Copy No.

CABINET MEETING OF: September 12, 2016

CABINET MINUTE NO: 1 – 65/2016

Agenda Item:

Direct to Cabinet

Policy

MINISTRY OF ENERGY

- Energy Price Mitigation

Cabinet agreed that:

1. The Ministry of Energy (ENERGY) implement electricity price mitigation for residential, commercial and industrial consumers, as follows:

   A. Provide a rebate of 8% on the pre-tax cost of electricity for all electricity consumers eligible to be billed under the Ontario Energy Board's Regulated Price Plan; and any other consumers who would be eligible if their electricity account was with a licensed distributor;

   B. Increase the total amount of rate protection available to R2 low density electricity consumers under the Rural or Remote Rate Protection Program (RRRP) by increasing the subsidy by $110 million from its current level of $127 million, which has been capped since 2004;

   C. Implement a mechanism to periodically adjust the total annual amount of rate protection available to R2 low density electricity consumers under the RRRP, effective on or after January 1, 2018; and

   D. Expand eligibility for participation in the Industrial Conservation Initiative (ICI) to smaller industrial, institutional and commercial customers by lowering the eligibility threshold to 1 MW, and removing restrictions on eligible sectors.

2. ENERGY seek needed Treasury Board/Management Board of Cabinet approvals in Fall 2016.

3. ENERGY, working with the Ministry of Finance (MOF), seek needed approvals for a proposed Ontario Rebate for Electricity Consumers Act, 2016, which would, subject to the Legislature's approval of the Act:

   A. Make the rebate available starting January 1, 2017;

   B. Specify the types of costs to which the rebate would or would not be applied, with authority to make changes by regulation;

   C. Address invoicing requirements, including authority to prescribe how the rebate is to appear on consumers electricity bills;

   D. Include authority to prescribe the way in which the rebate is to be flowed through to consumers, and the way in which electricity vendors providing the rebate are to be reimbursed;

   E. Include record-keeping requirements for electricity vendors and other prescribed persons;

   F. Include inspection powers for inspectors appointed by the minister of Finance, including powers related to the recovery of overpayments;

   G. Provide for regulation-making authority to establish a limitation period for ceasing payments and reimbursement based on past entitlement;

   H. Include consequential amendments to the Ontario Energy Board Act, 1998 and the Ontario Clean Energy Benefit Act, 2010,

   Amendments similar to those in G, above, would also be included for the Ontario Clean Energy Benefit Act, 2010 to allow the ceasing of all payments and reimbursements after a prescribed date, as approved by previous Cabinet minute no. 2 – 8/2016.

4. ENERGY seek needed approvals for any supporting regulations under the proposed Ontario Rebate for Electricity Consumers Act, 2016, and other complementary regulatory amendments.

5. ENERGY make amendments to:

   A. Ontario Regulation 429/04 (Adjustments Under Section 25.33 of the Act) made under the Electricity Act, 1998 to lower the ICI threshold to 1 megawatt and allow electricity consumers and market participants between 1 MW and 5 MW to opt in.

B. Ontario Regulation 442/01 (Rural or Remote Electricity Rate Protection) made under the Ontario Energy Board Act, 1998, to increase support through the the RRRP Plan to R2 low density electricity customers.

6. Further to Part 91 of Cabinet Minute no. 1 – 40/2016, approved at Cabinet May 11, 2016, with respect to the Climate Change Action Plan (CCAP), ENERGY work with the Ministry of Environment and Climate Change (MOECC), the Treasury Board Secretariat, the Premier's Office (PO) and Cabinet Office (CO) to allocate proceeds to address rate-impacts on non-Regulated Price Plan electricity consumers (e.g., industrial, commercial and institutional) related to cap and trade, and the expansion of other rate-based programs. ENERGY, working with MOECC, report back to Cabinet in 2016 with options on the appropriate mechanism.

   A. Any proceeds no longer required, based on the intended funding approved at TB/MBC on May 19, 2016, be used for other existing initiatives within the fiscal plan and CCAP that reduce greenhouse gas emissions, subject to the evaluation of the Minister of the Environment and Climate Change.

7. ENERGY and MOF work with PO and CO on the development and implementation of an integrated communications strategy.

Stephen Orsini
Secretary of the Cabinet