

Cabinet agreed that:

1. ENERGY implement electricity rate mitigation actions that support up to a 25% electricity bill reduction (including the 8% reduction announced in 2016) for an average household in 2017.
2. ENERGY implement electricity rate mitigation for all electricity consumers eligible to be billed under the Ontario Energy Board's Regulated Price Plan (RPP) and any other consumers who would be eligible for RPP if their electricity account was with a licensed distributor by:
 - A. **Subject to legal, accounting and financing risk assessment**, refinancing Global Adjustment (GA) in order to partially defer RPP-eligible ratepayer GA costs by reducing projected after-tax electricity costs for a typical customer consuming 750kWh per month in 2017 by up to X%. Total projected bill increases will be kept in line with CPI until the end of 2021. From 2022 onwards, bills will increase at a rate that ensures recovery of the accumulated debt by 2048.
 - i. Explore expanding the powers of Ontario Energy Board (OEB), Independent Electricity System Operator (IESO), Ontario Power Generation (OPG), Ontario Financing Authority (OFA), and Ontario Electricity Financial Corporation (OEFC) and using other mechanisms, including the putting in place of appropriate payment, settlement and cost-recovery authorities for and through the IESO (including accommodating payments to and from any appropriate entity) to manage the deferred GA costs.
3. ENERGY implement additional rate mitigation initiatives targeted at specific populations, including:
 - A. Broadening the Rural or Remote Rate Protection (RRRP) program to mitigate distribution charges for customers of Local Distribution Companies (LDC) with some of the highest distribution rates, and moving the program from a ratepayer funded program to a government funded program beginning in 2017, including:
 - i. Harmonizing distribution cost for customers with the highest distribution rates (Hydro One (R1 and R2 rate classes), Algoma Power, Atikokan Hydro, InnPower, Chapleau Public Utilities Commission, Sioux Lookout Hydro, Lakeland Power (Parry Sound service territory) and Northern Ontario Wires Inc) at the cost paid by the average consumer of the LDCs noted by fall 2017.
 - B. Expanding every benefit level of the Ontario Electricity Support Program by 50%, moving the program from a ratepayer funded program to a

Commented [NP1]: How are financing costs and rate of inflation addressed? Cost to taxpayer?

Commented [NP2]: Role of OEB TBD – may need to be legislated

government funded program beginning in 2017 and pursuing additional measures to substantially increase take-up;

Commented [NP3]: Eligibility based expense, therefore argue expenses to be recognized as incurred?

- C. Establishing a new one-time government funded Affordability Fund in 2016/17 to provide relief to electricity customers who do not qualify for existing low income programs and cannot purchase energy efficiency measures without financial assistance; and

Commented [NP4]: Principles communicated to Trust to allow for discretion by Trustees; role of LDCs only to provide information to Trustees who will approve and release funds to be managed by LDCs in executing the program under the direction of the Trust.

- D. Establishing a new province-wide government funded program beginning in 2017 that would eliminate the delivery charge for First Nations customers on reserve.

Commented [NP5]: Cost to be absorbed by rate base or tax base? Proposed accounting treatment?

4. ENERGY report back to TB/MBC, prior to announcement, on:

- A. A feasible mechanism for refinancing the Global Adjustment, per minute 2A, including legal, accounting, and financing risk assessment.
- B. If a non-fiscal mechanism cannot be established for refinancing the Global Adjustment, options for achieving a comparable level of electricity rate mitigation in the most cost effective way in order to minimize the impact on the province's fiscal plan.

C. Additional proposed rate mitigation initiatives targeted at specific populations, per minute #3, including a proposal to move the RRRP and OESP from ratepayer funded programs to government funded programs.

Commented [NP6]: Anticipated expense treatment? As incurred vs. up front (if can be reasonably estimated)

5. ENERGY, through the Long-Term Energy Plan, take steps to further reduce electricity rates across the system by:

- A. Ontario Energy Board (OEB) – Identify opportunities for OEB red-tape reduction and future LDC efficiencies and rates;
- B. Directing Independent Electricity System Operator (IESO) – Modernize Ontario's electricity market through electricity Market Renewal initiatives.

Commented [NP7]: Caution re: perception of OEB independence

Commented [NP8]: GBE type of activities?

6. ENERGY explore additional rate mitigation initiatives targeted at specific populations, including:

- A. Working with the Ministry of Housing to explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs and report back to Treasury Board/Management Board of Cabinet and Cabinet in winter 2017.

- B. Exploring ways to establish additional supports for Class B consumers and report back to Treasury Board/Management Board of Cabinet and Cabinet in winter 2017 with a recommended approach.
7. ENERGY seek any further Treasury Board /Management Board of Cabinet approvals of these initiatives prior to implementation.
 8. [ENERGY report back to Treasury Board / Management Board of Cabinet in xx with a review of the Rural or Remote Rate Protection (RRRP) program changes, including the efficiency and effectiveness of the program.]
 9. ENERGY report to LRC and Cabinet in winter 2017 with legislative amendments to implement the above initiatives, as necessary.
 10. ENERGY to report back to LRC and Cabinet for approval of any supporting regulations and complementary regulatory amendments in winter 2017.
 11. ENERGY and MOF work with the Premier's Office and the Cabinet Office on the development and implementation of an integrated communications strategy.