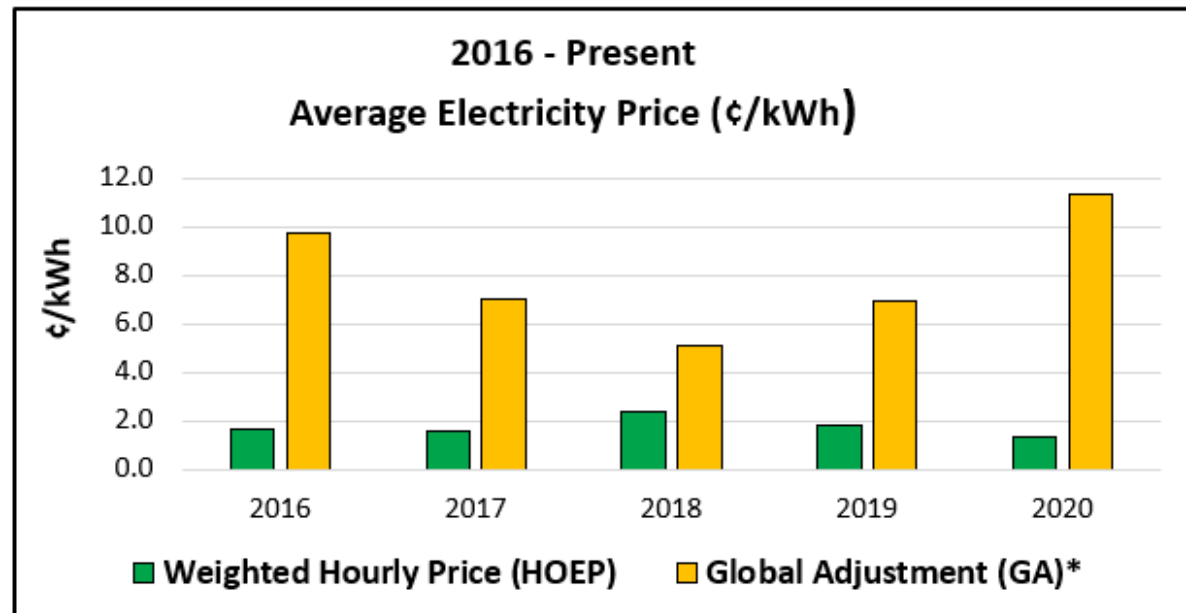
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Average HOEP and GA Rates 2016 - Present (¢/kWh)

Year	Weighted Hourly Price (HOEP)	Global Adjustment (GA)*	Total ¢/kWh
2016	1.61	9.75	11.37
2017	1.55	7.00	8.55
2018	2.39	5.12	7.52
2019	1.78	6.92	8.69
2020	1.35	11.29	12.64
2021	2.56	6.67	9.23
AVERAGE	1.87	7.79	9.67

*July 2017-Oct 2019 Global Adjustment includes modifier credit



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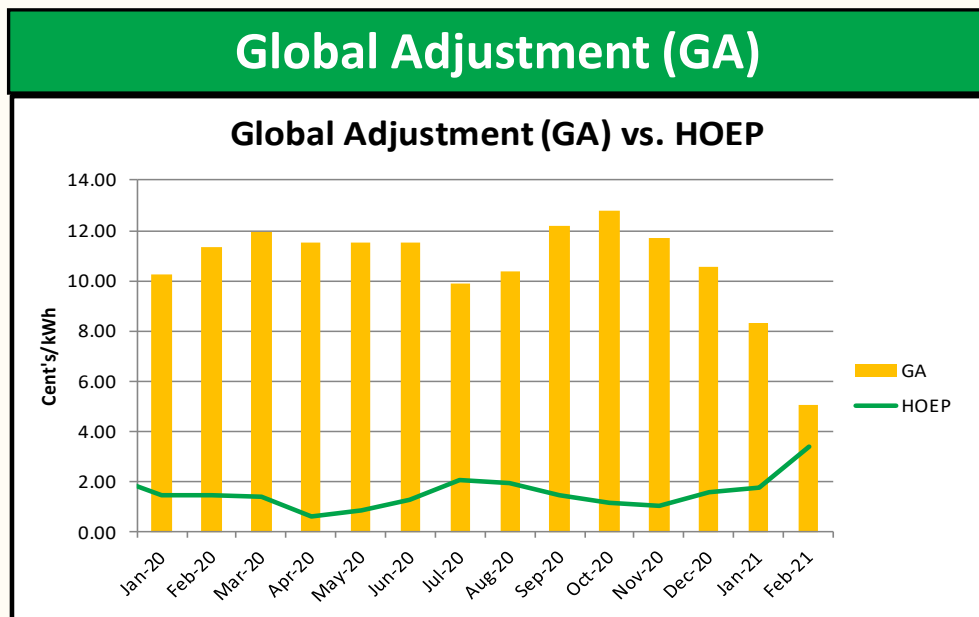
What is Global Adjustment?



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ELECTRICITY FIXED PRICES

- 7 X 24 – 7 days a week and 24 hours per day
- Global Adjustment is added to these prices
- The Ontario market does not compliment fixed prices



Ontario Electricity Pricing

Program	7x24
Apr21-Dec21	2.491 ¢/kWh
Apr21-Mar22	2.639 ¢/kWh
Apr21-Mar23	2.887 ¢/kWh
Apr21-Mar24	3.046 ¢/kWh

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NATURAL GAS SUMMARY

- Markets are attractive
- Fixing your price now will provide price certainty and risk management for next season
- Investigate the price – not all prices are equal
- Review your current price and evaluate your options
- Long Term Prices offer value at this time

ELECTRICITY SUMMARY

- Fixed price contract may look attractive however the Ontario market is counterintuitive to fixed prices
- HOEP or Market prices have offered savings over RPP/TOU and most fixed offers
- Review your current price and evaluate your options
- HOEP or Market based prices remains a viable option

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QUESTIONS?



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THANK
YOU

