

MEETING NOTE

NAME OF ORGANIZATION: Ontario Energy Board (OEB)
DATE / TIME OF MEETING: March 13, 2017; 8:30-9:30 am
LOCATION OF MEETING: Deputy's Mini Boardroom, 4th Floor, Hearst Block

PURPOSE: Monthly Meeting

ATTENDEES: **Deputy Minister of Energy**
Serge Imbrogno, Deputy Minister of Energy

OEB
Rosemarie Leclair, President and CEO

AGENDA ITEMS

1. OESP
 2. LTEP
 3. New Affordability Fund
 4. Transportation Fuels Review
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1. Ontario Electricity Support Program (OESP)

SUGGESTED RESPONSE

- The Ministry thanks the OEB for their support and cooperation through the development of Ontario's Fair Hydro Plan.
- The Ministry recognizes OEB's hard work to increase uptake of Ontario Electricity Support Program (OESP) and is committed to working closely with the OEB on implementation activities to enhance the OESP.

Background

- Ontario is proposing regulatory amendments that would increase the OESP credits by 50 per cent and new household income and size categories would be added to the list of potentially eligible customers.
- The implementation of these changes will likely take place in two phases.

- In phase 1, immediate changes are made to the OESP regulation to use the OESP variance account (approximately \$100M) to implement the 50% increase and eligibility expansion.
- In phase 2, regulatory changes will be designed to implement the legislative changes allowing for the OESP to be tax-based.
- The Province is also exploring automatic qualification for OESP recipients who are enrolled in other provincial low-income social programs. ENERGY is working with the Ministry of Community and Social Services to identify solutions to that ministry's implementation issues and will re-engage the OEB once a clear path has been identified. This step could be enabled with phase 1 regulatory changes, which would support quicker implementation of automation.

2. Long Term Energy Plan

SUGGESTED RESPONSE:

- The Ministry of Energy continues to work on developing the next Long-Term Energy Plan (LTEP).
- The Ministry thanks the Ontario Energy Board for its participation and support during LTEP engagement. The Ministry is considering various policy initiatives to address the issues identified during the LTEP engagement phase.
- Pending Cabinet approval, the Ministry of Energy expects to release an LTEP and associated Implementation Directives to IESO and OEB in mid- 2017.

Background:

- Development of the next LTEP is following the process outlined in the Energy Statute Law Amendment Act, 2015 which came into force on July 1, 2016.
- The LTEP engagement process officially began on October 13 with the release of the LTEP discussion guide, an in-person engagement schedule, and the Environmental Registry Notice. The Environmental Registry notice closed on December 16, 2016.
- The Ministry received over 1,500 submissions through the Environmental Registry, emails and other channels.
- Staff from the Ontario Energy Board attended all of the stakeholder sessions and public open houses during LTEP engagement.
- Both the LTEP engagement and development processes are being supported by an electricity technical report which was released by IESO on September 1, 2016, and a fuels sector technical report which was prepared by Navigant Consulting and released September 30, 2016.

3. New Affordability Fund

- **OEB has offered to assist in informing the criteria for the new Affordability Fund, part of the government's Fair Hydro Plan, given its role in delivering low-income support programs.**

SUGGESTED RESPONSE:

- **Thank you for the offer to help inform establishment of the Affordability Fund, in particular any suggestions OEB may have regarding potential social service agency representatives for the Trust.**
- **We expect that there will be opportunity for input to the Trust as it finalizes the specific criteria for this new Fund.**

Background:

- On March 2, the government announced a Fair Hydro Plan, which introduces new measures to lower electricity bills by 25 per cent on average for all residential customers, as well as expansion of the Ontario Electricity Support Program (OESP); broadening the Rural or Remote Rate Protection (RRRP) plan for those living in eligible rural communities; and establishing an Affordability Fund.
- The Affordability Fund will be an additional tool for distributors to help those customers who are not eligible for low income conservation programs, are having difficulty paying their electricity bills and cannot undertake energy efficiency improvements without financial assistance.
- Hydro One is helping to facilitate the establishment of an independent, non-controlled Trust whose purpose will be to implement and manage the Affordability Fund.
- The Trust establishment document will contain the criteria and framework under which the Fund will be distributed to, or for the benefit of, eligible ratepayers across the province. The funds will be disbursed to LDCs for program delivery to their customers.
- It is expected that the Trust engage with LDCs, as well as the IESO and OEB, to inform specific application, funding and eligibility criteria.

4. Transportation Fuels Review

Transportation Fuels Review

- On November 8, 2016, the Minister of Energy asked the Ontario Energy Board (OEB) to review the province's retail transportation fuels market and deliver a report to government.

Suggested Response:

- **Gasoline prices are a major issue for Ontario consumers. The Minister has made it clear that the province needs to take a thorough look at the matter. The Ministry looks forward to reviewing the OEB's report on the status of the market in Ontario.**
- **Please provide me with an update addressing the current status of the work the OEB is undertaking, including the success of your RFP for a consultant, and your plans for stakeholder consultations.**
- **Have you identified any particular issues on which you need to seek further direction from the ministry prior to completing your work?**

Background:

- On November 9, 2016, the Minister of Energy asked the OEB to review and report on the province's retail transportation fuels market, including gasoline and diesel, to provide more transparency for consumers about how prices are set.
- The OEB review will focus on three main topics:
 - The extent and causes of retail gasoline/diesel price variations over time and between regions within Ontario;
 - How Ontario compares with pricing and markets in other jurisdictions; and
 - The information available to consumers about pricing and price variations.
- On February 7, 2017, the OEB issued an RFP on MERX (and also on its own website) to develop a report on retail transportation fuels prices that investigates the transportation fuels (e.g., gasoline and diesel) market in Ontario, the way in which retail prices for gasoline and diesel are set across Ontario, and the reasons behind variance in prices of these fuels. The RFP closed on March 3, 2017.
- The OEB is expected to begin consultations in the coming months with the public and key stakeholders across the province.