

Ministry of Energy and Mines

Office of the Minister

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December 18, 2025

Mr. Geoff Owen
Chair of the OEB Board of Directors
Ontario Energy Board
2300 Yonge St, 27 Floor
PO Box 2319
Toronto ON M4P 1E4

Dear Mr. Owen:

In keeping with my responsibilities as Minister of Energy and Mines, I am writing to provide you with a renewed Letter of Direction which includes updates on our government's 2026-2027 priorities for provincial agencies. The letter also includes my expectations for the Ontario Energy Board (OEB) and the Board's role in regulating the energy sector in the upcoming three-year business planning period.

As you know, agencies are a part of government and are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers or, as in the case with the OEB, ratepayers. Agencies are also required to adhere to government policies and directives, in a manner that is in keeping with the legislated objectives of the OEB, as an independent regulator and adjudicative tribunal.

Per the requirements of the government's Agencies and Appointments Directive (AAD), agencies are required to align goals, objectives and strategic direction with our government's priorities and direction, to the extent that is appropriate given the need to protect the independence of the OEB's quasi-judicial functions. As Chair, you must ensure that the OEB's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities below and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/Management Board of Cabinet annually.

Through 2026-27 and beyond, our government expects that the OEB will, where applicable:

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Protect Ontario

1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.
2. Whenever feasible, procure goods and services from Ontario-based and other Canadian businesses, following the procedures established under the Buy Ontario Act, 2025.
3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.

Deliver Better Services

4. Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.
5. Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.
6. Eliminate unnecessary administrative burden and red tape by applying lean methodologies or other modalities to achieve operational efficiency.

Drive Innovation & Value for Money

7. Find innovative solutions to use public/rate-payer resources efficiently and to effectively deliver on the agency's mandate while operating within the agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.
8. Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by:
 - a. strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public-facing positions, including the use of consultants;
 - b. operating within a defined maximum workforce size (including consultants);
 - c. ensuring compliance with the Broader Public Sector Executive Compensation Act (BPSECA); and
 - d. enhancing productivity and efficiency by using technology wherever possible.
9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks, and provide it to the Minister for approval by March 31, 2026.

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10. Provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

As Ontario advances an ambitious long-term energy strategy, I am writing to outline several priorities specific to the OEB and to articulate my vision for the OEB's role in supporting the province's clean, secure, reliable and affordable energy future.

Over the next two years, I expect the OEB to evolve and demonstrate agility, accountability, and foresight as a regulator – serving the interests of Ontario's ratepayers and supporting the broader provincial economy. The OEB must act as a catalyst for operationalizing our government's bold energy vision with efficiency and effectiveness. I expect the OEB will consult broadly with the sector stakeholders, guiding the sector's evolution in response to the new and complex realities of the energy landscape. This includes the need for increased power generation that is delivered quickly and cleanly, while maintaining affordability for Ontarians.

To meet these demands, the OEB should expand and refine its regulatory toolkit, complementing its responsibility to maintain the independence of its adjudicative processes with new methods and approaches. Facing unprecedented opportunities, I encourage the OEB to develop and implement innovative solutions in a timely and efficient manner. As the sector's regulator, the OEB is uniquely positioned to set and enforce operational rules, give effect to the legislative objectives of the *Ontario Energy Board Act, 1998* (OEBA) – including reliability, affordability, conservation, innovation, and economic development – and provide leadership as the sector adapts and contributes to Ontario's energy vision.

GOVERNMENT DIRECTION FOR 2026-27

Energy for Generations

Continue to implement the Integrated Energy Plan (IEP) in alignment with the June 11, 2025 [IEP Directive](#) (linked). Ontario's first IEP sets out the province's strategy for leveraging all energy resources to provide affordable, secure, reliable, and clean energy to support economic growth and job creation. The OEB is expected to deliver on the requirements of the IEP Directive, with minor timeline adjustments as specified below:

- IEP Directive #14 – By December 31, 2026 (formerly June 30, 2026), ensure planning processes adequately consider cost-effective DER deployment, in consultation with the IESO as appropriate, through the following:
 - 14.1. Lead the review of local and regional planning processes to ensure DERs are considered as viable options to meet needs.
 - 14.2. Consult with the IESO, who will lead the review of bulk system planning processes, to ensure alignment and consistent DER consideration across all planning levels.
 - 14.3. Based on the outcomes of the above review, identify through the planning processes areas that would benefit from targeted DER deployment (e.g., areas with high growth, distribution system constraints, or reliability issues).

Local Distribution Company (LDC) Advisory Panel

Support the work of the *Panel for Utility Leadership and Service Excellence* (PULSE or the Panel), launched on October 27, 2025. The OEB is expected to fully engage with the Panel, including briefing its members, participating in discussions on identified priorities, and advising the government on matters arising from the Panel's recommendations. Following receipt of the Panel's advice and related policy recommendations, an addendum to this Letter of Direction will be provided that outlines next steps for the OEB.

Utility Remuneration and Improving Customer Service

Continue advancing the OEB's work initiated in the November 29, 2023 Letter of Direction to ensure the utility remuneration framework remains fit for purpose improving cost-effectiveness, reliability, and customer service. This includes establishing a single portfolio that integrates all projects related to utility remuneration, driving outcomes that benefit ratepayers.

Investment in Growth: Last Mile Connections

Continue implementation of the Capacity Allocation Model (CAM) for new large residential housing developments. The OEB is expected to monitor and provide guidance to electricity utilities adopting the CAM, ensuring LDCs comply with its provisions and enforcing the model as necessary.

Support the Province's transmission system cost-allocation connections proposal, including support in drafting of regulations and further consultations, as needed, and continue to publish and maintain distribution capacity maps.

Oversee the effective implementation of O. Reg. 410/22 (Electricity Infrastructure – Designated Broadband Projects), to help ensure designated broadband projects meet performance targets, and enforce compliance where required.

Consumer Protection and Transparency

Complete the review of specific customer service rules governing electricity distributors, rate-regulated natural gas distributors, and unit sub-meter providers to provide equal protection of all consumers.

I expect the OEB, after discussion with my ministry, LDCs and other relevant stakeholders, to consider appropriate new reporting requirements and review its applicable regulatory requirements for Green Button delivery. If necessary, work with my ministry to identify changes to the Green Button Regulation.

Distribution Sector Reliability, Security, and Resilience

The OEB must support reliability, resilience, and performance within Ontario's distribution sector against weather related, cyber, and other external threats. Continue to monitor implementation of the OEB's Vulnerability Assessment & System Hardening (VASH) policy, and report on progress being made by electricity distributors to embed climate resiliency into system planning.

Implement Ontario Cyber Security Standard with mandatory incident reporting requirements and evaluate the expansion of these requirements to other key sector participants.

Red Tape Reduction and Adjudicative Efficiency

Advance the OEB's 10-Point Action Plan on intervenor reform, making significant progress on approaches that categorize intervenors by interest and encourage collaboration within and across those groupings, with the aim of reducing duplicative interrogatories and enhancing efficiency and clarity within the OEB's processes. Separate from this policy, propose new targets for continuing to reduce the number and cost of regulatory burdens, taking into account the IEP and Directive, by February 27, 2026.

NEXT STEPS

The OEB is requested to provide quarterly updates on its progress against these outlined priorities. Should legislative or regulatory barriers arise that impede progress, the OEB is to engage my ministry with analysis and proposed solutions. My ministry is prepared to take action to ensure the OEB has the tools and authority it needs to advance the government's vision for an affordable, secure, reliable, and clean energy sector.

I look forward to discussing these priorities at our next meeting and to seeing them reflected in the agency's business plan and ongoing operations. My sincere thanks to the Board of Directors, executives, Commissioners, and staff for their continued dedication to serving Ontarians. I anticipate receiving the OEB's next business plan and continuing our collaboration in support of Ontario's energy future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen Lecce', with a stylized, flowing script.

Stephen Lecce
Minister

c: Matt Hiraishi, Chief of Staff to the Minister of Energy and Mines
Susanna Laaksonen-Craig, Deputy Minister of Energy and Mines
Carolyn Calwell, Chief Executive Officer, Ontario Energy Board
Kelly Brown, Assistant Deputy Minister, Ministry of Energy and Mines

Attachment:

Government Priorities for Agency Sector Chart 2026-27