Working Draft

Cabinet agreed that:

1. ENERGY implement electricity price mitigation for *residential*, *commercial* and *industrial* consumers through the following:

    i. Provide a decrease of 25% or 20% on the after tax cost of electricity for all electricity consumers eligible to be billed under the Ontario Energy Board's Regulated Price Plan (RPP) and any other consumers who would be eligible for RPP if their electricity account was with a licensed distributor through cost deferral of the **Global Adjustment**.

    a. Total bill increases will be set at 2% per year until the end of 2021 for a Toronto Hydro customer consuming 750 kWh per month. From 2022 bills will increase at a rate that ensures recovery of the accumulated debt by 2048, with a total bill cap of 25% above the unsmoothed cost of electricity service in each year for the same Toronto Hydro customer.

    ii. Enhance the total amount of rate protection available for mitigation of electricity distribution charges by:

    a. Amending the regulatory framework for **Rural or Remote Rate Protection** (RRRP) to:

        i. Provide additional support to Hydro One R2 customers by ensuring their distribution charges are no higher than they would be if [fixed distribution charges were in place];

        ii. Provide support to Hydro One R1 customers by ensuring their distribution charges are no higher than they would be if [fixed distribution charges were in place];

        iii. Provide support to other high-cost LDCs [names?] by ensuring their distribution charges are no higher than they would be [if fixed distribution charges were in place];

        iv. Establish a mechanism to allow for these supports to be funded out of money appropriated for that purpose by the legislature.

    b. Creating a new support program to eliminate Delivery charges for **on-Reserve First Nations r**esidential rate class custom including a mechanism to allow it to be funded out of money appropriated for that purpose by the legislature.

Commented [RM(1]: Depends on the option chosen…

iii. Amending the legislative and regulatory framework for the **Ontario Electricity Support Program** (OESP)to:

   a. Enhance all the cells in the existing benefit matrix by an additional 50 percent;

   b. Establish a mechanism to allow the OESP to be funded using money appropriated for that purpose by the legislature.

iv. ENERGY implement the **LDC Affordability Fund** through a Transfer Payment Agreement with one or more Local Distribution Companies:

   a. The Fund would target residential electricity customers who are struggling to pay their electricity bills and are ineligible for low-income conservation or support programs, and are unable to upgrade the energy efficiency of their homes without financial assistance.

   b. The Fund would assist these customers by providing energy efficiency measures at no or minimal cost.

v. The following approvals be granted to ENERGY:

Commented [HS(2]: Likely for the TB minute

   a. APPROVE a $200,000,000 allocation for a LDC Affordability Fund.

   b. APPROVE a Treasury Board Order in the amount of $200,000,000 in the Ministry of Energy (Vote/Item 2902-01) offset from Treasury Board Contingency Fund to support the LDC Affordability Fund.

   c. APPROVE an expenditure increase of $200,000,000 in the Green Energy Initiatives Transfer Payment Line in the Energy Development and Management Vote (Vote 2902-01) within the Ministry of Energy for 2016-17 to support the LDC Affordability Fund.

   d. APPROVE an exemption from Cash Management Directive requirements for the Transfer Payment Agreement(s) related to the LDC Affordability Fund.

vi. Include in the **Long-Term Energy Plan Implementation Directive** to the Ontario Energy Board requirements to:

   a. Enhance Board policies with regards to distribution and transmission sector performance; and

   b. Find efficiencies and cost reductions in the Board's own regulatory requirements.

2. Energy, in coordination with OPG, MoF and TBS, to develop legislative and regulatory mechanisms to enable **OPG governance and corporate structures to enable GA smoothing**.

3. Energy, in coordination with OPG, IESO, OEB, MoF and TBS, to develop legislative and regulatory mechanisms to enable recovery of all costs associated with GA Smoothing (principle and interest repayment, as well as administrative costs) including role of IESO and regulatory oversight by OEB.

4. ENERGY seek approvals for **legislative authorities** which would, subject to the Legislature's approval, include the following:

   a. XXX Amendments to the Electricity Act, 1998 and regulations made under that Act; and

   b. Amendments to the Ontario Energy Board Act, 1998 and regulations made under that Act;

5. ENERGY to report back to LRC and Cabinet for approval of any supporting regulations under the proposed legislative authorities and with other complementary regulatory amendments.

6. ENERGY seek necessary TB/MBC approvals.

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

Commented [DS3]: We would also need to seek approvals for regulatory amendments subject to LGIC approval.