

Policy

Cabinet agreed that:

1. ENERGY ~~and MOF~~ implement electricity price ~~protection~~mitigation for residential, commercial and industrial consumers ~~by January 1, 2017~~ through the following:

- i) ~~For residential consumers, provide~~Working with MOF to ~~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, provide a rebate of 8% on the pre-tax cost of electricity. and any other consumers who were eligible for financial assistance under OCEBAthe Ontario Clean Energy Benefit Act, 2010 (OCEBA) during the period the program was in place~~
- ii) ~~For rural or remote electricity consumers, increase~~ the total amount of rate protection available to low density Hydro One Inc. ~~electricity~~ consumers under the Rural or Remote Rate Protection Program (RRRP) ~~by \$110 million~~;
- iii) Consider, and if ~~appropriate~~determined to be an effective method of ensuring low density Hydro One Inc. ~~electricity~~ consumers continue to receive an appropriate level of electricity price protection in future years, ~~utilize a mechanism to~~ periodically adjust the total annual amount of rate protection available to ~~low density~~ Hydro One Inc. ~~electricity~~ consumers under the RRRP, effective ~~on or after~~ January 1, 2018.
- iv) ~~For industrial consumers, lower~~Amend O. Reg. 429/04 (Adjustments under Section 25.33 of the Act) made under the Electricity Act, 1998, to ~~e~~Expanding eligibility for participation in Class A consumers and Class A market participants ~~under~~lower the Industrial Conservation Initiative (ICI) threshold to ~~1 all electricity consumers and market participants with a peak demand above an average of one megawatt (1 MW) megawatt with no sector restrictions on participation.~~
Remove eligibility restrictions to industrial consumers in the manufacturing, resource extraction, refrigerated warehousing and data processing and hosting sectors; and
2. ~~Require new entrants to opt in~~electricity consumers and market participants between 1 MW and 53 MW to opt in. to the ICI program

2. ENERGY and MOF seek necessary TB/MBC approvals in Fall 2016.

3. ENERGY and MOF seek approvals for:

- i) the proposed [title of proposed bill] and any supporting regulations under the proposed [title of proposed bill], and with other complementary regulatory amendments ~~and consequential legislative amendments to the Ontario Energy Board Act, 1998 and the Ontario Clean Energy Benefit Act, 2010,~~ subject to the Legislature's approval of the ~~Act~~, including the following

Comment [KM1]: Should there be a built in review period?

Response:
TBC

Comment [MC2]: TBC - reference the % or not

Response:
Suggest we reference the 8% since it cannot be changed or phased in.

Comment [MC3]: TBC - reference the % or not

Response:
We should probably reference the 8%.

Comment [MC4]: Need a definition that does not include OCEBA, and does this capture industrial consumers from 0.5-1 megawatt?

Response:
In response to the question above, industrial consumers from 0.5 – 1 MW would not be captured but farms and some multi-unit buildings could be captured (even above 1 MW).

Comment [MC5]: TB decision

Response:
Since RRRP is a rate base program, it does not require going to TB. Recommend keeping the dollar amount in.

Comment [MC6]: Need to be more specific – under what circumstances, or to achieve what goal?

Response:
Language revised.

Comment [MC7]: Not necessary to include here, but how many associated regs are there?

Response:
There may be up to three regs. One general reg., and two specific regs. (one for invoicing and bill presentment, and one for off-grid Independent Power Authorities).

elements:

- i. The rebate would be available starting January 1, 2017 ~~and before such date as may be prescribed~~;
- ii. The legislation would specify the types of costs to which the rebate would or would not be applied, with authority to make changes ~~to~~ by regulation;
- iii. The legislation would address invoicing requirements, including authority to prescribe how the rebate is to appear on consumers electricity bills;
- iv. The legislation would 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;
- v. The legislation would include record-keeping requirements for electricity vendors and other prescribed persons;
- vi. The legislation would include inspection powers for inspectors appointed by the minister of Finance, including powers related to the recovery of overpayments.

4. ENERGY seek approvals for:

- i) amendments to Ontario Regulation 429/04 (Adjustments Under Section 25.33 of the Act) made under the *Electricity Act*, 1998 to lower the Industrial Conservation Initiative (ICI) threshold to 1 megawatts and require electricity consumers and market participants between 1 MW and 5 MW to opt in.
- ii) amendments to Ontario Regulation 442/01 (Rural or Remote Electricity Rate Protection) made under the Ontario Energy Board Act, 1998, to increase support through the the Rural and Remote Rate Protection Plan to Hydro One low density rural electricity customers.

5. ENERGY and MOF work with MOECC to ~~explore the recycling~~ recycle ing of up to an annual average of \$270 million of Cap and Trade auction proceeds from the Greenhouse Gas Reduction Account for commercial and industrial electricity consumers over the first compliance period (2017-2020) and report back to TB/MBC by the end of 2016.

6. ENERGY and MOF work with Cabinet Office, Premier's office to develop a communications plan.

TB/MBC

TBC with TBS

LRC

Cabinet approved version [name] of this draft legislation for introduction, subject to the following:

1. The Office of Legislative Counsel is authorized to prepare a French version and to make minor adjustments to the English version, for the purpose of ensuring consistency between the two versions and making other improvements or correcting mistakes discovered in the translation process