

NOTICE TO MARKET PARTICIPANTS AND STAKEHOLDERS

August 6, 2025

RE: **Decision – Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation**

BACKGROUND

The *Rate of Last Resort Regulation* (AR 262/2005) (RoLR Regulation) requires the following of the MSA:

1. Monitoring and reporting on the financial performance of Rate of Last Resort (RoLR) providers following the implementation of energy price setting plans (EPSPs).¹
2. Establishing parameters for RoLR providers' acceptable financial performance.²
3. Consulting with directly affected persons regarding parameters for what constitutes acceptable financial performance of a RoLR providers.³
4. Notifying the relevant Regulatory Authority if a RoLR provider's financial performance falls outside the parameters established by the MSA.⁴

The MSA initiated its stakeholder consultation on Rate of Last Resort Regulation MSA activities on December 20, 2024 (Parameters Consultation).⁵ This stakeholder consultation was held according to the MSA's Stakeholder Consultation Process.⁶

The MSA released its Draft Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation (Draft Parameters) for stakeholder comment on March 14, 2025.⁷

Following receipt of stakeholder comments, the MSA established the July 2025 Report Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation (July

¹ RoLR Regulation, s. 11.2(1).

² *Ibid.*, s. 11.2(4).

³ *Ibid.*, s. 11.2(3).

⁴ *Ibid.*, s. 11.2(6).

⁵ [Notice Re MSA stakeholder consultation on Rate of Last Resort Regulation MSA activities](#), December 20, 2024.

⁶ [MSA Stakeholder Consultation Process](#), August 11, 2016.

⁷ [Notice Re Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation](#), March 14, 2025.

2025 Parameters) on May 1, 2025.⁸ The MSA produced financial performance reports evaluating and assessing RoLR providers' financial performance in accordance with the July 2025 Parameters by July 1, 2025 (July 2025 Reports). The July 2025 Parameters were only intended to be used to produce the July 2025 Reports, and the MSA continued to consult on final parameters to be used for subsequent reports produced twice annually.

The MSA released its Draft Final Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation (Draft Final Parameters) for stakeholder comment on May 20, 2025.⁹ Stakeholder comments pertaining to the Draft Final Parameters were received by July 14, 2025¹⁰ and posted on the MSA's website.¹¹

All records produced in the Parameters Consultation can be found on the MSA's website [here](#).

FINAL PARAMETERS

The MSA has considered comments received from all stakeholders and established final parameters for acceptable financial performance. Accordingly, the MSA has released on its website:

1. the Final Parameters for Acceptable Financial Performance under the Rate of Last Resort Regulation (Final Parameters), accessible [here](#); and
2. the Final Appendix C RRD Data Submissions and Metrics Workbook (Final RRD Workbook), accessible [here](#).

The MSA will use the Final Parameters and Final RRD Workbook to produce the January 1, 2026, financial performance reports and subsequent financial performance reports.

Changes reflected in the Final Parameters and RRD Workbook

The Final Parameters and Final RRD Workbook include changes made in response to stakeholders' written comments and the MSA's experience producing the July 2025 financial performance reports, details of which are set out below.

Cost treatment of physical forward and financial contracts transacted by non-arms-length entities

Costs associated with all physical forward and financial contracts must be submitted by RoLR providers in cost data submissions, provided these contracts comply with requirements listed in

⁸ [Notice Re MSA stakeholder consultation on Rate of Last Resort MSA activities – April 11 stakeholder responses](#), May 1, 2025.

⁹ [Notice Re MSA stakeholder consultation on Rate of Last Resort MSA activities – Draft Final Parameters](#), May 20, 2025.

¹⁰ [Notice Re Draft Final Parameters Consultation Timeline Amendments](#), June 20, 2025.

¹¹ [Notice Re Draft Final Parameters Consultation – July 14 stakeholder responses](#), July 29, 2025.

Section 2.5.2 of the Final Parameters. The MSA has removed the prohibition on costs incurred under contracts with non-arms-length entities.

Provision of reports

The MSA has removed language in Appendix A.1 that previously indicated the MSA will provide finalized financial performance reports to a RoLR provider's Regulatory Authority if the report shows its financial performance falls outside the parameters for acceptable financial performance. Section 11.2(6) requires that the MSA provide a financial performance report to a RoLR provider's Regulatory Authority if the report shows its financial performance falls outside the parameters for acceptable financial performance, so this language is an unnecessary component of the Final Parameters.

The MSA has also removed language in Appendix A.1 that previously indicated the MSA will not publicly release financial performance reports. The MSA is able to publish confidential records provided it adheres to section 6 of the *Market Surveillance Regulation* AR 266/2007, and has determined this action should not be otherwise prohibited by the Final Parameters.

Revenue, cost, and other data submission requirements

The MSA has clarified that data submissions made in accordance with Appendices B.1, B.2, and B.3 must contain data for all months up to and including two months prior to the submission deadline. For example, data pertaining to the months of January 2025 to September 2025 must be submitted to the MSA by the November 1, 2025 deadline. This change has been made to ensure RoLR providers know what particular data must be provided to the MSA by each deadline.

Site ID submission requirements

The MSA has added a statement in Appendix B.3 that it may remove the site ID data submission requirements for particular RoLR providers at its discretion. If the MSA becomes satisfied that a RoLR provider's RoLR sites are exclusively served by retailers registered in the load settlement system that only serve RoLR sites the MSA may remove site ID data submission requirements for that RoLR provider.

Other changes

The MSA has adjusted language in Section 2.3 of the Final Parameters to clarify the case where the IRM must be estimated if a Regulatory Authority has acknowledged a reasonable return is included in the RoLR energy charge.

The MSA has corrected the formula for "Adjusted wholesale settlement consumption" in the "Energy Revenue Data" sheet of the Final RRD Workbook to ensure consistency in all months of the 2025 to 2026 RoLR Term. The Draft Final RRD Workbook inadvertently contained an error in this formula for the months of February 2025 to December 2026. This error was discovered and corrected prior to the production of the July 2025 financial performance reports, and did not impact the MSA's evaluation or assessments of RoLR providers' financial performance.

The MSA has simplified language in Appendix A.5 of the Final Parameters and removed language referring to the “Draft Final” parameters in the Final Parameters and Final RRD Workbook.