

Ministry of Energy  
and Electrification

Office of the Minister

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Ministère de l'Énergie  
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Bureau du ministre

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Toronto ON M7A 2C1  
Tél. : 416-327-6758



March 10, 2025

Ms. Lesley Gallinger  
President and Chief Executive Officer  
Independent Electricity System Operator  
1600—120 Adelaide Street West  
Toronto ON M5H 1P1

Dear Ms. Gallinger:

On March 4, 2025, United States (US) President Donald Trump imposed unfair, unjustified and illegal tariffs on Canada. Since then, the markets have been in steep decline, putting countless American jobs at risk on factory floors and assembly plants across the U.S. Put simply, prices are going to increase for hard-working American families, making Americans poorer.

As noted by the Premier, Canada and Ontario will never start a trade or tariff war with the U.S., but President Trump has left us no choice but to respond. And in response, we are taking appropriate and proportional actions to defend Ontario's businesses and families.

Ontario alone powers 1.5 million American homes and businesses every year, supplying over 12 terawatt-hours of energy in 2023. For as long as current tariffs continue, and the threat of tariffs persists, **I am directing the IESO to support the government's tariff response by applying a new surcharge on all exports of electricity from the Ontario market to the United States of America (i.e., New York, Michigan and Minnesota) that can be adjusted, at any time and to any level.** In addition, the new surcharge should have no indirect impacts to our neighbouring provinces (i.e., Manitoba and Quebec)

To implement the new surcharge, our government has introduced a new regulation under the *Electricity Act, 1998* that will allow the **IESO to implement "urgent" market rule amendments, including an initial surcharge of \$10 per megawatt-hour – 25 per cent of the average value of the electricity** – on all exports of electricity from Ontario to the United States of America. The new surcharge would be effective March 10, 2025. This surcharge will remain in place until the threat of tariffs is eliminated for good.

We continue to stress that Ontario and Canada are both America's largest customer and export destination. Unfortunately, these tariff actions mean that we have been left with no choice but to respond actions that will make life more expensive for everyday Americans even with their cost of living already at an all-time high.

The Government of Ontario will continue to advocate for a stronger, and more united future with the US through the removal of these tariffs from Canada. Thank you for your support as we navigate this important period in our country's relationship with its neighbours.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Lecce', with a long horizontal flourish extending to the right.

Stephen Lecce  
Minister

c: William (Bill) Sheffield, Board Chair, IESO  
Matt Hiraishi, Chief of Staff to the Minister of Energy and Electrification  
Susanna Laaksonen-Craig, Deputy Minister of Energy and Electrification