



SUSANNA ZAGAR  
CHIEF EXECUTIVE OFFICER | DIRECTRICE GÉNÉRALE

BY EMAIL

May 12, 2021

**To: All Licensed Electricity Distributors  
All Rate-Regulated Gas Distributors  
All Licensed Transmitters  
All Licensed Gas Marketers  
All Licensed Electricity Retailers  
All Licensed Unit Sub-Meter Providers  
Independent Electricity System Operator  
Ontario Power Generation**

**Re: OEB Modernization**

When I joined the OEB seven months ago, an enormous amount of hard work lay ahead in establishing the framework for modernization and building a foundation for increased trust, accountability and transparency – within the organization, with those we regulate and the public we serve. In this relatively short timeframe, we have made tremendous strides operationalizing our new governance structure and finalizing important deliverables, and I'm pleased to provide an update on our progress.

In my last communication on October 30, 2020, I shared some key operational updates including the completion of a full financial review of our operations and our commitment to a survey of stakeholders. Since then, the OEB has delivered on several important reports and corporate planning that will drive our modernization work:

- We completed the online **survey of stakeholders** (regulated entities and others) conducted by Ipsos. I thank all those who participated for their vital insights. This feedback has informed the development of much of our work.
- We finalized our **2021-2024 Business Plan**, which was approved by the Minister of Energy, Northern Development and Mines in March. It will drive our work over the next three years with new Vision, Mission, Purpose and Values that articulate our focus, direction and the culture we will strive to embody as an organization moving forward.



2300 Yonge Street, 27<sup>th</sup> floor, P.O. Box 2319, Toronto, ON, M4P 1E4  
2300, rue Yonge, 27<sup>e</sup> étage, C.P. 2319, Toronto (Ontario) M4P 1E4

T 416-481-1967 1-888-632-6273  
F 416-440-7656 **OEB.ca**

- We completed our **Top Quartile Regulator (TQR) Project** which was informed by worldwide research and deep stakeholder engagement including our successful **Symposium, Energize, Optimize, Modernize: Towards Regulatory Excellence** held in February. The TQR report defines the target behaviour of regulators who excel in delivering public value. With those attributes now defined as: Accountability; Effectiveness; Certainty; Efficiency; Independence; and Innovation, the OEB will seek to embody them as we drive towards regulatory excellence.
- We finalized our **Five-Year Strategic Plan**, our key planning document for outlining and communicating the longer-term goals of the OEB and how we will achieve them. The development of this plan was informed by the extensive research and insights from our other important corporate documents in addition to the Modernization Review Panel report and government's mandate letters.

These corporate documents are available on OEB.ca in [About us > Corporate governance & reports](#). I'm also pleased to share a new page on our website, [Modernization@OEB](#), which provides a running round-up of our modernization progress each quarter.

The OEB is also continuing our focus on promoting operational efficiency and finding cost efficiencies in regulation:

- OEB Chief Commissioner Lynne Anderson recently released the **Chief Commissioner Plan Initiatives** document, which sets out specific initiatives designed to enhance the effectiveness and efficiency of the OEB's adjudicative process, and includes timeframes for each. This can also be found on [OEB.ca](#).
- Improvements were recently made to the **Reporting and Record-keeping Requirements** and changes to the **Electricity Distributor Scorecard** have been identified, reflecting feedback from distributors. The success of these projects will be measured both qualitatively and quantitatively through reduced workload for utilities, ease of transactions and automated validations to flag any incorrect or inconsistent data points.
- We also recently issued new **performance standards for leave to construct and motion to review applications**. This second phase of modernizing our performance standards has immediate effect for new applications filed as of April 1, 2021.
- Regulated entities will also have seen changes to the cost assessments this year. In light of the modernization underway, the OEB has frozen the assessments at the prior year's amounts and taken into account a five per cent budget reduction. We are also advancing the return of forecasted savings of \$3.8 million to the first quarter and will adjust subsequent quarterly assessments as required following the audit of our financial statements.

I hope you see by the progress we are making so early in our modernization journey, that the OEB is committed in our drive to becoming a top quartile regulator with a strong focus on performance and outcomes, and on delivering public value.

We know there is much more work ahead of us and we look forward to working together, with other system partners – regulated and non-regulated. We all have a collective role to play in building and maintaining public trust and confidence in the energy system. By working together, we can enable Ontario's growing economy and improve the quality of life for the people of this province.

On a personal note, let me extend my thanks to you as energy sector leaders for being so generous with your time during my first several months on the job, either taking part in our survey, our symposium or meeting with me. I truly appreciate the ongoing dialogue.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Susanna Zagar', with a stylized flourish at the end.

Susanna Zagar  
Chief Executive Officer