

## **OEB All-staff Meeting – Draft Chair's Remarks**

### **[ slide 1 – TITLE PAGE ]**

#### **WELCOME**

Thank you all for coming today. Evidently we are outgrowing our current space for these types of gatherings, so to accommodate what we expected to be a “sell-out” crowd, we are holding today's event here, at the theater.

Welcome to new staff who have joined us recently. We have new Board members, as well, who are also bringing new expertise and fresh insight to the organization.

### **[ slide 2 – AGENDA ]**

I'd like to spend some time today walking through a few notable highlights of the year – and there were many.

Then I'll talk about our priorities for the new fiscal year, and cap it off by doing a bit of an environmental scan, talking about the issues and drivers going on outside of our walls that are, or will be, affecting us in some capacity.

This is my sixth year as Chair – rewarding to see – we have made major incremental changes, year over year, moving us towards our consumer-centric vision. But this year, we've elevated our work to the next level, truly interacting and engaging with the consumer. And people are responding and taking notice.

So let's review.

### **[ slide 3 ]**

#### **THE YEAR THAT WAS**

We all know – I'm sure your incentive payments are long spent – we had a very good year last year. We achieved 97 per cent of our business plan objectives.

This result is impressive. It was a busy year that saw a number of changes.

We had changes in our corporate structure, in our processes and in our people – as we continue to evolve and strengthen the organization.

I want to thank everyone for your characteristic patience and professionalism during the process.

And we had new priorities from the government.

Let's run through some of the highlights:

We fully rolled out the consumer engagement framework, *Giving Ontario Energy Consumers a Stronger Voice*, and throughout the year hosted 15 community meetings in 12 communities affected by major applications for rate increases. From Welland to Prescott and from Atikokan to Kapuskasing, we were there, listening to the concerns of customers. It's important to note that we welcomed growing numbers of customers at each event. Not only have we heard what they want, need or expect and what they like or don't like, but we've also been able to talk through the why or why not, the how, and give them the information they're looking for. [NOTE TO ROSE: Leamington will have happened the evening before...may want to update about how that meeting went, or later in remarks]

### [ PLAY VIDEO? ]

- We developed the regulatory framework for the Cap and Trade program to reduce greenhouse gas emissions, which also launched on January 1<sup>st</sup>.
- We are now in the second year of the Ontario Electricity Support Program that is touching thousands of people who are struggling financially. We approved more than 182,000 applications within the first year of the program and increased eligibility requirements so that more Ontarians in need can receive support.

### [ slide 4 ]

- We overhauled our public website to be much more focused on the consumer, and that will help advance our goal of enhancing energy literacy.
- New consumer protection rules that came into effect on January 1<sup>st</sup> required significant preparation such as updating numerous regulatory instruments. And we communicated those changes broadly to the public.
- We developed and launched our Consumer Charter, which gives consumers a clear understanding of their rights and a stronger voice in the process. The Charter was developed with significant input from our Consumer Panel. This is our standing group made up of 100 residential and small business consumers from communities large and small, rural and urban. They have been providing first-hand consumer perspectives on tools and policies under development in addition to the charter – like the website, the consumer engagement framework and consumer protection documents.

### [ slide 5 – PLACEHOLDER FOR VIDEO OF CONSUMER PANEL ]

What makes the Panel so valuable is that they are everyday customers. So to preserve that value, we refresh the composition of the panel every 18 months – and that's underway right now.

Another benefit of having this group is it has led to a meaningful teaching opportunity. These participants have left the Panel more knowledgeable of the energy sector and the OEB, and the important role we play in protecting consumers' interests. We asked members to share their thoughts about being involved in the panel and prepared a short video which we'll play for you now.

### [ PLAY VIDEO ]

So you can see the value this Panel is providing to us, to consumers at large, but also to the members, personally. I think we learned more from them than they did from us and we are much better for the experience.

Other important work during the year included:

- Developing an electricity rate for on-reserve First Nation customers, and
- Creating an industry framework for cyber security.
- Continuing work on the Regulated Price Plan Roadmap, with several pilots now getting off the ground to test different pricing options.
- Compiling data that shows how electricity bills compare within Ontario, and with other jurisdictions in Canada and the United States, and presenting the information on our website in a consumer-friendly way.
- Brian's group was also involved in a significant project to pull together data on the number of disconnections by utility. This work related to the winter disconnections ban we imposed on utilities and the subsequent review of customer service rules and service charges that's now underway. I'll be speaking more about this later.

### [ slide 6 ]

These are just some of our larger initiatives. Of course we have our core work: our adjudicative, industry oversight and consumer protection duties. We:

- Issued 300 decisions
- Rolled out 72 utility scorecards
- Conducted 31 compliance inspections, leading to 6 enforcement proceedings
- We had more than 9,300 consumer contacts, and resolved 1,680 complaints – thanks to our public information officers who are on the front lines of customer service, delivering on our consumer protection mandate

Everything we do here involves incredible collaboration between departments.

But I would like to pay special recognition to our colleagues who form the critical infrastructure that underpins our success: Information & Information Technology, Finance & Administration and Human Resources. They ensure that the organization's staffing, finance and procurement requirements are in place, and support our ongoing reliance on information technology.

Congratulations, everyone.

**[ slide 7 ]**

**THE YEAR AHEAD – MAJOR GOALS FOR 2017-18**

Building on our successes of last year, let's cast our eyes to the current fiscal year and the road ahead.

You've seen the 2017-2010 business plan, with numerous initiatives designed to help in our work to ensure a sustainable, reliable energy sector in Ontario. For the purpose of today's meeting, I'm going to distill it down to several key priorities:

**[ slide 8 ]**

1. Continue to strengthen the consumer focus at the OEB
  - Leverage and populate the new web site to make it as useful and as accessible as possible
  - Complete our review of customer service rules with a view to incenting LDC's to excel at customer service
  - Continuing to proactively give consumers a voice in our decisions
    - The Hydro One application is currently before the Board and we have planned 10 community meetings over the next few weeks, that will cover their far-reaching service area [NOTE TO ROSE: Leamington event will have happened night before, may want to reference/update]

**[ slide 9 ]**

2. Continue to look at ways the OEB can increase the customer value proposition
  - New pricing packages (RPP, I&C) that will ultimately give consumers greater control over their total bill.
    - Our Regulated Price Plan Roadmap will help us move from a one-size-fits-all approach to pricing energy in a way that gives customers the control and options they are demanding and reduces overall system costs. Pilots are getting underway which will test different pricing options to suit different usage patterns and the needs of different customer classes. We've recently approved pilots for London Hydro and the new Alectra Utilities, with more in the works.
    - We are continuing our work on developing options for smarter distribution rates for commercial and industrial customers. Rates that better align with the way they are using and relying on the distribution network. Getting this right is important because this group of customers are the most likely to adopt innovation, and we want to create a pricing structure that enables and encourages customers choice. We expect to release our staff paper on this later in the summer.
  - Change the way we set rates to incent good decisions, encourage innovation
    - By putting customers first, and responding to changes in the business environment, we hope to make changes that will be truly innovative.

**[ slide 10 ]****3. Continue to move towards real performance based regulation**

- Setting minimum standards, monitoring performance, and rewarding excellence
  - Our Renewed Regulatory Framework put the foundation in place to encourage and incent performance and continuous improvement in utilities – since then we’ve designed and implemented utility scorecards and the rate/custom IR application process. Now we’re evaluating and fine-tuning. We’re finalizing, and will soon issue, guidelines around utility governance. Having strong governance measures in place for utilities will improve consumer and investor confidence.
  - We are also working to finalize a new adjudicative model which will allow us, through the Registrar’s office, to streamline applications more effectively and efficiently

**[ slide 11 ]****4. Continue to invest in enhancing our own performance**

- By strengthening our tools, processes, the capacity and skills of staff and Board members
  - While we have set the stage for encouraging continuous improvement in the sector, we must also strive for excellence in our own operations. We will continue to improve our adjudicative processes and the ongoing evaluation of our regulatory policies
  - Five-year strategic review -- Our leadership team of Board members and Vice Presidents are carrying out a strategic review to map out our vision for the next 5 years. We will share that over the summer. [NOTE TO ROSE: Not sure if you will want to include this...or add more detail about retreats, CAR involvement, etc.]

**[ slide 12 ]****STATE OF ENVIRONMENT****[ slide 13 ]****Government priorities**

We will continue to leverage our expertise in supporting the implementation of government policy:

- Fair Hydro Plan
- Long Term Energy Plan
- Climate Change Action Plan

We’re all aware that the government has announced new priorities which have touched several areas of our work, the most recent and significant being the Protecting Vulnerable Energy Consumers Act and the proposed Fair Hydro Act. We’re obviously involved in numerous ways.

A number of departments and staff – particularly in Applications and Legal – have been working extremely hard to complete and implement the policy. Already we have:

- Implemented (now lifted) the ban on winter disconnections
- With this, we launched a full review of customer service policies and service charges – which were put in place in 2011 – to ensure they're still serving consumers' needs, and striking the right balance between consumer protection and utilities' ongoing operational needs. With few minor exceptions these have not been reviewed since they were first put in place in 2011 – so the time has come to take a fresh look through the customer's lens. Like our review of rules governing retailers, the Energy Consumer Protection Act, we plan to engage broadly and directly with all customer groups but with residential and small business consumers in particular. This work will be rolling out soon.
- Expanded OESP
- Reduced our regulated price plan 17% lower, through the following rate mitigation:

Additional work arising from the Fair Hydro Act includes:

- Moving the Rural or Remote Rate Protection and OESP charges to the general tax base,
- Posting new Regulated Price Plan rates in time for July 1<sup>st</sup>
- Our Public Affairs team is communicating what we're doing to the media and broader public.

Long Term Energy Plan. A number of staff actively participated in ministry-led LTEP tour that took place in communities across the province last fall. The Minister has now asked for our input on the plan, and OEB staff are putting together our feedback, and will work with drafters of the plan to incorporate the OEB's priorities.

Climate Change Action Plan. We continue to work with the ministry on the government's climate change action plan through initiatives like cap & trade, renewable natural gas and guidelines for electric vehicle charging stations.

## [ slide 14 ]

### **Other key trends and issues in the broader operating environment...**

- Recent changes in ownership and consolidation of distributors and transmitters. *Note: this year we approved the merger of four major GTA utilities – Enersource, Horizon Utilities, PowerStream and Hydro One Brampton. The new Alectra Utilities' is now the largest municipally owned utility by customer base in Canada. More are in the works including Orillia before us right now.*
- An increasing consumer focus on prices and costs within the sector
- Technological innovation that presents new choices for consumers (behind the meter generation, net metering, distributed energy resources)

### **Provincial Election in 2018...increased media coverage**

Lastly, of course there is a provincial election on the horizon in 2018. The energy file will also be a hot topic – if not the number one – topic in that contest, and so we can expect to see our work in the news even more.

All of the above issues have contributed to the OEB's higher public profile during the year. Indeed, these are times of significant and rapid change. We are a public institution with a very public mandate. So it's not a surprise that more attention is being paid to the work that we do and how well we do it.

It's important to remind ourselves of the value we bring and the service we are providing to consumers: the hundreds of applications we review and decide on; the thousands of calls we take from consumers looking for guidance; the many rules we put in place and enforce; the culture of excellence we are encouraging from energy utilities.

I want to assure you that we are working hard to tell our story. And our collective efforts to raise consumers' level of energy literacy will go a long way towards building trust and public confidence.

**[ slide 15 ]**

## **GOING FORWARD**

This format, the all-staff meeting, is an important opportunity for the organization to gather as a whole, celebrate our collective achievements and talk about our vision, direction and opportunities.

**[ slide 16 ]**

But we're going to extend the discussion further. We're going to return to a format we have done in the past, which is hosting smaller group sessions so that we can tailor the conversation to specific needs of our various lines of work.

These will also be an opportunity for each of you to bring forward ideas, perspectives, to help shape the organization. So you'll be seeing meetings set up soon (if not already) in your calendars and I hope you make it a priority to attend and come with your questions, comments and ideas.

**[ slide 17 ]**

## **CONCLUSION**

This is my sixth year at the OEB and it's rewarding to step back and see how far we've come.

I'm so pleased and proud of the progress we continue to make on our journey to better empower, engage and protect the millions of energy consumers who rely on the services we regulate.

I want to thank each of you for your contribution in raising the bar, year over year. Everyone plays a role:

- ...From Strategic policy who develop the blueprints for how we will regulate the sector and respond to emerging challenges
- ...to Consumer Protection and Industry Performance who perform watchdog duties, making sure the entities we regulate are following the rules and have what they need to enable success
- ...to the case managers in Applications who scrutinize, challenge and test utilities' requests. And the Board members who deliberate, weigh and balance.
- ...to the Registrar's office that keeps the adjudicative process flowing
- ...to Legal team for their review and oversight of everything - our corporate, policy and adjudicative work
- ... to Public Affairs who connect all the dots and make sure our message is delivered consistently, at the right time and to the right people. And who ensure a direct line-of-sight to consumers we're trying to reach.
- ...And to People, Culture & Business Solutions who enable it all.

I hope you get a chance to rest and relax over the summer.

Enjoy.