

Fw: OESP Draft Legislation

From: "Teliszewsky, Andrew (ENERGY)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
To: "Reid, Michael (ENERGY)" <michael.reid@ontario.ca>
Date: Thu, 20 Apr 2017 21:13:58 -0400

From: Rosemarie Leclair <Rosemarie.Leclair@oeb.ca>
Sent: Thursday, April 20, 2017 6:12 PM
To: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY)
Subject: FW: OESP Draft Legislation

Serge, Andrew, sorry I was unable to make the Rate Mitigation meeting this morning. I understand that things are moving quickly and soon need to be finalized. And OEB staff are doing our best to work cooperatively to achieve the Ministry's objectives.

I wanted to follow up on one matter, however, that the three of us discussed a few weeks ago...the ongoing administration of the OESP. I am concerned that the regulations are creating the exact concern that the OEB had in continuing to administer the program once it is tax funded...we have no independent authority or control over decisions to be made...and are subject to the government's financial approval processes ...as the funds are from the tax base.
Worse..it appears that our authority is being curtailed even during the interim period when remaining funds collected from ratepayer's under the existing OEB authority is being used to fund the program. This is not at all acceptable to us.

I think there are 2 solutions here...as I understand that government will want to be the approval agency for tax money being spent....

- 1. The first is to craft the reg such that the OEB continues to administer and have all authority ... until such time as the rate payer funds in the variance account are depleted....at which time administration of the program will be turned over to government (this will give us until October or Nov to affect an orderly transfer)...OR
-
- 2. The other is to transfer administration to the government effective the date the legislation/regulation is in effect...

we do not see any other option... as being workable.

I'm not sure when the regs need to be finalized, but I do think this is one that you need to intervene on and provide direction to Ministry staff...because it is not going as we had discussed....Happy to have a chat about it as needed....

Thanks in advance...

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From: Brian Hewson
Sent: April-20-17 5:53 PM
To: Rosemarie Leclair
Cc: Mary Anne Aldred
Subject: OESP Draft Legislation

Rose,

Following on our discussion a few minutes ago thought I would pass along this note from the Ministry. I highlighted the relevant sentence which confirms Michael's comments to me about treasury and Minister's role.

Brian Hewson
Vice President, Consumer Protection & Industry Performance
ONTARIO ENERGY BOARD

From: Ian Richler
Sent: April-20-17 4:32 PM
To: Brian Hewson
Cc: Mary Anne Aldred; Martine Band
Subject: FW: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017) Consultation v4.docx

I don't plan to respond to this. I understand their point about spending tax dollars, although that really just goes to support our view that this should be administered by the Government. At least they are receptive to amending the administration clause to allow for a future transfer to the Government.

From: Chander, Sunita (ENERGY) [<mailto:Sunita.Chander@ontario.ca>]
Sent: April 20, 2017 3:56 PM
To: Ian Richler; Rehob, James (ENERGY)
Cc: Letourneau, Amanda (MOI); Smith, Brett (ENERGY); Martine Band; Mary Anne Aldred; Brian Hewson
Subject: RE: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017) Consultation v4.docx

Hi Ian, thanks for the comments.

On your first comment, we'll take a look and see if we can come up with language that allows in the future a transfer of the program administrator.

For the last two comments comment, we understand where you are coming from, but our hands are tied to a certain extent as the program is now taxbased. As a result we can't directly assign responsibility to another entity to spend treasury dollars, hence the permission from the Minister and generally restricting of powers. We can take a look again at s. 79.2(11), but can't guarantee changes on this one.

Appreciate the quick turnaround time in getting these comments to us,

-Sunita

Sunita Chander
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From: Ian Richler [<mailto:Ian.Richler@oeb.ca>]

Sent: April 20, 2017 3:26 PM

To: Rehob, James (ENERGY)

Cc: Chander, Sunita (ENERGY); Letourneau, Amanda (MOI); Smith, Brett (ENERGY); Martine Band; Mary Anne Aldred; Brian Hewson

Subject: RE: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017) Consultation v4.docx

James,

Thanks for the opportunity to comment on the revised draft. Please find our comments attached.

1. We have not repeated the comments we provided on the earlier draft except to reiterate our concern with s. 79.2(3). We think it is important to provide a mechanism to move the administration of the OESP from the OEB to the Government at some point in the future.
2. There are two other changes since the earlier draft that cause us some concern. First is the apparent narrowing of the OEB's powers under s. 79.2(11) (the OESP deemed licence condition provision). If we are to administer the program, we need those powers, especially in order to recover our administration costs from the IESO until the variance account is depleted.
3. Second is the new restrictions on our ability to make decisions about the administration of the OESP, including in respect of advertising and marketing (ss. 79.2(13) and 79.2(15)(h)). If we are to be in charge of administering the program, we must have the authority to do so.

We'd be happy to discuss.

Ian Richler
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From: Rehob, James (ENERGY) [<mailto:James.Rehob@ontario.ca>]

Sent: April 19, 2017 4:42 PM

To: Ian Richler; Martine Band

Cc: Chander, Sunita (ENERGY); Letourneau, Amanda (MOI); Smith, Brett (ENERGY)

Subject: RE: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017) Consultation v4.docx

Sunita may correct me if I am wrong, but **end of day Thursday** would be our final opportunity to review and adopt any comments, subject to our policy client's approval. Ian, please do loop in with your policy lead for OESP in order to ensure they are up to speed on the proposal as its developed thus far.

Best,
James

From: Ian Richler [<mailto:Ian.Richler@oeb.ca>]

Sent: Wednesday, April 19, 2017 4:12 PM

To: Rehob, James (ENERGY); Martine Band

Cc: Chander, Sunita (ENERGY); Letourneau, Amanda (MOI)

Subject: RE: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017) Consultation v4.docx

Thank you James. I know things are moving quickly over there. When do you need our comments on the revised draft?

Ian Richler
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From: Rehob, James (ENERGY) [<mailto:James.Rehob@ontario.ca>]
Sent: April 19, 2017 3:33 PM
To: Ian Richler; Martine Band
Cc: Chander, Sunita (ENERGY); Letourneau, Amanda (MOI)
Subject: External Consultation Draft 3 -Social Programs -(Fair Hydro Financing Plan Act) (April 18 2017)
Consultation v4.docx

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April 19, 2017

Hi, Ian and Martine. Please find attached the next turn of our proposal to amend the OEBA relating to the funding of electricity social programs.

We look forward to your comments. Kindly note that we are still working through the "information sharing" provisions and comments which the Board has kindly shared with us. Thank you for the comments to date as well.

Best,

James

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