

Summary Notes of Discussion:

- The Ministry of Energy's Rate Mitigation proposal stimulated an active discussion. Outlined below are key *comments*, *questions* and *alternative proposals* raised during the discussion.

General Comments

- Concern that the Rate Mitigation proposal was too bold, complicated and expensive.
- As an alternative, it was suggested that a "phased approach" could be considered. For example, Phase 1 could include targeted support programs (?) for vulnerable electricity consumers, and if necessary, a Phase 2 that included GA Smoothing.
- However, it was highlighted that there is a public perception that things are "broken" and that a bold response (or a "big fix") is required. It was also noted that there are no "simple solutions" left to consider, if there were they would have been brought forward.
- Generally felt that more focused communications activities on the electricity pricing are required, this will be particularly important with respect to GA Smoothing.

GA Smoothing

- General recognition that the GA Smoothing is complicated and that there are a number of implementation details still being addressed, such accounting treatment, legal analysis, communications, etc. It was also asked if there was enough time to work through the implementation details.
- Interest in how the GA Smoothing proposal would impact the province's future borrowing abilities.
- Asked if consideration had been given to seek "external validation" for the GA Smoothing proposal (i.e., Auditor General, Financial Accountability Officer, third parties).
- Caution that there is a risk that the GA Smoothing proposal could result in consolidation that would impact the government's path to balance.
- Asked if consideration had been given to having this proposal included as part of the 2017 Budget process. It would provide an opportunity for additional review and due diligence.

Programs to Support Vulnerable Electricity Consumers

- General agreement that there is a need to provide support to the most vulnerable electricity consumers, but consideration for support should be targeted. There was also suggestion that the programs could be designed with a “floor”.
- Asked whether consideration had been given to how tenants could better access the proposed electricity support programs.

Alternative Proposals for Consideration:

- Rate mitigation for Class B electricity consumers, especially those that are too large for the Regulated Price Plan (i.e., do not qualify for the 8% rebate for small businesses or Time-Of-Use pricing) and too small to be Class A (i.e., do not qualify for the Industrial Conservation Initiative (ICI)).
- Capping electricity rates at 1.7% for 3-to-years.
- Capping the salaries of hydro executives.
- Expanding access to natural gas for home heating by increasing funding to the natural gas expansion program by \$100 million. This could also include additional support to address conversion costs (i.e., switching away from electric heating to natural gas).
- More effectively communicate existing electricity programs and benefits to low electricity rates (i.e., 8% Rebate).