Cabinet agreed that:

1. ENERGY develop electricity rate mitigation actions that, in total, support up to a 25% electricity bill reduction (including the 8% reduction announced in 2016) in 2017 for the average household 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 completed legal, accounting and financing risk assessments, 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 gradual recovery of the accumulated debt by 2048. To this end:

      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.

Commented [CV1]: Appropriate to clarify that this accumulated debt will include interest on the deferred costs?

I'm assuming the administrative costs would be on the taxpayer base as incurrect, or else it may also be appropriate to mention those costs.

2. ENERGY develop 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 annual average distribution cost paid by consumers of the lowest LDC of the group (e.g., Algoma) by fall 2017.

Commented [CV2]: What happens is another LDC moves above one of these entities re: distribution rates in the future?

   B. Expanding every benefit level of the Ontario Electricity Support Program by 50%, moving the program from a ratepayer funded program to a government funded program beginning in 2017 and pursuing additional measures to substantially increase take-up;

C. Establishing and flowing 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

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

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

   A. A feasible mechanism for refinancing the Global Adjustment, per minute 2A, including complete legal, accounting, and financing risk assessments.

   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.

4. 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.

5. 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. Expanding the ICI program to all manufacturers in Class B with additional flexibility (e.g., meeting 4 out of the 5 peak periods) to provide greater take

Commented [CV3]: This is now 1A

Commented [CV4]: Now #2

up and exploring other ways to establish additional supports for all Class B consumers and report back to Treasury Board/Management Board of Cabinet and Cabinet in winter 2017 with a recommended approach.

6. ENERGY seek any further Treasury Board /Management Board of Cabinet approvals of these initiatives prior to implementation.

7. [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.]

8. ENERGY report to LRC and Cabinet in winter 2017 with legislative amendments to implement the above initiatives, as necessary.

9. ENERGY to report back to LRC and Cabinet for approval of any supporting regulations and complementary regulatory amendments in winter 2017.

10. ENERGY and MOF work with the Premier’s Office and the Cabinet Office on the development and implementation of an integrated communications strategy.