Ministry of Energy and Mines

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Ontario

MC-994-2026-1438

October 28, 2026

Mr. Geoff Owen
Chair of the OEB Board of Directors
Ontario Energy Board (OEB)
2300 Yonge St, 27 Floor
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Dear Mr. Owen:

As Ontario faces growing electricity demand driven by population growth, electrification, and new investment, our government is taking action to strengthen local distribution companies (LDCs) and ensure Ontario is prepared for growth. Yesterday, the government introduced Bill 140, the *Building Ontario Faster Act, 2026.* This proposed legislation includes amendments to protect electricity consumers, strengthen our electricity distribution sector and made-in-Ontario supply chains, and support long-term economic competitiveness.

The proposed legislation reflects findings from the Panel for Utility Leadership and Service Excellence (PULSE) and key pillars in Ontario's first-ever integrated energy plan, *Energy for Generations.* If approved, this legislation will strengthen local industries and protect ratepayers by improving efficiency across Ontario's electricity distribution sector. The legislation would also strengthen domestic supply chains and support Ontario businesses and workers, by creating the conditions needed for LDCs to procure more goods and services in Ontario and Canada.

During this period of unprecedented uncertainty and ongoing tariff risks, Ontario is levelling up across the board – elevating standards, enhancing consumer protections, and intentionally buying and building more Canadian, a driver of energy sovereignty and industrial policy.

The legislation would also strengthen LDC board governance and support long-term planning by requiring boards to meet standards related to independence and compensation, as well as the mix of skills and membership size on their boards by January 1, 2027. Subject to approvals, I intend to direct the Ontario Energy Board (OEB) to advance new requirements for LDCs to submit a ten-year asset plan, funding strategy, dividend stress tests, and capability strategies, with updates every five years.

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Additional amendments could also enable LDC investments to be shared across a comprehensive spectrum of beneficiaries.

The proposed legislation would enable us to strengthen consumer protection and transparency across the electricity sector, so ratepayers are better protected and better informed. We intend to ensure that residential customers served by unit sub-meter providers (USMPs) would receive stronger protections and service standards creating better alignment for LDC customers, including stronger disconnection and reconnection protections, flexible payment options and clearer billing. The legislation would also create new tools that would allow LDCs and USMPs to share information directly with customers on energy policy and energy support programming.

Should the legislation receive Royal Assent, the OEB will play an important role in implementing these measures through policy development, regulatory processes, and ongoing oversight. I encourage the OEB to continue planning for timely and effective implementation, including a reasonable approach to compliance actions as LDCs and municipalities adopt the new requirements, particularly given the reasonable window that could be necessary for LDC's to adjust their board composition. It is important that the OEB provide LDCs with timely guidance on the approach to the disposition of costs tracked in deferral or variance accounts established under the legislation. In doing so, the OEB should weigh all its statutory objectives, including protecting the interests of consumers, promoting economic efficiency and cost effectiveness, and supporting economic growth. It is imperative that the OEB establish clear rules and expectations that enable LDCs to strengthen local supply chains, support Ontario and Canadian businesses, and help build a more resilient electricity distribution sector.

As Ontario's independent energy regulator, the OEB provides valuable insights into the rate base, which help inform the Ministry's approach to the sector, and strengthen initiatives such as those proposed in this legislation. The Ministry will continue to engage closely with stakeholders and the OEB on economic development, implementation of measures, and to ensure LDCs have the tools needed to deliver reliable and affordable electricity to Ontario families, businesses, and communities.

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Thank you for your continued partnership and leadership in supporting a reliable, affordable, and resilient energy system for Ontario. Mike Smith, Assistant Deputy Minister, Distribution, Consumer, and Innovation Division would be pleased to meet with your team to discuss this work further as it progresses.

Sincerely,



Stephen Lecce
Minister

c: Carolyn Calwell, Chief Executive Officer, Ontario Energy Board
Matt Hiraishi, Chief of Staff, Minister's Office, Ministry of Energy and Mines
Susanna Laaksonen-Craig, Deputy Minister, Ministry of Energy and Mines
Mike Smith, Assistant Deputy Minister, Ministry of Energy and Mines