



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2017-0135

**In the matter of the Ontario Electricity Support Program Charge
effective May 1, 2017**

BY DELEGATION, BEFORE: Lynne Anderson

March 23, 2017

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1 INTRODUCTION AND SUMMARY

Every year, the Ontario Energy Board (OEB) has set the rates that all licensed and rate-regulated Ontario distributors charge their customers in order to recover certain Ontario-wide costs. One of those charges funds the Ontario Electricity Support Program (OESP).

The OESP was introduced in 2016 and delivers on-bill rate assistance to eligible low-income electricity customers.

On December 15, 2016, the OEB continued the OESP charge at 0.11¢/kWh effective January 1, 2017. Amounts recovered through the OESP charge to date are currently sufficient to enable the continued funding of the program for a number of months.

This Decision and Order rescinds the OESP charge as of May 1, 2017 and until further notice.

2 THE PROCESS

This Decision and Order is being issued by Delegated Authority without a hearing pursuant to section 6(4) of the *Ontario Energy Board Act, 1998*. The changes established in this Decision and Order will be effective May 1, 2017.

3 ONTARIO ELECTRICITY SUPPORT PROGRAM CHARGE

The OESP is a rate assistance program for low-income electricity customers introduced on January 1, 2016, which provides eligible low-income customers with a monthly credit on their electricity bills. Currently, all electricity customers in the Province pay a charge set by the OEB to fund the program. This charge is included on customer bills as part of Regulatory Charges, and is collected by the Independent Electricity System Operator (IESO) from market participants.

The OEB's November 19, 2015 Decision and Order established an OESP charge of 0.11¢/kWh effective January 1, 2016, based on a forecast of enrollment of eligible consumers in the program, as well as a forecast of the average credit payable.

The OEB's December 15, 2016 Decision and Order continued the OESP charge of 0.11¢/kWh effective January 1, 2017, pending completion of the OEB's review of the program including categories of consumers eligible for this relief.

The IESO performs settlement activities in relation to the OESP. It maintains an OESP Variance Account to record the differences between (i) amounts collected by the IESO from market participants and any others to fund the OESP under section 3(2) of Ontario Regulation 314/15 (Ontario Electricity Support Program) (O. Reg. 314/15); and (ii) compensation amounts paid to distributors and others for OESP credits provided to customers or retained by the IESO to cover program administration costs under section 3(4) of O. Reg. 314/15. The credit balance in the OESP Variance Account as at December 31, 2016 is sufficient to enable the continued funding of the program for a number of months.

As part of the Government's proposed Fair Hydro Plan announced on March 2, 2017, a proposal to expand the OESP was posted on the Regulatory Registry on March 9, 2017. As such, the OEB intends to suspend its review of the program for the time being.

Findings

Amounts recovered from electricity ratepayers to date through the OESP charge are sufficient to enable the continued funding of the program for a number of months, even with consideration of the enhancements proposed by the Government on March 9, 2017. It is appropriate and in keeping with O. Reg. 314/15 to rescind the OESP charge at this time and fund the program through the credit balance that is currently in the

IESO's OESP Variance Account until further notice. Removal of the OESP charge will be effective May 1, 2017.

As a result, I am also directing the IESO to cease applying the OESP charge to market participants and any others under section 3(2) of O.Reg. 314/15. The IESO shall continue to record in the OESP Variance Account the costs of providing compensation to distributors and others for OESP credits provided to customers, or retained by the IESO to cover program administration costs, under section 3(4) of O. Reg. 314/15. I am further directing the IESO to report the balance in the OESP Variance Account to the OEB on a monthly basis. These directions are effective as of May 1, 2017 and until further notice.

Similarly, I am also directing any retailers that use retailer-consolidated billing to cease applying the OESP charge to their customers, effective as of May 1, 2017 and until further notice.

Nothing in this Decision and Order affects the obligation of distributors, unit sub-meter providers or retailers to continue to apply the OESP credits to bills issued to eligible low-income customers.

4 ORDER

Attached to this Decision and Order as Schedules A and B are communications to the IESO and to distributors and retailers, respectively, regarding the OESP charge as of May 1, 2017.

IT IS ORDERED THAT:

1. The IESO shall, until further notice, discontinue the OESP charge of 0.11¢/kWh in respect of electricity consumed or estimated to have been consumed on and after May 1, 2017.
2. Rate-regulated distributors shall, until further notice, discontinue the OESP charge of 0.11¢/kWh in respect of electricity consumed or estimated to have been consumed on and after May 1, 2017.
3. The IESO shall continue to record in the OESP Variance Account the costs of providing compensation to distributors and others for OESP credits provided to customers, or retained by the IESO to cover program administration costs.
4. The IESO shall report the balance in the OESP Variance Account to the OEB on a monthly basis effective May 1, 2017 and until further notice.

DATED at Toronto, March 23, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND ORDER
COMMUNICATION TO THE IESO
EB-2017-0135
MARCH 23, 2017

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Board**
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BY EMAIL

March 23, 2017

Ms Tam Wagner
Senior Manager, Regulatory Affairs
Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto ON M5H 1T1

Dear Ms. Wagner:

**Re: Ontario Electricity Support Program Charge
Board File Number EB-2017-0135**

On March 23, 2017, the Ontario Energy Board (OEB) issued its EB-2017-0135 decision and order which rescinded the Ontario Electricity Support Program charge currently in effect.

Amount to be Charged by the IESO for OESP

Effective May 1, 2017, the IESO shall cease applying the OESP charge to market participants and any others under section 3(2) of O.Reg. 314/15.

OESP Variance Account

Effective May 1, 2017, the IESO shall continue to record in the OESP Variance Account the costs of providing compensation to distributors and others for OESP credits provided to customers, or retained by the IESO to cover program administration costs.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE B
DECISION AND ORDER
COMMUNICATION TO DISTRIBUTORS AND RETAILERS
EB-2017-0135
MARCH 23, 2017

**Ontario Energy
Board**

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BY EMAIL

March 23, 2017

To: All Licensed and Rate-Regulated Electricity Distributors
All Licensed Electricity Retailers

**Re: Ontario Electricity Support Program Charge
Board File Number EB-2017-0135**

On March 23, 2017 the Ontario Energy Board (OEB) issued its EB-2017-0135 decision and order (Decision and Order) which rescinded the Ontario Electricity Support Program charge currently in effect.

Distributors and retailers using retailer-consolidated billing are required to cease applying the OESP charge to their customers, effective as of May 1, 2017 and until further notice.

Nothing in the Decision and Order affects the obligation of distributors, unit sub-meter providers or retailers to continue to apply the OESP credits to bills issued to eligible low-income customers.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary