

MEETING NOTE

NAME OF ORGANIZATION: Ontario Energy Board (OEB)
DATE / TIME OF MEETING: May 15, 2017
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. Long Term Energy Plan
 2. Ontario Electricity Support Program
 3. Expansion of DSM Framework: Mid-Term Review
 4. Ontario Fair Hydro Plan
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1. Long Term Energy Plan

SUGGESTED RESPONSE:

- The Ministry of Energy continues to work on developing the next Long-Term Energy Plan (LTEP).
- The Ministry will continue to work with OEB staff on the process for developing its implementation directive.
- 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 several 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.
- As per the legislated LTEP process, the Minister of Energy may issue an implementation directive to the OEB setting out government requirements for LTEP implementation for matters falling within the OEB's jurisdiction.
- The OEB submitted a deck to the Ministry on May 5, 2017 outlining a vision for its implementation directive. It proposed that the directive should focus on the following areas:
 - Efficiency and effectiveness of rate regulated entities
 - Modernizing regulation to support innovation
 - Empowering Consumers
 - Regulatory excellence
- Ministry and OEB staff are developing a joint presentation on how to provide the OEB with directional flexibility while ensuring the implementation plan is sufficient to give the Ministry confidence the LTEP vision will be achieved.

2. Ontario Electricity Support Program (OESP)

- Update on implementation activities related to OESP

Suggested Response:

- **I wish to thank the OEB for their cooperation and hard work to ensure that the expansion of the OESP is ready for May 1.**
- **The OEB, ENERGY, and the Ministry of Community and Social Services (MCSS) have made significant progress on a multi-phased strategy to align the OESP with social assistance program delivery.**

Background:

- Under the Fair Hydro Plan, the government introduced regulatory amendments to O. Regulation 314/15 of the *Ontario Energy Board Act, 1998* which, effective May 1, 2017 increased the OESP monthly credit amounts by 50% and broadened program eligibility.
- The Ministry is currently developing additional amendments to O. Reg. 314/15, which would be effective on July 1st, and allow MCSS staff to sign up Ontario Work and Ontario Disability Support Program clients onto the OESP, using eligibility criteria used for these MCSS programs to determine the amount of OESP credit they receive.
 - MCSS is working with the OEB and ENERGY staff to develop their strategy. If approved, implementation will take several months, with the raising awareness component beginning in 2-4 months, and MCSS processing applications starting in 4-6 months.
- The section of the OEBA that relates to the OESP funding shifting to the tax base will come into force via a proclamation Order in Council, on a date to be determined, allowing for the existing program structure to stay in place. The OIC date will be based on when the variance account (which has funded the program since May 1, 2017), is depleted.

3. Expansion of DSM Framework: Mid-Term Review

- On May 11, 2017, the OEB Chair issued a letter to the Minister of Energy indicating the OEB's preference to defer the completion date of the mid-term review of the Demand Side Management (DSM) Framework by 6 months, from June 1, 2018 to December 1, 2018.

Suggested Response:

- **Thank you for your letter to the Minister indicating the OEB's preference to defer the completion date of the mid-term review of the DSM Framework by six months, from June 1, 2018 to December 1, 2018.**
- **We expect that a Minister's letter acknowledging the Chair's letter will be issued shortly. Can you advise of the OEB's plan to communicate the extension to natural gas utilities and other stakeholders? When do you expect to initiate the mid-term review?**

Background:

- The OEB Chair's May 11, 2017 letter noted that the extended timeline will enable consideration of an additional year of evaluated DSM program results, and afford

natural gas utilities the opportunity to make further progress on the reports and studies expected to be submitted at the mid-term review.

- As part of the mid-term review, the OEB is expected to assess the performance of current DSM programs in terms of budget levels, impact on customer natural gas rates and shareholder incentives.
- Natural gas utilities are also required to complete a number of reports and studies including an update on expanding consumer access to on-bill financing, lowering free rider participants, a report on collaboration with electric utilities, and on low-income program cost effectiveness.
- In a March 27, 2017 briefing on the OEB's DSM mid-term review plan, OEB and ENERGY discussed potential challenges to the OEB completing the review by June 1, 2018. These included the availability of DSM verified results, and the need to consider implications of natural gas utility cap and trade obligations and Ontario Climate Change Solutions Deployment Corporation (OCCSDC) programs for the DSM Framework.

4. Ontario Fair Hydro Plan

Suggested Response:

- **The Ministry thanks the Ontario Energy Board (OEB) for its support through the development of Ontario's Fair Hydro Plan, including the recent introduction of the legislation.**
- **Does OEB have any feedback to share regarding the timing and work required for full implementation by July 1st?**

Background:

- OEB's calculation of the May 1 Regulated Price Plan (RPP) rates included 50% of the expected impact of Ontario's Fair Hydro Plan (e.g., GA refinancing, shifting of social programs off electricity bills, etc.).
- Under the proposed *Ontario Fair Hydro Plan Act, 2017* (OFHPA), OEB is required to make another adjustment to RPP rates 15 days after the passing of the legislation to reflect the full impact of GA refinancing.
- ENERGY / Independent Electricity System Operator (IESO) / OEB / Ontario Power Generation (OPG) and their respective advisors worked on the legislation.
- ENERGY is developing and amending regulations:

- Creation of new regulations would provide for the implementation of required calculations, such as adjustments to be made in respect of specified consumers who are not regulated rate consumers and the methodology for determining adjustments after April 30, 2018.
- Amendments to existing regulations (O. Reg. 429/04 and O. Reg. 280/14) would provide IESO and Local Distribution Companies (LDCs) with the necessary authority to undertake GA refinancing activities.