

**Ministry of Energy**

Office of the Minister

4<sup>th</sup> Floor, Hearst Block  
900 Bay Street  
Toronto ON M7A 2E1  
Tel.: 416-327-6758  
Fax: 416-327-6754

**Ministère de l'Énergie**

Bureau du ministre

4<sup>e</sup> étage, édifice Hearst  
900, rue Bay  
Toronto ON M7A 2E1  
Tél. : 416 327-6758  
Télééc. : 416 327-6754



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MC-2015-349

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

Dear Ms Leclair:

I am pleased to inform you that the government supports the implementation of an Ontario Electricity Support Program (OESP) to assist low-income consumers by means of on-bill rate relief. I would like to express my appreciation to the Ontario Energy Board (OEB) for its thorough report on program design and implementation options, which was instrumental in informing the Ministry on this matter.

I would support efforts by the OEB to implement the OESP as set out in the OEB's report, including in relation to the following program design elements:

1. Ongoing on-bill rate relief for low-income electricity consumers.
2. Cost recovery to be achieved through rates collected from electricity ratepayers.
3. Benefit to be based on a sliding scale with predetermined credits for eligible consumers based on income thresholds and household size.
4. Application-based program requiring consumers to "opt-in".

Given the unique challenges of the proposed elements of the OESP related to higher risk electricity consumers, and the short time period for implementation of the OESP, I would urge the OEB to consider developing a robust second phase for the implementation of those elements. I refer here to targeted provisions for consumers such as First Nations and Métis consumers, consumers who use electric heating, and households where electrically run medical devices are used. Program design elements specific to the needs of these particularly vulnerable consumers requires further consideration to ensure effective implementation and this planning will take additional time.

The Ministry of Energy intends to develop legislative proposals to support implementation of the OESP. In that regard, I expect that the proposed cost-recovery mechanism would be, if approved by the Legislature, a fully volumetric charge applied at an equal rate to all rate classes. The Rural and Remote Rate Protection program is as an example of a program that currently uses this approach.

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The OEB will have lead responsibility for the OESP and for the program's overall administration. I would like the Independent Electricity System Operator (IESO) to provide key support in the implementation of the OESP, and I expect that the IESO will also play a key role in the ongoing operation of the OESP. As such, I would like both agencies to be fully engaged and to co-operate closely in the implementation and subsequent operation of the OESP, including an appropriate designation of roles and responsibilities for efficient and effective delivery. To that end, I would ask that the OEB, with the support of the IESO, develop an OESP implementation work plan and establish a working group to assist in the development of that plan. I would ask that this implementation working group be established expeditiously, and include appropriate representation of agency staff and key stakeholders.

I expect the Ministry of Energy to participate in the implementation working group. The Ministry is prepared to provide support as necessary; for example, by liaising with other Ontario ministries to solicit input on implementation activities.

It is my expectation that the implementation timeline remain on track and in line with government commitments, keeping in mind that administration and intake systems must be in place prior to the January 1, 2016 implementation date and aligned with a Fall 2016 communications rollout. To this end, the Ministry of Energy intends to report back to Cabinet to provide an update and present a detailed implementation plan that demonstrates how the OESP would be delivered according to the scheduled implementation date of January 1, 2016. Regular updates on your progress towards implementing the OESP would be appreciated.

The OEB's and IESO's respective roles position your agencies to work jointly on implementation of the OESP. I am confident that by co-operating as proposed with support from the Ministry of Energy, you would be capitalizing on your strengths and experiences to ensure that the OESP is implemented in an effective, efficient and timely manner. Thank you in advance for your hard work and co-operation.

Sincerely,



Bob Chiarelli  
Minister

c: Bruce Campbell, Chief Executive Officer, IESO  
Serge Imbrogno, Deputy Minister of Energy  
Andrew Teliszewsky, Chief of Staff, Minister's Office