

**Briefing Note
Ministry of Finance**

**{ SEQ CHAPTER \h \r 1}Ontario Electricity Support Program
Legislation and Regulations Committee (LRC)**

{ SEQ CHAPTER \h \r 1}ISSUE

The Ministry of Finance (MOF) is seeking approval of amendments to O. Reg. 293/12 ((Services to Other Ministries and Public Bodies) under the *Ministry of Revenue Act* (MORA) to authorize MOF to provide services to the Ministry of Energy (ENERGY) or its agent.

These amendments support ENERGY's work to transfer the delivery of the Ontario Electricity Support Program (OESP) from the Ontario Energy Board (OEB) to the Ministry itself. MOF currently provides income verification services for OESP.

KEY INFORMATION

As part of *Ontario Fair Hydro Plan Act, 2017*, cost recovery for the OESP is being shifted away from the rate-base to the tax base. Amendments to the *Ontario Energy Board Act, 1998* (OEBA) were approved in June 2017 to support the transition to the tax base and transfer certain authorities related to program spending from the OEB to ENERGY.

To facilitate this transfer, ENERGY's proposes to bring the amendments to the OEBA into force via a Proclamation Order-in-Council, revoke the current O.Reg. 314/15 and replace it with a new O.Reg. 314/15.

In order for MOF to continue to assist with income verification of OESP applicants, corresponding amendments are also being proposed to s. 2.2 of O. Reg. 293/12 under the MORA. MOF's proposed amendments focus on replacing "OEB" with "ENERGY".

TIMING AND NEXT STEPS

The legislative provisions in the OEBA awaiting proclamation are needed to allow the program to be financed through the tax-base, and corresponding amendments to O. Reg. 314/15 and O. Reg. 293/12 are required to facilitate the transition of the OESP to ENERGY.

These changes are needed to ensure that the OESP continues to run uninterrupted. The intent is to implement the proposed changes for March 1, 2018 (TBC).

The Ministry of Energy is bringing these changes to the December 11, 2017 LRC meeting.

{ SEQ CHAPTER \h \r 1} **BACKGROUND**

The OESP is an income-tested, application based program that lowers electricity costs for the most vulnerable consumers by providing a credit directly on bills. The program, established under section 79.2 of the OEBA, is currently delivered by the OEB and has been in place since January 1, 2016.

MOF's role in the program delivery is to verify income and household size to determine the amount of financial assistance to be included on bills for eligible electricity consumers.

The OEB's agent, a central service provider, is responsible for program intake, supplemented by LEAP (Low-Income Energy Assistance Program) social agency partners for customers requiring additional assistance.

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