

BRIEFING NOTE

To: OEA Board of Directors

From: Bob Huggard

Date: December 16, 2015

Subject: OEA BOARD OF DIRECTORS COMMENTS FOR DISCUSSION WITH SERGE IMBROGNO

BACKGROUND

Serge Imbrogno will be attending the January 21 OEA board meeting in order to have a roundtable discussion with the Board of Directors. Based on feedback received from the Board the OEA has compiled the top three asks/discussion points to facilitate the meeting with Mr. Imbrogno.

1. ENERGY POLICY INITIATIVES & LONG-TERM ENERGY PLANNING

Energy policy must be developed through meaningful consultation with industry and with empirical data, and all policy initiatives must consider costs to utilities and consumers. Long-term energy planning must also weigh the strength and economic competitiveness of the province as a whole. In addition, government should commission an independent review of the cumulative costs of the various policy initiatives introduced in recent years (including the cap and trade program).

Government and the OEB should slow the pace of their consultations so that industry can develop more comprehensive responses. The OEA encourages government to meet with its representatives on a regular basis to discuss current and prospective policy initiatives, to develop a long-term policy roadmap, and to explore means of accelerating innovation.

2. CAP & TRADE

For the cap and trade program to result in behavioural changes, the true costs of carbon must be made clear to the customer. Proceeds from the cap and trade program should be recycled into GHG-reducing initiatives in the sectors from which they are collected.

3. REGULATORY PROCESS

Utilities need a ratemaking framework that provides for a return on costs, investment in emerging technologies, and attracting/retaining skilled workers. An improved regulatory

process would also see greater OEB adherence to its own policies, quicker decisions, and improved OEB staff capacity and expertise.

4. LDC CONSOLIDATION

With the change of government in Ottawa, Ontario has the opportunity to actively pursue the removal of the Federal tax barriers to consolidation and the potential investment of the private sector in LDCs. To further encourage this kind of investment, the government should also amend Infrastructure Ontario's enabling legislation in order to grandfather existing IO financing provided to LDCs in the event of private investment in LDCs.