Ministry of Energy

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Ontario

?????DUE August 28, 2017

Ms. Janet Feasby
Vice President, Standards
Advertising Standards Canada
175 Bloor Street East
South Tower, Suite 1801
Toronto ON M4W 3R8

Dear Ms. Feasby:

Re: Ref. #142792, 142861 &142892 – Government of ON – Fair Hydro Plan - Radio Advertisement

Thank you for your letter which was forwarded to me by Laurie Sloan at the Advertising Review Board. Below you will find our comments on the merits of these complaints raised regarding advertising of Ontario's Fair Hydro Plan ("**OFHP**").

We ask that the ASC decline to accept or proceed further with this matter and not refer the matter to a council hearing for the following reasons:

1. The advertisements were approved by an agency of the government.
2. The radio advertisements are no longer running.
3. Most importantly, the advertisements do not contain any inaccurate, deceptive or misleading statements or claims.

1. The advertisements were approved by the Government of Ontario

The *Canadian Code of Advertising Standards* states:

> ASC or Council shall decline to accept, or to proceed further with, a complaint, or any part thereof, where it is of the opinion that:…
>
> c. the advertising, or such part of the advertising to which the complaint refers:

i.v. has been, specifically, approved by an agency (or some other comparable entity) of the Canadian Government; …

As the advertisement is a communication by the Ministry of Energy (Ontario), the ASC must decline to accept or proceed further with this complaint.

that the advertising reflects the change in pricing implemented by the Ontario Energy Board, which is an agency of the Government of Ontario. As set out on OFHP website:

> On May 1, 2017, the OEB reduced electricity rates across the province for all Regulated Price Plan (RPP) eligible customers, which included a portion of Ontario's Fair Hydro Plan. This means households, small businesses and farms will see real savings sooner than expected.
>
> When legislation was passed, the OEB was required to lower rates again within 15 days after Royal Assent to meet the government's commitment to cut electricity bills by 25% on average for all households and as many as half a million small businesses and farms.

2. Radio advertisements are no longer in market

The OFHP is a new, multi-pronged program to reducehydro bills by an average of 25 per cent for residential consumers. The OFHP as announced on March 2, 2017 included the following components:

- Deferral of a portion of the costs associated with the global adjustment. The government has also committed to holding increases in bills to the rate of inflation for four years.
- An eight per cent rebate equivalent to the provincial portion of the HST which was introduced in January.
- Enhancements to the Rural or Remote Electricity Rate Protection (RRRP) program, to be funded from provincial revenues, resulting in rate savings for electricity consumers.
- Expansion of the Ontario Electricity Support Program and funding of that program by government revenues instead of ratepayers. As of May 1, 2017, more people are eligible for the program and credits have increased by up to 50 per cent.
- Introduction of the Affordability Fund to assist homeowners with energy efficiency initiatives.
- Creation of a new First Nation's on-reserve delivery credit.

The Province launched an advertising campaign to support this program on March 13, 2017 and followed with a second phase of the campaign on July 5th, 2017. The OFHP was communicated through multiple media channels, intended to reach a wide ranging audience and to convey the multi-faceted elements of the program outlined above.

Communications included the 30 second radio spots as well as television, digital display ads, news media outreach, announcements from the Premier of Ontario and the Minister of Energy, as well as a unique webpage dedicated to the OFHP. The 30 second radio spots were intended to generate interest in the OFHP and direct people to sources for more information.

The mediums that allowed for more content elaborated on the details of the OFHP.

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The radio buy for the advertisements in issue ended on August 6, 2017 and those radio ads are no longer running. Moreover, all of the information regarding the OFHP continues to be available on the Ontario.ca website.

3. **The advertising does not contravene the Code**

Most importantly, the advertising is accurate and is not false. The consumer's complaints were that the radio ad claimed that hydro bills will be on average 25% less, , the system is more reliable and that these claims were misleading.. However, the ad clearly indicates that hydro bills will be on average 25% lesswith further details available on the website and the effect did reduce consumer bills. . Relev With regards to the reliability of the system and successful planning, it is important to note that in order to ensure our electricity supply is reliable, the system must be planned to ensure we have enough supply to meet projected demand, plus a reserve of additional capacity which ensure reliability in case of generator or transmission outages, demand spikes due to extreme weather, or any other unanticipated events.

The radio advertisement's inherent audio-only format, as well as the limited 30 seconds of the ad unit, did not allow for inclusion of all details of the OFHP in this single medium. The radio spot contained a call to action that directed listeners to our dedicated webpage to "Find out more about your reduction at Ontario.ca/FairHydroPlan." This is consistent with advertising practice, where customers are directed to a website to find more information about the programs and the claims being made. The excerpt above is an example of the detailed information provided.

For the reasons set out above, we therefore respectfully submit that the ASC must decline to accept these complaints or to proceed further with this matter. Should you have further questions, we would be pleased to address them.

Sincerely,

Karen Evans
Director

c: Laurie Sloan, Managing Director, Advertising Review Board