

FONOM

The Federation of Northern Ontario Municipalities

August 7, 2015

Rosemarie T. Leclair, Chair and Chief Executive Officer
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

Dear Ms. Leclair,

On behalf of the Federation of Northern Ontario Municipalities (FONOM), we would like to provide feedback to the Ontario Energy Board's (OEB) Ontario Electricity Support Program (OESP) which is scheduled to be implemented for January 1, 2016.

During the regular meeting of the FONOM Board of Directors held on July 16, 2015, the Board received a presentation from the OEB on the new electricity support program which will be an ongoing, on-bill rate assistance program for low-income electricity customers and will be funded through a provincial charge.

Although several questions were raised, the two main concerns were with the design of the program and the impact that it will have on the region. In terms of the design and administration of the program, eligible participants would be able to apply online or through social agencies such as the United Way and the Salvation Army as suggested by the OEB. However, there are only a few of these agencies in Northern Ontario and they are located in the urban centres. This would leave rural areas having to apply online with no walk-in option available. The Board recommended that the OEB include District Social Services Administration Boards (DSSABs) and the Greater Sudbury Consolidated Municipal Service Manager (CMSM) for Northern Ontario as they have the structures in place to work closely with those who would be eligible participants and ensure that all Ontarians have the same access to the program.

The second main concern was the impact that the program would have on the Northern Ontario economy. Since the funding for the program is based on consumption from industrial, commercial and residential users, there was worry that Northerners who already have high energy costs would be faced with even higher costs. Particularly within the forestry and mining sector, which are heavily energy dependent, it could offset the benefits received from the Northern Industrial Electricity Rate (NIER) program.

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While we acknowledge that the OEB is expected to follow the implementation timeline to remain on track and in line with government commitments as outlined in a letter to you from the Minister of Energy on February 17, 2015, we believe it is imperative that the program must refrain from being implemented until all concerns are addressed. After the deeply flawed Social Assistance Management System (SAMS) created problems for front line workers, vulnerable Ontarians and cost the Province millions of dollars, it is important that provincial bodies take all steps necessary to ensure that the program is implemented properly.

We hope you take our feedback into consideration and look forward to further communication on the Ontario Electricity Support Program design and implementation.

Sincerely,



Alan Spacek
President

cc: Minister of Energy, Hon. Bob Chiarelli