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Ontario Energy Board Moving Forward With Its Modernization Plans

By David Stevens

In an October 30, 2020 letter, the new CEO of the Ontario Energy Board (Suzanna Zagar) indicated that the OEB is “moving forward on the OEB Modernization Review Panel recommendations and its position that the OEB must be more than a prudent regulator.” Ms. Zagar pointed to the new Mandate Letter from the Minister of Energy, Northern Development and Mines to the OEB Chair (Richard Dicerni), which indicated that the OEB is expected to implement the recommendations of the OEB Modernization Review Panel.

The Mandate Letter sets out the government’s “Priorities for a Modernized OEB.” Under the heading “Independence and Accountability,” the Mandate Letter indicates a goal of “Strengthening Trust in the OEB Through Implementing Governance Reform” and sets out several ways this will be done, including implementation of the new governance structure for the OEB. Under the heading “Certainty, Efficiency and Effectiveness,” the Mandate Letter sets a goal of “Promoting Operational Effectiveness, Finding Cost Efficiencies, and Reducing Regulatory Burden.” This includes reducing regulatory burden on licensees, such as the number of reporting requirements and corporate governance requirements for LDCs and natural gas utilities.

The October 30th letter from the OEB’s new CEO includes an “update” on three initiatives that are said to demonstrate the regulator’s near-term priorities.

First, the OEB plans to conduct a “financial review” of its operations to “ensure” that its expenditures are appropriate relative to its priorities and that the OEB is “delivering value for money for the people of Ontario.”

Second, the OEB will close its Corporate Governance Guidance for OEB Rate-Regulated Utilities initiative (see here), and will not proceed with the associated reporting and record keeping requirements originally proposed.

Third, the OEB will promote stakeholder engagement, starting with a survey of stakeholders to share insights and ideas and inform the OEB’s development of new key performance indicators that focus on decision cycle time, organizational excellence and stakeholder satisfaction.

On a related note, the OEB has also announced a pilot project “aimed at enhancing transparency of the status of OEB proceedings.” Under this initiative, the OEB will post schedules for select regulatory proceedings, and will track actual dates as they occur to allow stakeholders to see where performance standards for processing applications are (or are not) being met.

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