Ontario

LEGISLATION AND REGULATIONS COMMITTEE: MINISTRY APPROVAL FORM

LRC Tracking #: REG-11478/11534/11559

EVista Tracking #: SUB-REG-2017-01034/01123/01266

Ministry of Energy

Ontario Fair Hydro Plan Act, 2017, Ontario Energy Board Act, 1998

Regulations

Profile at a Glance

Priority: Key

Public Interest: Very High

Key Stakeholder Interest: High

New Costs/Burdens: Yes for Government, Yes for Stakeholders

New Savings/Opportunities: Yes for Stakeholders; No for Government

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Proposed Items for Review

A. GA Refinancing

1. Creating a new regulation to be made under the *Ontario Fair Hydro Plan Act, 2017* (*OFHPA)*, which is Schedule 1 of the *Fair Hydro Act, 2017*.

B. Social Programs

1. Amending Ontario Regulation (O. Reg.) 314/15 (Ontario Electricity Support Program) made under the *Ontario Energy Board Act, 1998 (OEBA)*.
2. Amending O. Reg. 197/17 (First Nation Delivery Credit) made under the *OEBA.*

Approvals required prior to LRC

	Committee and date	Cabinet Date
Policy	Cabinet approval received May 10	
TB/MBC	TB/MBC approval received May 9	

Original signed by — June 27, 2017

Deputy Minister — Date

Original signed by — June 27, 2017

Minister — Date

s. 1 Proposal and Context

Supporting Electricity Rate Mitigation under the Fair Hydro Act

- On May 11, 2017, the government introduced Bill 132, the *Fair Hydro Act, 2017 (FHA)* which is comprised of two Schedules: Schedule 1 is the *Ontario Fair Hydro Plan Act, 2017* (*OFHPA*) and related amendments to the *Electricity Act, 1998* and the *Ontario Energy Board Act, 1998 (OEBA)*; Schedule 2 includes the electricity social program-related amendments to the *OEBA, 1998*. On May 31, 2017 the *FHA* passed third reading and received Royal Assent on June 1, 2017.
- Under the *OFHPA*, a portion of the GA would be refinanced in order to fairly allocate costs across present and future generations of electricity consumers with respect to investments made to decarbonize (i.e., phase-out coal) and modernize Ontario's electricity system (i.e., build and maintain a reliable electricity system).
- Today's electricity consumers have been bearing disproportionate cost responsibility for the investments in developing the clean, modern and reliable electricity system that Ontario has today and that will continue to provide benefit to future generations. The legislation recognizes the long-term benefit of clean energy investments into the future and more appropriately allocate costs into the future to account for long-term benefits.
- Refinancing a portion of the GA would provide significant and immediate rate relief to electricity consumers that have been burdened with the costs of the necessary investments that have been made to decarbonize and modernize the province's electricity infrastructure. Refinancing the GA would spread the cost of electricity investments so that they are shared proportionately by future consumers who cause a need for or benefit from the province's multi-billion dollar investments in electricity infrastructure.
- Under Schedule 1 of the *FHA* which enables GA Refinancing, electricity bills of typical residential consumers would be reduced by 25 per cent starting in summer 2017. In addition, Schedule 1 provides the authority under which further increases to electricity bills for typical consumers could be held to the rate of inflation. Up to 500,000 small businesses and farms would also benefit.
- Provisions under Schedule 2 of the *FHA* enable amendments to the *OEBA* and the creation of new programs targeted at vulnerable electricity consumers, including funding these programs from the tax base rather than the electricity rate base.
- The proposed General Regulation under Schedule 1 of the *FHA* is the next step in implementing GA refinancing. It provides mechanics required to implement financing transactions.
- The proposed amendments in this package are needed to implement the changes to the Ontario Electricity Support Program (OESP), under Ontario's Fair Hydro Plan (OFHP), as enacted under the *FHA*. The proposed amendments support the implementation strategy to increase enrolment of social assistance clients into the OESP.

A. GA Refinancing

1. Creating a new Regulation to be made under the *Ontario Fair Hydro Plan Act, 2017* (*OFHPA*), which is Schedule 1 of the *Fair Hydro Act, 2017*

- The Ministry of Energy is seeking approval to create a new regulation under the *Ontario Fair Hydro Plan Act, 2017 (OFHPA)* to enable the implementation of GA Refinancing.
- The proposed regulation would, if approved, provide further detail on the roles and responsibilities of the Financial Services Manager (FSM, i.e., Ontario Power Generation (OPG)), the Independent Electricity System Operator (IESO) and Ontario Energy Board (OEB) under the *OFHPA*.
- The proposed regulation would, if approved, also provide further criteria related to the development and implementation of the Financing Plan by the FSM, the operation of the FSM, the determination of funding obligations and finance amounts, the setting of the Fair Allocation Amount by the Minister of Energy and the recovery of the Clean Energy Adjustment from electricity consumers, as required under the *OFHPA*.

B. Social Programs

1. Amending O. Reg. 314/15 (Ontario Electricity Support Program) made under the *Ontario Energy Board Act, 1998*

- Recent legislative amendments to the *Ontario Energy Board Act, 1998 (OEBA)* provide the Ministry of Community and Social Services (MCSS) the authority to support the delivery of the OESP. These amendments came into force at Royal Assent on June 1, 2017.
- The proposed amendments to O. Reg. 314/15 are designed to enable MCSS to implement its new authorities. In particular, the amendments would recognize that MCSS processes for determining financial eligibility for social assistance (SA) programs (which includes Ontario Works and the Ontario Disability Support Program) are sufficient to determine OESP eligibility. The amendments would also ensure that all current SA clients and new applicants deemed financially eligible for SA will automatically be eligible for OESP.
- These amendments are intended to support the government’s goal of substantially increasing uptake of the OESP.

2. Amending O. Reg. 197/17 (First Nation Delivery Credit) made under the *Ontario Energy Board Act, 1998.*

- This amendment is intended to correct an error in the legal name of a Local Distribution Company named in regulation.

s. 2 **Approach and Intended Outcomes**

A. GA Refinancing

1. Creating a new Regulation to be made under the *Ontario Fair Hydro Plan Act, 2017* (*OFHPA*), which is Schedule 1 of the *Fair Hydro Act, 2017*

- The proposed regulation supports key aspects of the *OFHPA* including:
  - The establishment and transfer of portions of the regulatory asset;
  - The establishment of the *OFHPA*-related deferral and variance account to be held by the Independent Electricity System Operator (IESO);
  - The definition and details regarding the "funding obligation" which relates to the recovery of moneys borrowed by OPG/financing entity to fund GA refinancing;
  - Methodology related to the calculation of the Clean Energy Adjustment (CEA, i.e., the total amount payable by electricity consumers each reference period) including the communication of the CEA amounts to be collected to the OEB for its use in setting rates;
  - Determination of rates and amounts related to the recovery of the CEA by the OEB under which regulated rate consumers must be invoiced and which must be used in the calculation of rates for non-regulated consumers;
  - Requirements for electricity vendors (on the IESO, LDCs, retailers and unit sub-meter providers (USMPs)) in relation to the collection of amounts in respect of the CEA from electricity consumers;
  - The composition of the FSM's fees and the OEB's role in the review of those fees (i.e. the fees related to the ongoing operation of the FSM during the period of GA Refinancing);
  - Details related to the methodology to be used by the Minister in the calculation of the Fair Allocation amount (i.e. a calculation of the fair allocation of clean energy costs over time); and
  - Further criteria related to the development and implementation of the Financing Plan by the FSM.
- The proposed regulation is necessary to ensure that the mechanisms for refinancing of GA as set out under the *OFHPA* are in place in time for the first debt offering in fall 2017.

B. Social Programs

1. Amending O. Reg. 314/15 (Ontario Electricity Support Program) made under the *Ontario Energy Board Act, 1998*

- As part of the *OFHP*, ENERGY has already completed the following legislative and regulatory changes on OESP:

- Effective May 1, 2017, ENERGY completed a regulatory amendment to O. Reg. 314/15 to increase OESP credit amounts by 50% and expand eligibility criteria;
- Corresponding legislative amendments to section 79.2 of the *OEBA* were made to enable the program to shift from the rate-base to the tax-base once the rate-base pooled funding has been depleted. The intended approach involves proclaiming s.79.2 of the *OEBA* into force on a future date to be named by proclamation; and
- These legislative amendments also provided MCSS with data-sharing and information-sharing provisions for MCSS to deliver OESP to SA clients. Along with ss. amendments to s. 79, the new sections 79.3 and 79.4, came into force at Royal Assent on June 1, 2017.

- To align OESP with other social assistance programs, amendments to the OEBA were also required to give MCSS the authority to collect new information from SA clients and applicants, and give both MCSS and OEB the authority to share information regarding OESP enrolment.
- The proposed amendments to O. Reg. 314/15 will enable MCSS to implement these new authorities and help meet the government's goal of substantially increasing uptake in the OESP. Amendments include:
  - Changes to the OESP eligibility definitions so that household size and household income – the two main criteria for determining OESP eligibility – also capture the criteria that MCSS uses to determine financial eligibility for social assistance. These changes are needed because there are minor differences in how eligibility is determined between SA programs and the OESP;
  - Recognizing the "benefit unit" as eligible for OESP, such that a current or new SA client who is not the utility account holder, but is part of an account holder's benefit unit, can still receive support from MCSS to apply to the OESP;
  - Addressing current and future scenarios where those deemed financially eligible for OESP fall outside of the current OESP eligibility categories. Proposed amendments to Schedule 1 will ensure that anyone deemed financially eligible for social assistance (and is part of a benefit unit that is billed directly for electricity) is automatically eligible for OESP; and
  - Requiring an Agreement with OEB before MCSS can begin applying to OESP on behalf of those deemed financially eligible for SA.
- In order to implement these changes, MCSS is submitting to the Treasury Board a separate request for appropriate resources, using allocations already approved for enhancing the OESP as part of the Fair Hydro Plan.
- Pending the approval of the proposed amendments to O. Reg. 314/15 in this package, the next steps include:
  - Proclaiming s.79.2 of *OEBA* once the funds in the IESO OESP Variance account are depleted ;and

- Further amendments to O. Reg. 314/15 to implement the move from the rate base to the tax base.

2. Amending O. 197/17 Reg. (First Nation Delivery Credit) made under the *Ontario Energy Board Act, 1998*

- The approach reconciles the Cat Lake Reserve name with the distribution company who services the territory to provide for greater accuracy.
- This will ensure that residents of Cat Lake receive the FNDC and that there will be no confusion as to who will provide the credit

s. 3 Direction and Urgency

A. GA Refinancing

- The direction for the creation and implementation of GA Refinancing is found in the March 1, 2017 Cabinet Minute and subsequent public commitments.
- The reductions related to GA Refinancing have been announced to commence as of July 1, 2017.
- This timeline is now set out in legislation under the *OFHPA* which received Royal Assent on June 1, 2017.
- The proposed regulatory amendments and new regulation are necessary to implement Ontario's Fair Hydro Plan as legislated in the *OFHPA* by July 1, 2017.

B. Social Programs

- This proposal supports the government's objective to substantially increase program uptake of OESP. MCSS is moving forward expeditiously to make the administrative changes necessary to support alignment with SA program delivery and automate enrolment of SA clients into the OESP.
- The FNDC amendment is intended to amend the regulation prior to it coming into force on July 1st, thus ensuring continuity and remedying the error prior to the program commencing.

s. 4 Impact Assessment and Costs

A. GA Refinancing

Government Impact

- The proposed regulation does not involve a direct impact on the province.
- In order to finance the incurrence of funding obligations necessary to refinance the GA, OPG would require monthly "equity injections" from the Province but

would be fiscally neutral as OPG would issue new shares to the Province in exchange for any equity injections it received from the Province.

Stakeholder Impact

- The proposed regulation would impact LDCs, USMPs and retailers, in relation to the amounts related to the Clean Energy Adjustment that they would apply to their customers' invoices.

Agency Impact

- OEB would be impacted in terms of the requirements for review of OPG/Special Purpose Vehicle (SPV) fees set out in the proposed regulation and in terms of determination of rates that will be applied to specified consumers in relation to the recovery of the Clean Energy Adjustments.
- In addition to the other activities that IESO must undertake to provide for the IESO monthly deferrals, IESO would be expected to record any reduction in amounts resulting from the Part II adjustments in a variance account, which will form part of the regulatory asset that IESO is expected to create.
- OPG and/or a financing entity created by OPG as FSM under the OFHPA would be expected to purchase specified portions of IESO's regulatory asset. The regulatory asset becomes the investment asset when it is purchased initially by OPG as FSM through its special purpose vehicle (SPV), and subsequently investment interests to be added to that asset, which are key to the securitization central to the refinancing of the GA.

B. Social Programs

Government Impact

- As approved in the TB/MBC submission of March 1st, 2017 and confirmed in Vote-Item 2905-1, the financial impacts on Government of the social programs for the period July 1 2017- March 31 2018 are anticipated to be as follows:

Program	**2017-18 Budget**
Ontario Electricity Support Program	140,000,000

- ENERGY will report back to TB/MBC in fall 2017-18 with an update on out-year projections following analysis on rate applications before the Ontario Energy Board.
- There are no additional costs associated with the FNDC amendment.

Stakeholder Impact

- Cost impacts for the amending O. Reg. 314/15 are expected to be negligible. There is significant overlap between the financial eligibility for the OESP and other social assistance programs, resulting in very few occurrences where SA clients do not meet the current OESP eligibility requirements.

Agency Impact

- The OEB will support implementation in two general ways. First, as per the amendments to the OEBA, it has authority to share information about OESP enrolment with MCSS in order to identify SA clients that currently receive utility bills but are not currently enrolled in OESP. This will help MCSS to undertake targeted outreach to current SA clients that can be enrolled in OESP.

- Second, OEB and its OESP delivery consultant – ICF Consulting – will help MCSS to expeditiously prepare for implementation by providing training materials and technical support for MCSS system changes. Cost impacts are expected to be minimal and are covered by the OEB's existing authorities to cover administration costs related to the OESP using the OESP variance account.
- The IESO would be responsible for flowing the funds used to compensate LDCs for the costs of delivering the social programs from the money appropriated for such purposes from the legislature. This would require the IESO to monitor program specific information portal and flow the amounts necessary to compensate LDCs for the costs incurred in carrying out the programs.

s. 5 **Implementation**

A. GA Refinancing

- The proposed regulation would, if approved, provide further detail on the roles and responsibilities for the organizations who are responsible for implementing GA Refinancing under *OFHPA*.
- This includes detail on the roles and responsibilities of the Financial Services Manager (FSM, i.e. Ontario Power Generation (OPG)), the Independent Electricity System Operator (IESO) and Ontario Energy Board (OEB) under the *OFHPA*.
- The proposed regulation would, if approved, also provide further criteria related to the development and implementation of the Financing Plan by the FSM, the operation of the FSM, the setting of the Fair Allocation Amount by the Minister of Energy and the recovery of the Clean Energy Adjustment from electricity consumers, as required under the *OFHPA*.

B. Social Programs

- MCSS will be responsible for implementing the proposed regulatory changes, which were designed to support a strategy jointly developed by ENERGY, the OEB, and MCSS to meet the government's objective of substantially increasing OESP uptake by aligning it with SA program delivery. MCSS is concurrently seeking Treasury Board approval for resources to implement these proposed changes.
- There are no implementation concerns or considerations associated with the FNDC amendment.

s. 6 Delivery and Results Tracking

A. GA Refinancing

- Further work to enable GA refinancing to be undertaken Summer/Fall 2017:
  - Minister to determine the Fair Allocation Amount for each reference period;
  - OPG/SPV to produce Financing Plans that would set out funding obligations for each reference period consistent with the Fair Allocation Amount;
  - IESO to record deferral amounts and establish the regulatory asset;
  - OPG/SPV to begin purchasing of investment asset; and
  - OPG to work with lenders and credit rating agencies in establishing the vehicles for selling of investment asset interests.

B. Social Programs

- ENERGY will continue to track the performance of the OESP program with a focus on collecting metrics related to program uptake.
- There are no tracking considerations associated with the FNDC amendment.

s.7 Stakeholder Consultations

A. GA Refinancing

- The development of the proposed regulations was preceded by extensive consultation with representatives from OEB, IESO, OPG and LDCs.
- As appropriate, other Ministries were provided with drafts of the regulation and amendments and consulted on particular issues.
- A steering committee chaired by the Deputy Minister met and were briefed weekly on the status of the regulations (i.e. the “Rate Mitigation Implementation Group” consisting of senior executives of the Ministry of Energy, Cabinet Office, Ministry of Finance, Treasury Board Secretariat, OFA, OPCD, OPG, OEB and IESO).

Regulatory Registry:

- On May 15, 2017, the Ministry of Energy posted multiple proposals for comment on the Regulatory Registry to provide stakeholders with the opportunity to comment on the electricity rate mitigation initiative.
- The posting included proposed changes to existing regulations and new regulations needed to support the implementation of GA Refinancing.

- The posting closed on June 10, 2017. No comments were received on the proposed new regulation.

B. Social Programs

Agencies and Government

- ENERGY has been engaging with MCSS and the OEB for several months to develop a strategy for meeting the government's objective of substantially increasing OESP uptake by aligning it with SA program delivery. The joint strategy instructed the recent amendments to the *OEBA,* and the changes to O. Reg. 314/15 that are being proposed in this submission.
- ENERGY, MCSS, and the OEB continue to work together on various aspect of the project management to support the implementation of the strategy to increase OESP uptake.

Regulatory Registry:

- On May 12, 2017, the Ministry of Energy posted multiple proposals for comment on the Regulatory Registry to provide stakeholders with the opportunity to comment on the electricity mitigation initiative. The posting included proposed changes to OESP, RRRP, new regulations needed to support the social programs, and changes to invoicing requirements. The posting closed on June 10, 2017.
- The Ontario Federation of Agriculture provided a written submission through the regulatory posting to express support of the changes to the OESP.

Standing Committee of Justice - Public Hearings for Bill 132:

- On May 23-25, 2017, the following organizations made presentations to the legislative committee and spoke to provisions under Schedule 2 (social programs):
    - **The Ontario Energy Association:** Expressed support for social programs.
    - **United Way Bruce Grey:** Supported all the social programs a means to assist customers with their bills.
    - **Low Income Energy Network:** Supported all the social programs a means to assist customers with their bills.
    - **The Chiefs of Ontario (COO):** Supported the First Nations Delivery Credit.

s.8 Other Jurisdictions and Harmonization

A. GA Refinancing

- GA Refinancing will not have an impact upon any other jurisdiction.

- GA refinancing does not harmonize Ontario rules with other jurisdictions and is not comparable to other Canadian jurisdictions.

B. Social Programs

- The social programs do not harmonize Ontario rules with other jurisdictions and are not comparable to other Canadian jurisdictions.

s. 9 Communications

- Energy has prepared a Communications Snapshot for OESP which summarizes the approach outlined in this document to communications.

s. 10 Contacts and Appendices

Contacts

	Name	Phone Number
Ministry Policy/Program	Tim Christie/Sunita Chander	5-6708/5-6594
Ministry Legal	Carolyn Calwell	2-8392
Ministry Communications	Karen Evans	7-6541
Assistant or Deputy Minister's Office	Martin Schlaepfer	6-7688
Cabinet Office Policy	Tim Hindmarch-Watson	5-4618

Appendices

Appendix A: Regulation Comparison Chart

Appendix B: Proposed Regulations

Appendix C: Communications Snapshot

AMENDMENTS TO O. REG. 197/17 FIRST NATIONS DELIVERY CREDIT (ON-RESERVE CONSUMERS UNDER SECTION 79.4 OF THE ACT)

1. **Amend the First Nations Delivery Credit (On-Reserve Consumers Under Section 79.4 Of The Act) regulation under the *Ontario Energy Board Act, 1998*, O. Reg. 197/17. The amendment will come into force on July 1st, 2017.**

Current Regulation	Proposed Amendment	Rationale for Change
First Nations delivery credit **2.** (1) An on-reserve consumer who is a member of a band within the meaning of the *Indian Act* (Canada) is eligible to receive a delivery credit from a licensed distributor with which the on-reserve consumer holds an account that falls within a residential-rate classification. (2) Except for on-reserve consumers provided for in subsections (3) and (4), the delivery credit to which an on-reserve consumer is entitled is the sum of the amounts referred to in subclauses 79.4 (3) (a) (i), (ii), (iii) and (iv) of the Act, after taking into account any applicable rate protection under section 79 of the Act. (3) An on-reserve consumer who is eligible for a delivery credit under subsection (1) and is a customer of one of the following distributors is eligible for a delivery credit from the distributor, in an amount equivalent to the monthly service charge that appears on their invoice: 1. Hydro One Remote Communities Inc. 2. Cat Lake Indian Reserve No. 63C. (4) An on-reserve consumer who is eligible	**s. 2 First Nations delivery credit** **2.** (1) An on-reserve consumer who is a member of a band within the meaning of the *Indian Act* (Canada) is eligible to receive a delivery credit from a licensed distributor with which the on-reserve consumer holds an account that falls within a residential-rate classification. (2) Except for on-reserve consumers provided for in subsections (3) and (4), the delivery credit to which an on-reserve consumer is entitled is the sum of the amounts referred to in subclauses 79.4 (3) (a) (i), (ii), (iii) and (iv) of the Act taking into account any applicable rate protection under section 79 of the Act. (3) An on-reserve consumer who is eligible for a delivery credit under subsection (1) and is a customer of one of the following distributors is eligible for a delivery credit from the distributor, in an amount equivalent to the monthly service charge that appears on their invoice: 1. Hydro One Remote Communities Inc.	The amendment is a technical change replacing the name of Cat Lake Reserve No. 63 C, with reference to the distributor that serves said territory. This clarifies that the onus is on the distributor to provide the customers residing in that community with the FNDC.

Current Regulation	Proposed Amendment	Rationale for Change
for a delivery credit under subsection (1) and is a customer of Cornwall Street Railway Light and Power Company Limited is entitled to a delivery credit from that company equal to the minimum monthly charge to which they are subject. (5) For the purposes of subsection (1), the classification of an account is as specified in a rate order made by the Board under section 78 of the Act, or, in the case of Cornwall Street Railway Light and Power Company Limited and Cat Lake Indian Reserve No. 63C, as specified in their residential rate schedules.	2. The licensed distributor serving Cat Lake Indian Reserve No. 63C, in the case of consumers living on that reserve. (4) An on-reserve consumer who is eligible for a delivery credit under subsection (1) and is a customer of Cornwall Street Railway Light and Power Company Limited is entitled to a delivery credit from that company equal to the minimum monthly charge to which they are subject. (5) For the purposes of subsection (1), the classification of an account is as specified in a rate order made by the Board under section 78 of the Act, or, in the case of customers of Cornwall Street Railway Light and Power Company Limited and the licensed distributor serving Cat Lake Indian Reserve No. 63C, as specified in the distributor's residential rate schedules.	

2. This Regulation comes into force on the later of July 1, 2017 or the day that it was filed.

THE TEXT OF THE POSPOSED AMENDMENTS IS IN THE DRAFT FORM – SUBJECT TO CHANGE UPON FURTHER REVIEW

AMENDMENTS TO O. REG. 314/15 ONTARIO ELECTRICITY SUPPORT PROGRAM

1. Amend the Ontario Electricity Support Program regulation under the *Ontario Energy Board Act, 1998*, O. Reg. 314/15. The amendment will come into force on July 1st, 2017.

Current Regulation	Proposed Amendment	Rationale for Change
S. 1(1) “household income” means the combined annual after-tax income of all members of a household aged 16 or over;	**s. 1(1)** “household income” means the combined annual after-tax income of all members of a household aged 18 or over;	The proposed amendment is a correction to current definition, which incorrectly identified the age of 16 and over – instead of 18 and over, the correct age – as the floor for including household members in the “household income” calculation.
N/A	**s.1 (3)** Despite subsection (1), 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.	The proposed subsection is intended to facilitate the processing of OESP applications by MCSS on behalf of Ontario Disability Support Program (ODSP) recipients or members of an ODSP recipient’s household who is the electricity account-holder. The proposed amendments would align MCSS processes for determining financial eligibility for ODSP, with the relevant OESP eligibility criteria definition.
N/A	**s.1(4)** Despite subsection (1), when applications are processed pursuant to an agreement	The proposed subsection is intended to facilitate the processing of OESP applications by MCSS on behalf of Ontario

Current Regulation	Proposed Amendment	Rationale for Change
	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.	Works (OW) recipients or members of an OW recipient's household who is the electricity account-holder. The proposed amendments would align MCSS processes for determining financial eligibility for OW, with the relevant OESP eligibility criteria definition.
N/A	Paragraph 1 of Schedule 1 to the Regulation is amended by adding the following subparagraph: 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.	The proposed paragraph would make ODSP and OW recipients whose applications are processed by MCSS eligible for rate assistance under Class A even if their household income exceeds the maximum income amounts for their household size under the other OESP classes. The change is required to ensure that all ODSP and OW households are eligible to receive rate-assistance under the OESP. This change would be consistent with the policy intent of increasing uptake and expanding eligibility for the Ontario Electricity Support Program (OESP).
N/A	Paragraph 2 of Schedule 1 to the Regulation is amended by adding the following subparagraph: iv. If the applications are	The proposed paragraph would make ODSP and OW recipients living in a household of one person eligible for rate assistance under Class B if their household income is greater than $28,000,

Current Regulation	Proposed Amendment	Rationale for Change
	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.	but less than $39,000. The policy intent is address a particular instance where a household of one person is deemed eligible for ODSP would fall outside of the current OESP eligibility requirements. In this instance, the single person household within this household income bracket is eligible for Class B rate assistance because the amount is consistent with the sliding scale methodology that reduces the credit amount as income increases within the household size category.

2. This Regulation comes into force on the later of July 1, 2017 or the day that it was filed.

Communications Snapshot – Ontario's Fair Hydro Plan Refinancing the Global Adjustment

Communications Objectives

- Demonstrate the government's commitment to providing electricity rate relief in Ontario through legislation and regulatory amendments that will enable the refinancing of the Global Adjustment (GA) as proposed in Ontario's Fair Hydro Plan (OFHP).

Context

- On June 1, 2017, the *Fair Hydro Act*, 2017, which enables the initiatives of Ontario's Fair Hydro Plan (OFHP), received Royal assent.
- OFHP will lower electricity bills by about 25% on average for residential consumers, most small businesses and farms in the province.
- On June 22, 2017, under the OFHP, the Ontario Energy Board (OEB) released regulated price plan (RPP) rates that will lower electricity bills by about 25% on average for residential consumers, most small businesses and farms in the province as of July 1, 2017. For eligible consumers that are not on the RPP, the OFHP reductions will be applied on electricity consumption from July 1, 2017 onwards.
- This includes the eight per cent rebate introduced in January 2017 under the *Ontario Rebate for Electricity Consumers Act, 2017*, and builds on previous initiatives to deliver broad-based relief on all electricity bills.
- To relieve the current burden on ratepayers and share costs more fairly, a portion of GA is to be refinanced.
- GA is the mechanism which recovers the costs of running Ontario's generation fleet, as well as the cost of conservation programs.
- The majority of the province's electricity generators have 20-year contracts. Many of these generators will be able to operate past their contract term, meaning that generating assets are expected to have ongoing useful life and will benefit future ratepayers by reducing the need to finance the development of new generating assets.
- Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built.
- In the early years, a portion of the costs covered by the GA would be refinanced to reduce pressure on today's electricity ratepayers. In later years, the cost of refinancing would be recovered from ratepayers.
- Electricity consumers that are eligible for the 8 per cent rebate would also be eligible for GA refinancing, including all residential consumers, farms, most small businesses, long-term care homes and condominiums.
- Initial analysis indicates that the accumulated debt would not exceed $28 billion, including interest.
- Refinancing GA would be achieved through the legislation, new regulations and amendments to existing legislation and regulations.
- The *Fair Hydro Act, 2017* outlines:
    - Roles and responsibilities for the Ontario Energy Board (OEB), Independent Electricity System operator (IESO), Ontario Power generation (OPG) and the Province;
    - A detailed Preamble, Purpose and Definitions;
    - Details with respect to cost allocation, rate reduction methodology, implementation and financing;
    - Scope of provincial undertaking and enabling the Province to provide guarantees and indemnities to back stop that undertaking; and
    - Amendments to other acts.
- The Ministry of Energy is seeking to create the following new regulation:
    - Creating a new Regulation to be made under the *Ontario Fair Hydro Plan Act, 2017*, which is Schedule 1 of the *Fair Hydro Act, 2017*; and

Target Audiences

- Regulated Price Plan (RPP) eligible consumers, including residential consumers and most small businesses and farms.

Key Messages

- To relieve the current burden on ratepayers and share costs more fairly, a portion of the Global Adjustment (GA) would be refinanced.
- Refinancing the GA would provide significant and immediate rate relief by spreading the costs and the benefits of electricity investments more fairly across generations of rate-payers over time.
- The Independent Electricity System Operator (IESO) and Ontario Power Generation (OPG) are to work together to spread out the costs of Ontario's clean energy investments over a longer period of time, which would ensure that the costs of these investments are allocated fairly among current and future ratepayers.

Strategic Approach

- Reactive materials will include Q&As and key messages will be prepared.
- Collaborate with OPG and IESO to develop outreach to business analysts about the impact GA refinancing will have on consumers and businesses.

Tactics & Rollout

	Pre-Launch	Launch	Post Launch
Regional Rollout Examples: • MPP Template • Speeches • Media event • Op-ed, media pitch • Editorial board meeting	• n/a	• Reactive QA	• n/a
Earned Examples: • News release, etc. • Remarks • Event • Calls/emails to targeted audiences • Multilingual media • Fact sheets • House Statement	• n/a	• Cabinet materials (TBC)	• Media pitch to business analysts
Digital / Social Examples: • Web content • Twitter/Facebook • Keyword / interactive web • Blogger outreach • Videos	• n/a	• Twitter	• Web content • Twitter
Paid ***(must include budget)*** Examples: • TV/radio/newspaper • Online banners/ads • Advertorial • Householder/direct mail	• n/a	• n/a	• n/a

Evaluation

- News media - Track the number news articles and editorials, recording their verified distribution reach, and applying a quantitative scale to denote their tone
- Social media - Record engagement numbers
- Correspondence - Track the number of letters and emails referring to Ontario's Fair Hydro Plan
- Provincial omnibus monthly survey – Track awareness of the FHP and gauge support or opposition of the programs

Communications Snapshot – Expanding the Ontario Electricity Support Program

Communications Objectives

- Demonstrate the government's commitment to providing electricity rate relief to low-income households in Ontario through legislative amendments that will substantially increasing uptake of the Ontario Electricity Support program (OESP).

Context

- The *Fair Hydro Plan Act, 2017 (OFHPA)*, which encapsulates the programs and initiatives of Ontario's Fair Hydro Plan (FHP), passed legislation on May 31, 2017. The Act received Royal Assent on June 1, 2017.
- The FHP will lower electricity bills by 25% on average for residential consumers, small businesses and farms in the province.
- The 8% rebate that came into effect in January 2017 is included in the 25% savings proposed in the FHP.
- Additional savings for Ontario consumers will be available through enhancing social programs.
- The *Fair Hydro Act, 2017* will shift the costs of the OESP from ratepayers to provincial revenues, through a proclamation at a future date once the rate-base pooled funding has been depleted.
- The proposed amendments to O. Regulation 314/15 (Ontario Electricity Support Program) of the *Ontario Energy Board Act, 1998* are needed to implement changes to the OESP, under the FHP, as enacted under the OFHPA.
- The proposed amendments support the implementation strategy to increase enrolment of social assistance clients' into the OESP.
- The OESP is an income-tested, application based program that lowers electricity costs for the most vulnerable consumers, providing a rebate directly on bills. There are two scales: one with basic credits, and an enhanced credit for Indigenous people or those who use electric heat or certain electrically intensive medical devices.
- Effective May 1, 2017, Ontario increased the OESP by 50 per cent, meaning that single, low-income consumers who receive the lowest credit amount will get an increase from $30 to $45 per month ($540 per year, an increase of $180), and single, low-income consumers who qualify for the enhanced scale will see an increase from $45 to $68 ($816 per year, an increase of $276).
- ENERGY has been engaging with the Ministry of Community and Social Services (MCSS) and the Ontario Energy Board (OEB) to develop a strategy that will meet the government's objective of substantially increasing OESP uptake for social assistance clients on Ontario Works (OW) and Ontario Disability Support Program (ODSP).
- This strategy will involve aligning with MCSS's delivery of OW and ODSP.

Target Audiences

- OEB and relevant social agencies
- Residential consumers and low-income electricity consumers
- Clients enrolled in OW and ODSP.

Key Messages

- Through the FHP, we are providing relief to everyone and also providing additional relief for those who are most in need of support.
- The OESP lowers electricity costs for vulnerable consumers by providing a rebate on electricity bills.
- OESP eligibility has been broadened to increase participation and provide further assistance to eligible participants.
- The government is working hard at giving timely support to those most in need.

- By aligning the delivery of social assistance programs with rate assistance from the Ontario Electricity Support Program, we are making it easier for low-income consumers to get relief on their electricity bills.

Strategic Approach

- With support from the OEB, MCSS will raise awareness of the changes to the OESP and encourage enrolment among current and future social assistance clients. This will be organized under three key activities:
  - **Raise awareness of OESP:**
    - Communication to all social assistance clients
    - Communications and supports to social assistance staff
  - **Support SA client enrolment in the OESP by:**
    - Capturing information required to enrol in OESP during the SA intake process for new grants
    - Establishing a designated team to enroll existing clients and new grants
  - **Enabling automated enrolment to OESP through a data exchange from the Social Assistance Management System (SAMS).**

Issues & Mitigation

Issue/Consideration	Mitigation Strategy	Key Message
The government is providing a little relief to all consumers, when they could instead have done more for those that needed it most.	Draw attention to OESP and other social programs that target the most vulnerable consumers.	The OESP is changing to align with other social assistance programs and offer more timely support for low-income electricity consumers.

Tactics & Rollout

	Pre-Launch	Launch	Post-Launch
Regional Rollout Examples: • MPP Template • Speeches • Media event • Op-ed, media pitch • Editorial board meeting	• n/a	• Bullets for MCSS and ENE remarks	• Bullets for MCSS and ENE remarks
Earned Examples: • News release, etc. • Remarks • Event • Calls/emails to targeted audiences • Multilingual media • Fact sheets • House Statement	• n/a	• TBC	• TBC
Digital / Social Examples: • Web content • Twitter/Facebook • Keyword / interactive web • Blogger outreach • Videos	• n/a	• Bullets for MCSS web page • FB post with link to OEB site • Tweets for MCSS and Energy accounts	• TBC

Paid ***(must include budget)*** Examples: • TV/radio/newspaper • Online banners/ads • Advertorial • Householder/direct mail	• n/a	• Bill insert for ODSP clients	• TBC

Evaluation

- News media - Track the number news articles and editorials, recording their verified distribution reach, and applying a quantitative scale to denote their tone
- Social media - Record engagement, reach and tone of comments
- Correspondence - Track the number of letters and emails referring to the Fair Hydro Plan
- Provincial omnibus monthly survey – Track awareness of the FHP and gauge support or opposition of the programs