

Ministry of Energy

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**JUN 27 2016**

MC-2016-1314

Ms Rosemarie Leclair
Chair and Chief Executive Officer
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms Leclair:

Re: Options for an Appropriate Rate Assistance Program for On-Reserve First Nations Electricity Consumers

I write in my capacity as the Minister of Energy in order to exercise the statutory power I have under section 35 of the *Ontario Energy Board Act, 1998* (the "Act") to require the Ontario Energy Board (the "Board") to examine and report back to the Ministry of Energy (the "Ministry") with advice on the questions outlined below.

Background

Through the First Nations-Ontario Political Accord and Canada's Truth and Reconciliation Commission's Calls to Action, there is a renewed spirit for the Province and First Nations to work together on issues of mutual interest.

On energy issues, First Nations leaders and Political-Territorial Organizations ("PTOs") have been advocating for the need to review delivery charges associated with transmission and distribution assets within the context of the potential for electricity rate relief for on-reserve customers.

On-reserve First Nations customers often face unique challenges that impact electricity affordability, which results in significantly higher electricity consumption levels and costs.

Section 35 Report

Therefore, I require the Board to examine and report to me with advice on options for an appropriate electricity rate (or rate assistance) for on-reserve First Nations electricity consumers ("First Nations Rate"). In doing so, the Board shall consider:

1. Options for the design, development and implementation of the First Nations Rate.

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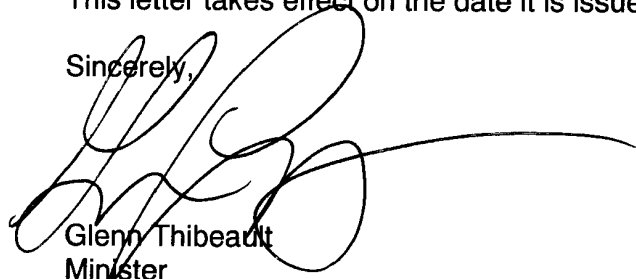
2. Options and considerations regarding the cost and funding mechanism for the First Nations Rate, including considerations of:
 - The impacts on existing electricity consumers, if any;
 - The impacts on Ontario's electricity distribution and transmission utilities and other stakeholders, if any.
3. For each of the First Nations Rate options identified by the Board in its report ("Report"), the Board shall specifically address program development and implementation issues, such as:
 - Identification of, and delivery and (if applicable) intake options for, eligible on-reserve First Nations consumers, including those who may live on reserves not connected to the IESO grid and those served by power systems not regulated by the Board;
 - Overall cost of the program, including funding and administration;
 - Potential barriers to implementation and uptake (and strategies to mitigate these barriers), and consideration of interactions with other assistance programs, including the Ontario Electricity Support Program (OESP).
 - Process and mechanisms for reviewing and monitoring outcomes and measuring success.

In carrying out its work to prepare this report, it is my expectation that the Board will undertake outreach and engagement with First Nations communities, organizations and such other parties as the Board deems appropriate.

The Board's examination of potential options for the First Nations Rate should commence as soon as possible. It is my expectation that the report be submitted to the Ministry no later than January 1, 2017.

This letter takes effect on the date it is issued.

Sincerely,



Glenn Thibeault
Minister

- c: David Zimmer, Minister of Indigenous Relations and Reconciliation
 Deborah Richardson, Deputy Minister, Ministry of Indigenous Relations and Reconciliation
 Serge Imbrogno, Deputy Minister, Ministry of Energy
 Carolyn Calwell, Director, Legal Services Branch, Ministries of Energy, Economic Development and Growth, Infrastructure, and Research, Innovation and Science