

CONFIDENTIAL
Until filed with the
Registrar of Regulations

REG2017.0631.e
12-TK

ONTARIO REGULATION
made under the
ONTARIO ENERGY BOARD ACT, 1998
ONTARIO ELECTRICITY SUPPORT PROGRAM

This draft has not been edited. Editing and renumbering to be done once the substantive drafting is finalized.

Interpretation

1. (1) In this Regulation,

“account-holder” means a consumer,

- (a) who has an account with a licensed distributor that falls within a residential-rate classification as specified in a rate order made by the Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year,
- (b) who has an account with Dubreuil Lumber Inc. or Cornwall Street Railway Light and Power Company Limited for electricity service at a dwelling, and who lives at the dwelling for at least six months in a year, or
- (c) who has an account with a unit sub-meter provider for electricity service at a dwelling, and who lives at the dwelling for at least six months in a year; (“*French*”)

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator or a kidney dialysis machine; (“*French*”)

“electricity provider” means, in relation to an account-holder, the licensed distributor referred to in clause (a) or (b) of the definition of “account-holder” or the unit sub-meter provider referred to in clause (c) of that definition, as the case may be; (“*French*”)

“embedded distributor” means a licensed distributor who is not a market participant and to whom a host distributor distributes electricity; (“*French*”)

“host distributor” means a licensed distributor who is a market participant and who distributes electricity to an embedded distributor; (“*French*”)

“household” means, subject to subsections (2) and (3), the account-holder and any other people living at the account-holder’s service address or dwelling for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives; (“*French*”)

“household income” means the combined annual after-tax income of all members of a household aged 18 or over; (“*French*”)

“Indigenous person” means a person who is a First Nations person, a Métis person or an Inuit person; (“*French*”)

“licensed distributor” means a distributor who is licensed under Part V of the Act; (“*French*”)

“OESP” means the Ontario Electricity Support Program continued under section 79.2 of the Act; (“*French*”)

“OESP administrative costs” means costs in respect of the delivery or administration of the OESP that are incurred by the Board; (“*French*”)

Commented [SB(1)]: Left out MOF.

“rate assistance” means OESP rate assistance under section 79.2 of the Act. (“*French*”)

(2) When applications are processed pursuant to an agreement with the Minister of Community and Social Services under section 79.2.1 of the Act on behalf of an account-holder who is a recipient of income support under the *Ontario Disability Support Program Act, 1997*, who is an applicant that satisfies the requirements set out in clauses 5 (1) (b) to (e) of that Act or who is a member of such a recipient’s or applicant’s benefit unit, as defined in that Act,

“household” has the same meaning as “benefit unit” in the *Ontario Disability Support Program Act, 1997*.

(3) When applications are processed pursuant to an agreement with the Minister of Community and Social Services under section 79.2.1 of the Act on behalf of an account-holder who is a recipient of basic financial assistance under the *Ontario Works Act, 1997*, who is an

applicant eligible for basic financial assistance under that Act or who is a member of such a recipient's or applicant's benefit unit, as defined in that Act,

“household” has the same meaning as “benefit unit” in the *Ontario Works Act, 1997*.

(4) For the purposes of this Regulation,

- (a) Hydro One Remote Communities Inc. is deemed to be an embedded distributor and Hydro One Networks Inc. is deemed to be its host distributor;
- (b) Cornwall Street Railway Light and Power Company Limited is deemed to be an embedded distributor and Canadian Niagara Power Inc. is deemed to be its host distributor; and
- (c) Dubreuil Lumber Inc. is deemed to be an embedded distributor and Algoma Power Inc. is deemed to be its host distributor.

(5) Subsection (4) ceases to apply with respect to an entity that is deemed to be an embedded distributor if the entity ceases to be a licensed distributor.

Rate-assisted consumers

2. The account-holders set out in Schedule 1 are prescribed as rate-assisted consumers for the purposes of subsection 79.2 (7) of the Act.

Rate assistance

3. (1) Rate assistance shall be provided to rate-assisted consumers on a monthly basis.

(2) The monthly amount of rate assistance for each class of rate-assisted consumer set out in Schedule 1 is,

- (a) \$35 for account-holders in Class A;
- (b) \$40 for account-holders in Class B;
- (c) \$45 for account-holders in Class C;
- (d) \$51 for account-holders in Class D;
- (e) \$52 for account-holders in Class E;
- (f) \$57 for account-holders in Class F;

- (g) \$60 for account-holders in Class G;
- (h) \$63 for account-holders in Class H;
- (i) \$68 for account-holders in Class I;
- (j) \$75 for account-holders in Class J;
- (k) \$83 for account-holders in Class K;
- (l) \$90 for account-holders in Class L; and
- (m) \$113 for account-holders in Class M.

Payments to rate-assisted consumers

4. (1) An electricity provider shall, as soon as reasonably practicable after it receives notice that one of its account-holders is eligible for rate assistance, apply the applicable rate assistance to the account-holder's bill.

(2) In providing rate assistance to rate-assisted consumers, electricity providers shall, subject to subsection 79.2 (13) of the Act, comply with any applicable code issued by the Board or licence condition.

Compensation for lost revenue to licensed distributors

6. (1) Every embedded distributor who provides rate assistance shall provide to its host distributor, at the times and in the form and manner specified by the host distributor, information respecting the amount of rate assistance provided to rate-assisted consumers who have accounts with the embedded distributor for the last month ending before the day the information is to be provided, and any adjustments to be made in respect of earlier months.

(2) Every licensed distributor who is a market participant who provides rate assistance shall provide to the IESO, at the times and in the form and manner specified by the IESO, information respecting the following amounts in respect of the last month ending before the day the information is to be provided:

1. The amount of rate assistance provided for the month to rate-assisted consumers who have accounts with the licensed distributor, and any adjustments to be made in respect of earlier months.
2. The amount of rate assistance provided for the month to rate-assisted consumers who have accounts with embedded distributors of which the licensed distributor is the host distributor, and any adjustments to be made in respect of earlier months.

Commented [SB(2)]: Numbering.

(3) The IESO shall provide to the Minister, at the times and in the form and manner specified by the Minister, the total amounts reported to the IESO under subsection (2) in respect of the last month ending before the day the information is to be provided.

(4) Based on the information provided under this section for a month,

- (a) the Minister shall pay to the IESO, in keeping with the IESO timelines for invoice payments, sufficient amounts to compensate licensed distributors for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with licensed distributors, subject to any adjustments to be made in respect of earlier months;
- (b) the IESO shall pay to each licensed distributor who is a market participant a sufficient amount to compensate,
 - (i) the licensed distributor for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with the licensed distributor, subject to any adjustments to be made in respect of earlier months, and
 - (ii) embedded distributors of which the licensed distributor is the host distributor for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with the embedded distributors, subject to any adjustments to be made in respect of earlier months; and
- (c) a host distributor shall, before the date specified by the Board if any, pay to every embedded distributor of which it is a host distributor a sufficient amount to compensate the embedded distributor for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with the embedded distributor, subject to any adjustments to be made in respect of earlier months.

(5) Despite subsection (4), the amount of compensation to which a licensed distributor is entitled is subject to such subsequent adjustments as may be required by reason of,

- (a) the provision to a person to whom information is given under this section of additional information; or
- (b) a determination made by an inspector who conducts an inspection or inquiry under section 79.8 of the Act that relates to the licensed distributor.

(6) Despite subsections (4) and (5), no amount is payable as compensation to a licensed distributor who fails without reasonable cause to provide any information required to be provided under this section within the time it is required to be provided.

(7) Payments required under this section by a person or entity and any subsequent adjustments may be made, at the option of the person or entity, by way of set-off against any applicable accounts maintained by the person or entity.

Commented [SB(3)]: May not address the IESO's concern that it does not manage set-off accounts for OESP?

Compensation for lost revenue to unit sub-meter providers

7. (1) Every unit sub-meter provider who provides rate assistance shall provide to the IESO, at the times and in the form and manner specified by the IESO, information respecting the amount of rate assistance provided to rate-assisted consumers who have accounts with the unit sub-meter provider for the last month ending before the day the information is to be provided, and any adjustments to be made in respect of earlier months.

(2) The IESO shall provide to the Minister, at the times and in the form and manner specified by the Minister, the total amount reported to the IESO under subsection (1) in respect of the last month ending before the day the information is to be provided.

(3) Based on the information provided under this section for a month,

- (a) the Minister shall pay to the IESO, in keeping with the IESO timelines for invoice payments, sufficient amounts to compensate unit sub-meter providers for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with unit sub-meter providers, subject to any adjustments to be made in respect of earlier months; and
- (b) the IESO shall pay to each unit sub-meter provider a sufficient amount to compensate the unit sub-meter provider for lost revenue resulting from the provision of rate assistance for the month to rate-assisted consumers who have accounts with the unit sub-meter provider, subject to any adjustments to be made in respect of earlier months.

(4) Despite subsection (3), the amount of compensation to which a unit sub-meter provider is entitled is subject to such subsequent adjustments as may be required by reason of,

- (a) the provision to a person to whom information is given under this section of additional information; or
- (b) a determination made by an inspector who conducts an inspection or inquiry under section 79.8 of the Act that relates to the unit sub-meter provider.

(5) Despite subsections (3) and (4), no amount is payable as compensation to a unit sub-meter provider who fails without reasonable cause to provide any information required to be provided under subsection (1) within the time it is required to be provided.

(6) Payments required under this section by a person or entity and any subsequent adjustments may be made, at the option of the person or entity, by way of set-off against any applicable accounts maintained by the person or entity.

OESP administrative costs

8. (1) The Board shall provide to the Minister, at the times and in the form and manner specified by the Minister, a quarterly report forecasting the OESP administrative costs the Board reasonably expects to incur in the quarter, and specifying both the amount and type of each expected cost.

(2) On receiving a quarterly report under subsection (1), the Minister shall,

- (a) approve the report;
- (b) approve the report subject to specified modifications to the amount of any cost; or
- (c) decline to approve the report.

(3) A decision of the Minister under clause (2) (c) respecting a quarterly report does not restrict the ability of the Board to provide to the Minister a revised quarterly report respecting the same quarter to the Minister and, for the purpose, subsections (1) and (2) apply with respect to the revised quarterly report.

(4) The Board may, during a quarter for which it has provided a quarterly report under subsection (1) that was approved by the Minister under clause (2) (a) or (b), provide to the Minister an updated quarterly report containing revisions in respect of any changes to expected costs within the quarter.

(5) Subsection (2) applies with respect to an updated quarterly report provided to the Minister under subsection (4), and if the Minister approves the updated report under clause (2) (a) or (b), the updated report applies for the purposes of subsections (8) and (10).

(6) For every month in which the Board incurs OESP administrative costs for which it wishes to be reimbursed, the Board shall provide to the IESO, at the times and in the form and manner specified by the IESO, information respecting the amount and type of OESP administrative costs that were incurred during the month, and any adjustments to be made in respect of earlier months.

Commented [SB(4)]: This level of detail is not beneficial. However, it may be based on FAA requirements for oversight / due diligence. Need to confirm, but preference is less specificity.

(7) The IESO shall provide to the Minister, at the times and in the form and manner specified by the Minister, the information reported to the IESO under subsection (6).

(8) The Minister shall pay to the IESO a sufficient amount to reimburse the Board for the OESP administrative costs it incurred during a month, subject to any adjustments to be made in respect of earlier months, if the costs were of an amount and type included in a quarterly report and approved by the Minister under subsection (2).

(9) The Minister may make payments under subsection (8) respecting an incurred OESP administrative cost regardless of whether it was actually incurred earlier or later than forecast in the applicable quarterly report.

(10) In the case of any OESP administrative cost that is not of an amount or type included in a quarterly report and approved by the Minister under subsection (2), the Minister may,

- (a) pay a sufficient amount to wholly or partially reimburse the Board for the cost; or
- (b) decline to pay an amount for reimbursement of the cost.

(11) The IESO shall pay to the Board the amounts received by it under subsection (8) or (10).

(12) The Minister shall give notice to the Board of any decision made by the Minister under this section.

(13) Despite subsections (8), (10) and (11) and subject to subsection (14), no amount is payable to the Board under this section if the Board fails without reasonable cause to provide any information required to be provided under subsection (6) within the time it is required to be provided.

(14) Any step that may or must be taken by the Board under this section may be taken, in whole or in part, by the centralized service provider engaged by the Board to administer the OESP on the Board's behalf, but an amount payable to the Board under this section may only be paid to the Board.

Additional duty to provide information

9. (1) No later than June 30 in each year, the Board shall provide to the Minister, in the form and manner specified by the Minister, the following information respecting the provision of rate assistance in the preceding calendar year:

1. The number of rate-assisted consumers on December 31.

2. The number of account-holders who were deemed eligible to receive rate assistance for any period during the year, but who were no longer rate-assisted consumers on December 31.

(2) The Board shall provide to the Minister, at the times and in the form and manner specified by the Minister, the following information respecting the provision of rate assistance with respect to any period specified by the Minister:

1. The number of applications made for OESP during the period and, in respect of those applications,
 - i. the number of applications in which the applicant or any member of the account holder's family living within the household is an Indigenous person,
 - ii. the number of applications that stated that the account-holder or a member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates, and
 - iii. the number of applications that stated that the dwelling to which account relates is heated primarily by electricity.
2. The number of applications for OESP accepted for rate assistance during the period, and the number of applications declined.
3. The number of applications for OESP made to a person or entity authorized under section 79.2.1 of the Act to process OESP applications that,
 - i. were made during the period,
 - ii. were accepted during the period, and
 - iii. as of the last day of the period,
 - A. were being processed, or
 - B. were delayed in being processed due to an error or omission.

(3) The IESO shall provide to the Minister, at the times and in the form and manner specified by the Minister, the following information respecting the provision of rate assistance with respect to any period specified by the Minister:

1. For each electricity provider with whom a rate-assisted consumer had an account during the period,
 - i. the amount of rate assistance provided during the period by the electricity provider, specified both as a total amount and by class of rate-assisted consumer, and
 - ii. the number of invoices issued to rate-assisted consumers who had an account with the electricity provider during the period, specified both as a total amount and by class of rate-assisted consumer.
2. Any other information respecting the provision of rate assistance that the Minister may specify.

Additional duty of IESO to provide information

10. The IESO shall, when providing information related to the provision of rate assistance to the Board as required by the Board, also provide the information to the Minister.

Reliance on information

11. For the purposes of this Regulation, a person or entity to whom information is required to be provided under this Regulation shall rely on that information.

Appropriations

11.1 For greater certainty, any requirement in this Regulation for the Minister to pay amounts that are payable out of money appropriated by the Legislature under subsection 79.2 (4) of the Act to another person or entity, whether within a specified time or otherwise, is subject to the appropriation having been made.

Transitional, compensation for lost revenue

12. (1) This section applies before the month in which the money required for the OESP begins to be paid out of money appropriated by the Legislature under subsection 79.2 (4) of the Act.

(2) Sections 6 to 8 of this Regulation do not apply.

(3) The IESO shall, for each month,

- (a) pay electricity providers the compensation to which they are entitled for lost revenue resulting from the provision of rate assistance; and

- (b) retain for itself amounts to compensate it for any payments the IESO is required by the Board to make, pursuant to the IESO's licence, in respect of the implementation and administration of the OESP.

(4) The following entities are prescribed for the purposes of clause 79.2 (11) (a) of the Act as entities to whom the IESO may be required to make payments as a deemed condition of its licence:

1. The Board.
2. The centralized service provider engaged by the Board to administer the OESP on the Board's behalf.

Transitional, variance account

13. For the purposes of subsections 79.2 (4) and (5) of the Act, in the month in which the money required for the OESP begins to be paid out of money appropriated by the Legislature under subsection 79.2 (4) of the Act, the credit balance in the variance account maintained by the IESO under the OESP as it existed before section 2 of Schedule 2 to the *Fair Hydro Act, 2017* came into force shall be fully applied towards compensation for lost revenue resulting from the provision of rate assistance under subsection 79.2 (10) of the Act.

Amendments to this Regulation

14. Sections 12 and 13 are revoked.

Revocation

15. Ontario Regulation 314/15 (Ontario Electricity Support Program), made under the Act, is revoked.

Commencement

16. (1) Subject to subsection (2), this Regulation comes into force on the later of section 2 of Schedule 2 to the *Fair Hydro Act, 2017* comes into force and the day it is filed.

(2) Section 14 comes into force on the first anniversary of the day section 1 comes into force.

SCHEDULE 1 CLASSES OF RATE-ASSISTED CONSUMERS

The following are classes of rate-assisted consumers for the purposes of subsection 79.2 (7) of the Act and section 3 of this Regulation:

1. Class A is composed of the following account-holders, other than account-holders who also meet the requirements of Class E:

- i. Account-holders with a household income of more than \$39,000 and no more than \$48,000 living in a household of three persons.
 - ii. Account-holders with a household income of more than \$48,000 and no more than \$52,000 living in a household of five persons.
 - iii. If the applications are processed pursuant to an agreement with the Minister of Community and Social Services under section 79.2.1 of the Act, account-holders living in any size household where the household income exceeds the maximum amount specified for that household size in any other part of this Schedule.
2. Class B is composed of the following account-holders, other than account-holders who also meet the requirements of Class G:
 - i. Account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of two persons.
 - ii. Account-holders with a household income of more than \$39,000 and no more than \$48,000 living in a household of four persons.
 - iii. Account-holders with a household income of more than \$48,000 and no more than \$52,000 living in a household of six persons.
 - iv. If the applications are processed pursuant to an agreement with the Minister of Community and Social Services under section 79.2.1 of the Act, account-holders living in a household of one person where the household income is between \$28,001 and \$39,000.
3. Class C is composed of the following account-holders, other than account-holders who also meet the requirements of Class I:
 - i. Account-holders with a household income of \$28,000 or less living in a household of one or two persons.
 - ii. Account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of three persons.
 - iii. Account-holders with a household income of more than \$39,000 and no more than \$48,000 living in a household of five persons.
 - iv. Account-holders with a household income of more than \$48,000 and no more than \$52,000 living in a household of seven or more persons.

4. Class D is composed of the following account-holders, other than account-holders who also meet the requirements of Class J:
 - i. Account-holders with a household income of \$28,000 or less living in a household of three persons.
 - ii. Account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of four persons.
 - iii. Account-holders with a household income of more than \$39,000 and no more than \$48,000 living in a household of six persons.
5. Class E is composed of account-holders with a household income and household size described under Class A who also meet any of the following requirements:
 - i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.
 - iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
6. Class F is composed of the following account-holders, other than account-holders who also meet the requirements of Class K:
 - i. Account-holders with a household income of \$28,000 or less living in a household of four persons.
 - ii. Account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of five persons.
 - iii. Account-holders with a household income of more than \$39,000 and no more than \$48,000 living in a household of seven or more persons.
7. Class G is composed of account-holders with a household income and household size described under Class B who also meet any of the following requirements:
 - i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.

- iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
- 8. Class H is composed of the following account-holders, other than account-holders who also meet the requirements of Class L:
 - i. Account-holders with a household income of \$28,000 or less living in a household of five persons.
 - ii. Account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of six persons.
- 9. Class I is composed of account-holders with a household income and household size described under Class C who also meet any of the following requirements:
 - i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.
 - iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
- 10. Class J is composed of,
 - i. account-holders with a household income of \$28,000 or less living in a household of six or more persons, other than account-holders who also meet the requirements of Class M,
 - ii. account-holders with a household income of more than \$28,000 and no more than \$39,000 living in a household of seven or more persons, other than account-holders who also meet the requirements of Class M, and
 - iii. account-holders with a household income and household size described under Class D who also meet any of the following requirements:
 - A. The dwelling to which the account relates is heated primarily by electricity.
 - B. The account-holder or any member of the account holder's family living within the household is an Indigenous person.

- C. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
11. Class K is composed of account-holders with a household income and household size described under Class F who also meet any of the following requirements:
- i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.
 - iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
12. Class L is composed of account-holders with a household income and household size described under Class H who also meet any of the following requirements:
- i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.
 - iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.
13. Class M is composed of account-holders with a household income and household size described under subparagraph i or ii of the description of Class J who also meet any of the following requirements:
- i. The dwelling to which the account relates is heated primarily by electricity.
 - ii. The account-holder or any member of the account holder's family living within the household is an Indigenous person.
 - iii. The account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

DRAFT