

Proposed new O. Reg. 314/15 under the OEBA as enabled under the *Ontario Fair Hydro Plan Act, 2017*, if passed

TAED Exemption Rationale

The Ministry of Energy is seeking an exemption from the government's twice annual effective date (TAED) policy for a proposed new regulation to be made under the new section 79.2 of the *Ontario Energy Board Act, 1998*, if passed. The new section 79.2, once proclaimed into force, would shift funding for the Ontario Electricity Support Program (OESP) from the rate-base to provincial revenues. This section is proposed to be proclaimed into force on February 15, 2018.

Starting on May 1, 2017, the IESO stopped collecting the rate-based charge used exclusively to finance the OESP. The funds collected through this charge and held in the IESO's variance account continue to be used to cover rate assistance amounts and any other costs associated with program administration and delivery.

However, the OESP variance account is forecasted to deplete by March 2018. If the variance account is depleted before the appropriate compensation structure related to tax-based funding is in place to cover costs and payments in relation to the provision of rate assistance, the IESO would have to incur debt to make payments. Therefore, it is important that the proposed regulation have an in force date of February 15, 2018.