

ONTARIO ENERGY ASSOCIATION

REGULATORY AMENDMENTS TO O. REG. 314/15 (ONTARIO ELECTRICITY SUPPORT PROGRAM)

17-ENE001 Submission

APRIL 7, 2017

To shape our energy future for a stronger Ontario.



Ontario Energy Association

ABOUT



The Ontario Energy Association (OEA) is the credible and trusted voice of the energy sector. We earn our reputation by being an integral and influential part of energy policy development and decision making in Ontario. We represent Ontario's energy leaders that span the full diversity of the energy industry.

OEA takes a grassroots approach to policy development by combining thorough evidence based research with executive interviews and member polling. This unique approach ensures our policies are not only grounded in rigorous research, but represent the views of the majority of our members. This sound policy foundation allows us to advocate directly with government decision makers to tackle issues of strategic importance to our members.

Together, we are working to build a stronger energy future for Ontario.

The Ontario Energy Association is pleased to provide this response to the Ministry of Energy's proposed regulatory amendments to O. Reg. 314/15 (Ontario Electricity Support Program [OESP]) made under the Ontario Energy Board Act, 1998, that would support the implementation of Ontario's Fair Hydro Plan (Proposal Number: 17-ENE001).

COMMENTS AND KEY RECOMMENDATIONS

The OEA has reviewed the proposals to: (i) increase the monthly credit amounts for eligible consumers by 50 per cent; and (ii) expand the income eligibility thresholds for some household sizes.

Further, the proposal indicates that: (i) new household income and size categories would be added to the list of potentially eligible customers; and (ii) the Ministry is also exploring automatic qualification and credit amounts for customers who are enrolled in other provincial low-income social programs.

The OEA observes that the increased credit amounts will likely place many more customers in a sustained credit position, which may have spill-over effects on CDM attainment. By reducing electricity rates generally, it can be expected that the Ontario Fair Hydro Plan will have an impact on CDM attainment generally. We encourage the Ministry to ensure that the IESO takes into account the potential consequences of the Ontario Fair Hydro Plan in its ongoing CDM work.

The OEA does not have significant concerns with the proposals.

However, the OEA does have recommendations regarding the implementation of these proposals. The OEA is making the following key recommendations:

Recommendation 1: Timeliness

According to a [March 29, 2017 letter from the Ontario Energy Board on the OESP](#), the proposed "changes may be implemented as early as May 1, 2017." If the Ministry of Energy intends on setting such a timeline for implementation, the OEA recommends that the proposed changes be finalized as quickly as possible, so that electricity distributors have enough time to update their systems and the interface with the Central Service Provider to accommodate the required changes.

Recommendation 2: Opportunity to Comment on Draft Regulatory Language

As stated above, the OEA does not have significant concerns with the proposals described in the Ministry of Energy's posting on the Regulatory Registry; however, the posting does not include any draft language for the amendments to be made to O.

Reg. 314/15. The opportunity to comment on draft regulatory language is common to most regulation amendments.

While the OEA understands the Ministry needs to move quickly on changes to the OESP, for any future proposed regulatory changes, the OEA believes that it is in the interests of all participants that going forward the Ministry of Energy allow stakeholders an opportunity to comment on the draft regulatory language regarding the OESP before the Ministry incorporates them as final regulations. This would allow participants to assess the proposed changes in detail and ensure important issues are not overlooked and misinterpreted.

Conclusion

The OEA recognizes the importance of enhancing the OESP. The above recommendations reflect that it is essential that these and any future enhancements are designed so that changes can be implemented in a timely and cost-effective manner.

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Ontario Energy Association

Let's unravel complex energy challenges, together.