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OEB Issues Decision Regarding COVID-19 Energy Assistance Program

By Fred D. Cass

The Ontario Energy Board has issued a decision regarding the Ontario government's COVID-19 Energy Assistance Program (CEAP). CEAP is an initiative by the government to make available a total of \$9 million to support residential customers struggling to pay their energy bills as a result of the COVID-19 emergency. The Minister of Energy, Northern Development and Mines and the Associate Minister of Energy asked for the OEB's support to implement CEAP, and to take action as necessary to ensure that licensed electricity distributors, unit sub-meter providers (USMPs) and natural gas distributors provide CEAP to their customers. The OEB of its own motion initiated a proceeding to amend the licences of all licensed electricity distributors and USMPs to support the implementation of CEAP.

In its Decision and Order issued on June 16, 2020, the OEB amended the licences of electricity distributors and USMPs to require them to deliver CEAP to their eligible customers until such time as their allocated amount of CEAP funding has been depleted. The OEB determined that CEAP must be available to residential electricity customers prior to the end of the winter disconnection ban on July 31st and, accordingly, that electricity distributors and USMPs must start accepting applications for CEAP as of July 13, 2020.

Further, the OEB decided that the fair approach to allocating the CEAP funding is to do so based on residential customer numbers. The OEB determined the following allocation of the \$9 million: (1) \$4.89 million for electricity distributors, to be allocated amongst them based on their respective number of residential customers for 2018 as reported to the OEB; (2) \$0.34 million for USMPs serving residential customers, to be allocated amongst them based on their respective number of residential customers as reported to the OEB; and (3) \$3.77 million for natural gas distributors, to be allocated amongst them based on their respective number of residential customers for 2018 as reported to the OEB.

Customers seeking CEAP funding will apply using an OEB-approved standard Application Form. The OEB considers it fair and reasonable that Application Forms be processed in the order in which they are received. The OEB expects that acceptance of Application Forms and credits to customer bills by a particular electricity distributor or USMP will cease when the CEAP funding allocated to that distributor or USMP has been depleted.

The Decision and Order addresses a number of other aspects of CEAP implementation, including eligibility criteria (the electricity distributors and USMPs are not expected to carry out an independent verification of an applicant's attestation of eligibility beyond information already in their possession as part of the customer's account information), maximum CEAP per customer and settlement and reporting. The OEB will be amending the IESO's licence to make provision for its CEAP settlement responsibilities.

CEAP funding cannot be used to defray costs incurred by electricity distributors and USMPs to implement and administer the program. But the OEB indicated that electricity distributors may record the costs of CEAP implementation and administration into the account established by the OEB for recording of Impacts Arising from the COVID-19 Emergency. The prudence of any costs recorded in the account will be reviewed at a later date.

Separately, on June 16th, the OEB issued guidance to electricity distributors and USMPs regarding CEAP implementation. Appendices to the guidance letter set out the allocation of CEAP funding to individual electricity distributors and USMPs and provide an Application Form prepared by the OEB in cooperation with the Ministry of Energy, Northern Development and Mines. The OEB said that it will provide a final Application Form in both official languages and in an online, fillable PDF shortly.

In letters issued to natural gas distributors, the OEB indicated that implementation of CEAP by gas utilities should follow the approach set out in the Decision and Order amending the licences of electricity distributors and USMPs. The letters set out the OEB's expectations for implementation of CEAP in the natural gas sector: implementation by the gas distributors is expected to be the same as for electricity distributors and USMPs, except where specifically noted in the letters.

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