



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

DECISION AND ORDER

EB-2020-0163

Amending the Independent Electricity System Operator's Licence to require it to assist with the administration of the COVID-19 Energy Assistance Program

BY DELEGATION, BEFORE: Brian Hewson
Vice President,
Consumer Protection & Industry Performance

June 18, 2020

INTRODUCTION AND SUMMARY

The Ontario Energy Board (OEB), of its own motion, is commencing this proceeding to amend the licence of the Independent Electricity System Operator (IESO) to support the implementation of the government's COVID-19 Energy Assistance Program (CEAP). As set out in this Decision and Order, the amendment requires the IESO to reimburse licensed electricity distributors and licensed unit sub-meter providers (Utilities) on a monthly basis for amounts the Utilities have credited to eligible customers up to the maximum amount allocated to each Utility by the OEB.

BACKGROUND

On June 1, 2020, the Government of Ontario [confirmed](#) that it is making \$9 million available for CEAP, to support residential customers struggling to pay their energy bills as a result of the COVID-19 emergency. By letter dated the same day, the Minister of Energy, Northern Development and Mines and the Associate Minister of Energy asked for the OEB's support to implement CEAP, and to take action as necessary to ensure licensed electricity distributors, USMPs and natural gas distributors provide CEAP to their customers (Ministers' [Letter](#)).

On June 16, 2020, the OEB issued a [Decision and Order](#) (EB-2020-0162) which amended the licences of all Utilities to require them to deliver CEAP to their eligible residential customers. That Decision and Order also set out the total CEAP funding that will be available to each class of Utility as a whole.

As set out in the Ministers' Letter, the Ministry of Energy, Northern Development and Mines intends to enter into a transfer agreement with the Independent Electricity System Operator (IESO) to enable the IESO to reimburse Utilities in respect of the CEAP credits that they provide to their customers.

The OEB finds it necessary to amend the licence of the IESO to support the implementation of CEAP.

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* (OEB Act).

DECISION

Section 57 of the OEB Act requires the IESO to be licensed. Section 70(1) of the OEB Act states that a licence may prescribe conditions as are appropriate having regard to the OEB's statutory objectives. One of those objectives is to protect the interests of consumers with respect to prices.

In keeping with steps already taken by the OEB to protect consumers in these unprecedented times, and in order to ensure that CEAP can be delivered on a timely and efficient basis to help alleviate the financial burden resulting from the COVID-19 emergency, the IESO must play a central role in settlements relating to CEAP. The OEB has therefore determined that the IESO should provide settlement services to reimburse Utilities for the amount of the on-bill credits that they provide to eligible customers under CEAP, up to the maximum amount per Utility as detailed in Appendix A of the OEB's [letter](#) to Utilities dated June 16, 2020.

The licence amendments made in the OEB's June 16, 2020 Decision and Order referred to above require the Utilities to provide information as the IESO may reasonably require in respect of their requests for reimbursement. The IESO is expected to develop and implement a settlement process to allow for the monthly reimbursement of Utilities in respect of the on-bill credits that they provide to their customers on account of CEAP. The settlement process should be integrated with existing IESO settlement processes to the extent that it is efficient to do so, and should recognize the time limited nature of CEAP.

Although the OEB will not require the IESO to independently verify the CEAP amounts claimed by Utilities, the IESO will be required to ensure that no amount is provided to a Utility in excess of the maximum amount of CEAP funding allocated to the Utility by the OEB. To support the monitoring of CEAP implementation, the IESO will also be required to provide the OEB with information on a monthly basis regarding reimbursement claims made by Utilities and the number of customers to whom each Utility has provided credits.

The new IESO licence conditions are effective immediately.

IT IS ORDERED THAT:

1. The IESO's licence, EI-2013-0066, is amended by adding the following new section 23, with effect as of today's date:

23 Settlement of COVID-19 Energy Assistance Plan Funding

23.1 For the purposes of paragraphs 23.1 to 23.7:

“CEAP” means the COVID-19 Energy Assistance Program as described in the Board's Decision and Order dated June 16, 2020 (EB-2020-0162)

“Utility” means an electricity distributor or a unit sub-meter provider licensed by the Board

23.2 The Licensee shall distribute to Utilities the funds it receives from the Government of Ontario for the purposes of CEAP in accordance with paragraphs 23.2 to 23.6.

23.3 Subject to paragraph 23.6, the Licensee shall reimburse each Utility for any credits provided by the Utility to eligible residential customers on account of CEAP , and shall do so on a monthly basis commencing in August 2020 and in accordance with paragraph 23.4.

23.4 Reimbursement shall be made to a Utility following receipt of a claim submitted in accordance with such settlement instructions as the Licensee may reasonably provide, and in accordance with such settlement processes as the Licensee may reasonably apply having regard to efficiency and the time limited nature of CEAP.

23.5 The Licensee is not required to independently verify the claims for reimbursement submitted by a Utility, and may rely on the information contained in such claims for the purposes of making reimbursement.

23.6 The Licensee shall not reimburse a Utility in an amount greater than the total amount of CEAP funding that has been allocated to that Utility by the Board.

23.7 The Licensee shall:

- (a) keep complete records of its settlement activities under paragraphs 23.1 to 23.6 for a period of two years following the date on which the last report is made to the Board under paragraph 23.7(b), and provide them to the Board on request; and
- (b) report the following information to the Board, in such form as may be required by the Board, on the 20th day of each month starting August 20, 2020 and until such time as the funds provided to the Licensee by the Government of Ontario on account of CEAP have been expended and the Licensee has fully reported to the Board thereon:
 - (i) The amount of CEAP funding (on both a monthly and total basis) claimed by each Utility; and
 - (ii) The amount of CEAP funding (on both a monthly and total basis) distributed by the Licensee to each Utility.

DATED at Toronto June 18, 2020

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance