

Ministry of Energy

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**MINISTRY REQUEST FOR A TREASURY BOARD ORDER**

For the reasons set out in the attached report, the appropriation in the Ministry of Energy is insufficient to carry out the purpose for which it was made, and additional expenditures need to be authorized and offset from the Treasury Board Secretariat, Bulk Media Buy Program for the fiscal year 2017-18.

It is therefore requested that Treasury Board, in accordance with the authority under Section 1.0.8 of the *Financial Administration Act*, authorize a Treasury Board Order in the amount of \$2,646,043 to supplement the amount of the appropriation for the Ministry of Energy in the following vote(s) and item(s):

Vote	Item	Amount	Program/Activity	Explanation
2901	01	\$2,646,043	Ministry of Energy – Ministry Administration	To fund 2017-18 Ontario Fair Hydro Plan advertising campaign
3411	01	(\$2,646,043)	Treasury Board Secretariat	Bulk Media Buy

Furthermore, the undersigned Minister and Deputy Minister confirm that the above Treasury Board Order Request has:

- ✓ no material impact on the government's multi-year fiscal plan *
- ✓ no adverse impact on other ministries; and
- ✓ no change in the Ministry's open-ended transfer payment programs (resources and/or client impacts) .**

Glen Thibeault
Minister
Ministry of Energy

Serge Imbrogno
Deputy Minister
Ministry of Energy

Melanie Fraser
Assistant Deputy Minister, Corporate Services Division and
Chief Administrative Officer
Treasury Board Secretariat

FUNDING TRANSFER REQUEST FROM THE BULK MEDIA BUY PROGRAM

1. MINISTRY REQUEST

The Ministry of Energy is requesting the Chair of Treasury Board to approve a transfer of \$2,636,043 to the Ministry of Energy from the Bulk Media Buy program in the Treasury Board Secretariat.

2. PROGRAM DESCRIPTION

Production costs for the Ontario Fair Hydro Plan advertising campaign were comprised of the following:

	Vendor	Mandate	Amount Spent
Advertising Agency	VCA INC (RAIN FORTY 3)	Development of multi-media communications plan to inform public of electricity cost savings	\$784,325
Media Buy	PHD Canada	To develop media strategy and purchase media space and time. Media included TV, radio and on-line advertisements	\$1,861,719
Request *			\$2,646,043

*Request is amount spent in 2017-18 only. A first transfer of \$1,100,000 was approved in March 2017 for the first tranche of expenditures in 2016-17.

3. FISCAL IMPLICATIONS

The Ministry of Energy's *Ministry Administration Budget* for 2017-18 is approximately \$15,075,200. As of November 30, 2017, \$13,230,821 of the \$15,139,214 budget has been spent and/or encumbered.

Additional costs against the Ministry Administration budget are anticipated from December to March. The Ministry is estimating approximately \$2,300,000 in Salaries and Wages expenses alone. Without reimbursement from the Bulk Media Buy program for costs incurred related to the advertising campaign for the Ontario Fair Hydro Plan, the Ministry will be facing pressures against the Ministry Administration Budget.

The Ministry will not have any savings from the BMB reimbursement as this is a reimbursement of actual expenses in 2017-18.

4. BACKGROUND

For the fiscal year 2016-17, Treasury Board/Management Board of Cabinet approved funding for advertising and media buying requirements for marketing campaigns. Ministries that incurred expenses on these specific campaigns are to apply to the Chair of Treasury Board for a funding transfer from the Bulk Media Buy program.

The Ontario Fair Hydro Plan advertising campaign was developed to increase awareness of Ontario's existing rate mitigation measures and new proposed electricity affordability plan.

Over the last decade, Ontario has rebuilt the transmission and distribution grid, invested in clean generation, and closed coal-fired power plants. These system upgrades have come at a cost to Ontarians through rising hydro bills that are top of mind concern for many Ontarians. The government has heard these concerns and Ontario's Fair Hydro Plan was announced by Premier Wynne and Minister Thibault in March 2017.

Supporting this announcement with a comprehensive print, television and radio campaign to get the word out is critical to ensure the hardest hit and most vulnerable low-income families in the province hear about all the programs that can help them pay their electricity bill.

In order to ensure integrity in the public reporting of advertising expenditures and satisfy the Auditor General's expectations of proper accounting of these expenses, the Ministry of Energy is applying for the transfer of funds to offset the costs incurred. The requested funding transfer is required to mitigate what would otherwise be a pressure on the Ministry of Energy's financial allocation.

5. SUPPORTING DOCUMENTATION

The attached Communication Plan describes the media advertising strategies related to the campaign/initiative. Also attached are invoices received to date for the 2017 Ontario Fair Hydro Plan advertising campaign. The Ministry is not anticipating additional invoices for 2017-18.

6. RECOMMENDATION

The Ministries of *Energy* and Treasury Board Secretariat recommend that the Chair of Treasury Board approve the transfer of \$2,646,043 to the Ministry of *Energy* in Vote/Item 2901-01 for the 2017 Ontario Fair Hydro Plan advertising campaign from the Advertising/Bulk Buy program in the Treasury Board Secretariat Vote/Item 3411-01.