

Ministry of Energy,
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and Mines

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October 31, 2019

Memorandum to: Ontario Municipalities

Subject: Ontario Electricity Rebate (OER)

I am writing to inform you about the upcoming introduction of the new Ontario Electricity Rebate (OER) on November 1, 2019. The Ontario government has made several regulatory changes as part of the transition away from Global Adjustment (GA) Refinancing under the previous government's Fair Hydro Plan to the new, more transparent on-bill rebate. These changes include amendments to Ontario Regulation 363/16 made under the *Ontario Rebate for Electricity Consumers Act, 2016*.

The transition to the OER is a key part of the government's commitment to strengthen transparency, accountability and fiscal responsibility in the electricity sector and respond to the recommendations of the Auditor General of Ontario.

The OER will replace the 8% rebate and the reduction previously provided through Regulated Price Plan (RPP) rates, as well as the GA reduction that was provided to consumers not participating in the RPP. As a result, the Electricity line on bills will rise, the OER will provide an increased percentage rebate, and the average residential bill will increase in line with inflation.

Consumers that were previously eligible for the 8% rebate will be eligible for the OER including low-volume consumers such as households and small businesses, as well as farms, certain long-term care homes, and certain larger multi-unit complexes that are primarily residential (i.e. where at least 50% of the units are "qualifying units" as defined), such as apartment buildings and condominiums (see section 1.1 (1) 5 of O. Reg. 363/16 as amended).

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Under the new rules, certain larger multi-unit complexes that are not primarily residential (as contemplated above), and certain types of multi-unit complexes (see section 1.1 (2) of O. Reg. 363/16 as amended), are not eligible for the OER. This includes, but is not limited to:

- hotels, motels or motor hotels, resorts, lodges, tourist camps, cottages or cabin establishments, inns, campgrounds, trailer parks, tourist homes, bed and breakfast vacation establishments or vacation homes;
- hospitals (as defined under O. Reg. 363/16, as amended);
- living accommodations occupied by a person for penal or correctional purposes, or premises that are subject to the *Ministry of Correctional Services Act* or the *Child, Youth and Family Services Act, 2017*;
- short-term living accommodations provided as emergency shelter;
- universities, colleges of applied arts and technology or other entities that provide post-secondary education; and
- premises that are identified by a NAICS code commencing with digits 21, 22, 23, 31, 32 or 33.

However, consumers that were receiving the 8% rebate on October 22, 2019 but are not eligible for the OER will nevertheless receive the OER until October 31, 2020 if they meet the new notice requirements set out in section 1.3 of O. Reg. 363/16 (as amended) before February 1, 2020. If they don't meet those notice requirements, they will receive the OER until January 31, 2020 (see section 1.2 (2) of O. Reg. 363/16 as amended).

Additional new notice requirements are also being introduced for certain larger multi-unit complexes that are eligible under the new rules (see section 1.3 of O. Reg. 363/16 as amended). These notices are due to Local Distribution Companies (LDCs) before February 1, 2020 (see section 1.1 (4) of O. Reg. 363/16 as amended).

Consumers with inquiries regarding their eligibility or notice requirements should be directed to their LDC.

Note that while this letter is intended to provide useful information about these regulatory changes and Energy, Northern Development and Mines' (ENDM) administrative policy intent, it is not intended as legal advice. You should consult with your legal advisers or with the Ontario Energy Board if you have any questions.

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I hope you find this information helpful. Thank you for your support as the government works to deliver on its commitment to build a fair and efficient electricity system.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Rickford". The signature is fluid and cursive, with the first name "Greg" and last name "Rickford" clearly distinguishable.

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