In April 2016, OEB staff held a series of preliminary meetings with targeted stakeholders – natural gas utilities, large-volume natural gas industry groups, low-volume consumer ratepayer groups, and the environmental groups. At these meetings, staff presented material ([posted on OEB’s website](http://www.ontarioenergyboard.ca/oeb/Industry/Regulatory%20Proceedings/Policy%20Initiatives%20and%20Consultations/Cap%20and%20Trade%20Compliance%20Plans%20%28EB-2015-0363%29)) to initiate discussion on a draft cap and trade framework for OEB rate-regulated natural gas utilities (the utilities). Staff outlined its initial thinking on the key elements of what the regulatory framework should include; and the issues and options for each of these elements.

|  **Topics** | **Summary Notes of Stakeholder Comments** |
| --- | --- |
| **Compliance Plans** | * General agreement with staff’s proposal re level of guidance; small volume rate payer groups voiced a concern that risk may increase with market complexity therefore, OEB’s level of oversight may also have to increase
* First year of Compliance Plan should be viewed differently than years 2, 3, 4 and subsequent compliance plans; the utilities need to walk before they can run
* Need to understand metrics for Compliance Plan assessments up front; assessment should include both quantitative and qualitative analysis
* General agreement that cost recovery for longer term planning and capital investments that deal with GHG emissions should be included as part of the utilities’ existing asset/capital planning process
* Concerns raised about confidentiality of certain information in Compliance Plans
* Agreement that there should be no double counting with respect to customer abatement programs under cap and trade and the OEB’s existing multi-year DSM Framework
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| **Forecasts** | * General agreement with consistent carbon price forecast across utilities
* 2017 will be the first year that utilities have to report their customers’ GHG emissions
* For load forecasting, utilities use single year forecasts, then escalate based on typical customer additions
* May be difficult to get accurate picture if large users are opting-in to the Cap and Trade program during the compliance period
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| **Cost Allocation and Rate Design** | * General agreement with cost allocation and rate design options
* General agreement that all customers should pay for facility-related costs as it is a cost of doing business
* Variety of opinions on who should pay for administrative costs. Some stakeholders indicated that these costs should be recovered by all customers; others argued that some of these costs should not be borne Large Final Emitters and voluntary participants
* Many stakeholders preferred a quarterly rate similar to QRAM
* Most stakeholders preferred cap and trade costs shown as a single line item on bill; environmental groups suggested gas bill be simplified to include a fixed charge and variable charge, and these costs be included in variable charge
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| **Monitoring** | * General agreement with on-going monitoring and the utilities filing annual monitoring reports
* Concerns raised about confidentiality of certain information in monitoring reports
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| **Customer Outreach** | * Utilities recognize they play a big role in communicating public on these issues
* Consistent messaging between utilities and OEB is needed
* Communications should start in advance of bill for costs
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