

Ministry of Energy

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MC-994-2024-207

April 4, 2024

Mr. Glenn O'Farrell
Acting Chair
Ontario Energy Board
2300 Yonge Street, 27th Floor
PO Box 2319
Toronto ON M4P 1E4

Dear Mr. O'Farrell:

Thank you for submitting the Ontario Energy Board's (OEB) 2024-2027 Business Plan (the Plan) and budget for my review.

This year's Plan for the OEB is anchored in providing value to the people of Ontario through the lenses of consumer protection and customer choice, regulatory policy leadership, innovation, and adjudicative excellence. I am pleased to see that the Plan builds on the priorities contained in the Letter of Direction issued on November 29, 2023. I appreciate the efforts made by the OEB to develop this year's Business Plan, an important role of a regulator that is part of Ontario's clean energy advantage.

Specifically, I appreciate the efforts made by the OEB in advancing the Letter of Direction when it comes to housing, transportation, and job creation; facilitating innovation within Ontario's regulatory framework; distributed energy resources (DERs) and future utility business models; electricity and natural gas conservation; electric vehicles (EVs); intervenor process; red tape reduction; and distribution sector resiliency, responsiveness, and cost efficiency.

I would also like to acknowledge the work of the OEB in advancing its Performance Measurement Framework. Based on previous Letters of Direction, which emphasized the need for a robust performance measurement framework with strategic goals and outcomes, the OEB developed a new Strategic Performance Measurement (SPM) scorecard. This demonstrates meaningful progress, and ongoing staff-level engagement is recommended as the OEB continues to develop and improve the scorecard.

While I am approving this year's plan, I would like to highlight a few of my ongoing expectations in future Business Plans and progress throughout the year:

- The April 2024 report back should include details on how the OEB will consult both on the single delivery model, as well as address the IESO-LDC Working Group Report (once consultations with the IESO and Enbridge involving electricity and natural gas low-income and residential energy efficiency programs delivered through a single window are completed).

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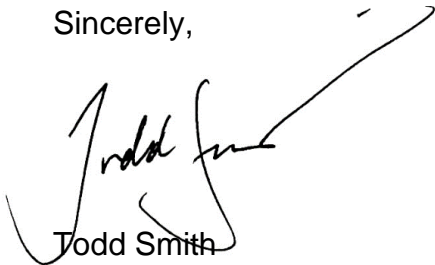
- While I appreciate the guidance provided and progress made on EVs, I do expect continued development on this file as noted in the Letter of Direction. I also look forward to the OEB providing more information on how it will provide a clear direction to the sector based on the EV Delivery Rates Report.
- In the next Business Plan, I would like the OEB to inform the Ministry on its progress regarding red tape reduction. I am also anticipating the OEB to provide me with complete updates, upon request, for the Ministry of Red Tape Reduction's annual reporting.

This letter constitutes my approval of the Business Plan, including the proposed 2024-2025 budget of \$55.8 million. I understand the Letter of Direction that I provided last fall set an ambitious agenda for the OEB. I expect regular updates from the OEB as it executes this year's Business Plan to achieve regulatory excellence while ensuring value for money for the public we serve.

As the energy transition unfolds, the OEB's role as the independent regulator of Ontario's electricity and natural gas sectors has never been more critical. I would like to acknowledge the OEB's advice to the Electrification and Energy Transition Panel (EETP) on how to support the energy transition in Ontario. I look forward to the Ministry and the OEB working together to implement recommendations from the EETP's final report, *Ontario's Clean Energy Opportunity*, which was released to the public on January 19, 2024.

I am confident that transparently and efficiently executing on this plan will demonstrate to the sector and the public that the OEB will continue to focus on outcomes that promote the interests of consumers, support Ontario's clean energy advantage, and continue the stability and sustainability of our energy sector.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Smith", with a long, sweeping flourish extending upwards and to the right.

Todd Smith
Minister

c: Susanna Zagar, Chief Executive Officer, Ontario Energy Board
David Donovan, Chief of Staff to the Minister of Energy
Jason Fitzsimmons, Deputy Minister of Energy