Ministry of Energy, Northern Development and Mines

Office of the Minister

Office of the Associate Minister of Energy

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MC-994-2020-438

June 1, 2020

Mr. Robert Dodds Vice-Chair Ontario Energy Board Robert.Dodds@oeb.ca

Dear Mr. Dodds:

Our government continues to implement our COVID-19 Action Plan to help stop and contain the spread of COVID-19 while providing support for those who have been adversely affected by this emergency.

We appreciate the leadership that both the Ontario Energy Board (OEB) and Ontario's regulated utilities have demonstrated during this time. The OEB has been instrumental in supporting the implementation of immediate electricity rate relief for families, small businesses and farms by facilitating all day, off-peak time-of-use rates and deferral of a portion of the Global Adjustment charges for industrial and commercial electricity consumers. We also recognize the OEB's extension of the winter disconnection ban and encouragement that distributors provide payment flexibility to their customers during this challenging time.

As part of the Action Plan, the government has committed to providing \$9 million in direct support for those behind on their bills as a result of COVID-19 by expanding the Low-Income Energy Assistance Program (LEAP). The goal of this expansion – known as the COVID-19 Energy Assistance Program (CEAP) – is to help residential customers catch up on their energy bills and resume regular payments.

We request the OEB's support to implement CEAP, and to take action as necessary to ensure licensed electricity distributors, unit sub-metering providers, and natural gas distributors provide the program to their residential customers.

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As the OEB considers the implementation of CEAP, we ask the OEB to consider the following, which we believe will help the \$9 million reach the most people:

- Make CEAP available to consumers who have fallen behind by at least two billing cycles, but whose accounts were in good standing when the provincial emergency was declared;
- Make CEAP available for those unemployed on the date they apply for funding, and have received Employment Insurance or the Canada Emergency Response Benefit since the government declared a State of Emergency;
- Provide electricity customers with up to \$230 in support if they primarily use electricity for heating, or if they use energy-intensive medical devices, and up to \$115 otherwise;
- Provide natural gas customers with up to \$160 if they reside in Northern Ontario, and up to \$80 if they reside elsewhere;
- As the aim of CEAP is to support those who are temporarily behind on their bills as a result of COVID-19, ensure that those who have received support from LEAP or the Ontario Electricity Support Program in the recent past are ineligible; and,
- That the \$9 million in support is allocated across all electricity and natural gas distributors and unit sub-metering providers.

To support the program, the ministry intends to enter into a transfer payment agreement with the Independent Electricity System Operator to reimburse regulated electricity and unit sub-meter providers, and with natural gas companies to do the same. The ministry remains ready to support the OEB in its development and implementation of CEAP.

The government is concurrently creating a complementary program to help small businesses that are struggling to pay their energy bills – known as COVID-19 Energy Assistance Program – Small Business (CEAP-SB). The ministry will communicate suggestions for CEAP-SB in a future Minister's letter.

We would like to thank the OEB for its continued efforts to help Ontarians get through this difficult time.

Sincerely,

The Honourable Greg Rickford Minister of Energy, Northern Development and Mines

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The Honourable Bill Walker Associate Minister of Energy