

A Guide to the Interim Report

About the Review

The Independent Review of the Island Regulatory and Appeals Commission (IRAC) was established by the Government of Prince Edward Island in May 2026. It is led by Commissioner Rory Francis, appointed under the *Public Inquiries Act*. The Review operates at arm's length from both the provincial government and IRAC. It sets its own process, decides what it examines, and reaches its own conclusions. This is the first external review of IRAC since it was created in 1991.

How the Review gathered input

- Public hearings offered in five locations, with two public meetings held and 20 presentations made
- 63 written submissions received through a public call
- More than 40 meetings with community organizations, municipal leaders, industry, provincial government departments, IRAC Commissioners and IRAC staff
- A review of relevant legislation and best practices across Canada and beyond

What the Interim Report says

The Review's central conclusion is "not that IRAC has failed, but that the institutional model created in 1991 has been overtaken by the breadth, complexity and specialization of the responsibilities now assigned to it."

The Interim Report sets out approximately 65 directions for change. Most are directed to the provincial government, with others directed to IRAC and to bodies such as the Residential Tenancy Office. Together, they form "a shared agenda for modernization."

How to use this guide

This guide follows the structure of the close to 100-page Interim Report, with one page each for Section - 4.0 Structure and Governance, Section 5.0 Appeals Tribunal, Section 6.0 Regulatory Tribunal, Section 7.0 Administrative Tribunal and Section 8.0 Conclusions and Transition.

Each page highlights the directions for change. These are a selection only and do not include every recommendation. Their selection and order do not reflect importance. Please consult the full Interim Report for the complete findings and directions.

The Review welcomes feedback on its findings and proposed directions until October 2, 2026. What may have been overlooked? What would work, and what would not? Your input will help shape the final report, due November 1, 2026.

Visit www.iracreview.ca to view the full report or email Commission@IRACReview.ca to provide your feedback.

Structure and Governance

The Review found IRAC’s staff to be professional and dedicated, working within a structure that has not changed in 35 years and no longer reflects the complexity of the work.

The same Commissioners are asked to span electricity rate regulation, planning appeals, land administration and more. The guiding idea is to “separate what needs to be separate and share what does not”.

Highlights of Directions for Change

A selection of directions from this section, not the full list and not in order of importance. The number after each highlight shows where to find it in the Interim Report.

- **Two specialized Boards.** The provincial government should legislate a complete restructuring of IRAC forming two independent Boards of Commissioners: the PEI Energy and Utilities Board and the PEI Land and Appeals Board. (4.1)
- **Dedicated expertise.** Each Board should have three full-time Commissioners with the appropriate subject-matter expertise. (4.1)
- **One shared support body.** A single administrative support tribunal should serve both Boards, avoiding duplication. (4.1)
- **Regional readiness.** The Energy and Utilities Board should have a legislated mandate to take part in regional electricity planning and cost-allocation discussions in the interest of PEI consumers. (4.2)
- **Merit-based appointments.** Commissioners should be selected through a transparent, merit-based process with published postings, carried out by an external recruitment committee. (4.3)
- **Defined terms and evaluation.** Appointments should be for an initial five-year term, with a maximum extension of 10 years, and reappointment subject to a performance review. (4.3)
- **Regular external review.** The new tribunal system should be subject to external review every six years, with an assessment of implementation of this Review’s final report after. (4.5)
- **A formal communications protocol** between IRAC and provincial government departments on how legislation is working, while prohibiting any communication intended to influence adjudicative or regulatory proceedings. (4.6)
- **Better public reporting.** IRAC’s annual reports should include service standards, decision timelines and whether targets are being met. (4.7)

Appeals Tribunal

Appeals are where Island residents most directly encounter IRAC. Almost half of the issues raised with the Review concerned appeals, and nearly all involved the *Residential Tenancy Act* or the *Planning Act*.

Under the *Planning Act*, the main concerns were standing, the cost of appeals and delay. Many residents also do not distinguish IRAC from the Residential Tenancy Office, so IRAC is often held responsible for decisions it did not make.

Highlights of Directions for Change

A selection of directions from this section, not the full list and not in order of importance. The number after each highlight shows where to find it in the Interim Report.

- **Consistent, faster processes.** Appeal deadlines should be made uniform across legislation. IRAC should publish clear timelines, quickly dismiss appeals that plainly lack standing or jurisdiction, and expedite cases that have dragged on. (5.1)
- **Appeals that work like appeals.** The provincial government should amend the *Residential Tenancy Act* and the *Planning Act* so that IRAC reviews earlier decisions rather than hearing matters afresh. (5.2)
- **A clear standard for planning appeals.** The *Planning Act* should clarify the standard of appeal, maintain IRAC’s two-part test, and specify that IRAC is to recognize the application of sound planning principles on substantive issues. (5.2)
- **Standing settled early.** The Review does not recommend changing the definition of an “aggrieved person.” IRAC should raise standing at the outset of every planning appeal and publish plain-language guidance on the test. (5.4.1)
- **A Provincial Land Use Plan.** The provincial government should continue the development of a Provincial Land Use Plan. Without it, IRAC has limited direction when considering Planning Appeals in rural areas. (5.4.2)
- **Mediation formalized.** IRAC’s free mediation service is working well and should be further set out in a published policy. (5.3)
- **A fully independent Residential Tenancy Office**, with its own premises, budget, staff and accountability, reporting to the Legislative Assembly through the Minister of Housing and Communities. (5.5.1)
- **Targeted legislative amendments** to the *Residential Tenancy Act*, including limits on appeals by parties who did not take part in the first hearing and a longer timeline for security deposits. (5.5.3)

Regulatory Tribunal

IRAC's regulatory decisions affect what Island residents and businesses pay for essential services, including electricity, petroleum, water and wastewater, automobile insurance and waste management.

The Review focused on electricity, where rising demand, the energy transition and emerging regional planning are placing new demands on the system. It heard no significant concerns about water and sewer, waste management or automobile insurance, and recognized IRAC's public communication on petroleum pricing as a positive model for its other mandate areas.

Highlights of Directions for Change

A selection of directions from this section, not the full list and not in order of importance. The number after each highlight shows where to find it in the Interim Report.

- **Clear objectives in law.** The legislation governing IRAC should clarify its regulatory powers and authority, including oversight of medium- and long-term planning, set clear regulatory objectives, and specify how provincial government energy policy is to be taken into account. (6.1.1)
- **Clear responsibility for electricity supply and demand management.** Ultimate responsibility for addressing immediate and longer-term supply-demand imbalances should be assigned to IRAC, with the authority to coordinate Maritime Electric, the PEI Energy Corporation and others to add supply and reduce demand. (6.1.1)
- **One entity overseeing planning.** IRAC should be authorized to oversee holistic electricity planning, with a plan that identifies the least-cost approach consistent with reliability and provincial government policy. (6.1.2)
- **Integrated Resource Planning.** A periodic, public planning process should compare supply, storage and demand-side options, beginning with a short-term electricity-adequacy plan. (6.1.2)
- **A stronger consumer voice.** IRAC should develop a complete consumer participation framework, covering intervenor eligibility, procedural assistance and cost awards. (6.1.3)
- **Clear the backlog.** As a top priority, IRAC should address its backlog of electricity filings, prevent it from recurring and report publicly on progress. (6.1.4)
- **Modernized rules and capacity.** IRAC should publicly review its *Rules of Practice* and Procedure and strengthen its specialized regulatory expertise. (6.1.4)
- **Simpler petroleum licensing.** The provincial government should consider replacing annual licensing with a continuing licence or registration. (6.3)

Administrative Tribunal

In its administrative role, IRAC reviews applications and makes recommendations, and the provincial government decides. By number of files, this is IRAC's largest area of work, with about 525 *Lands Protection Act* applications a year involving more than 25,000 acres.

The Review heard strong public support for the Act and found that Executive Council rarely departs from IRAC's recommendations. It also found processes that add burden without clear benefit.

Highlights of Directions for Change

A selection of directions from this section, not the full list and not in order of importance. The number after each highlight shows where to find it in the Interim Report.

- **Fewer unnecessary applications.** Resident-controlled corporations account for 63% of applications, yet only 2 of 978 were denied over three years. The provincial government should raise their application threshold to an aggregate of 2,250 acres, the Act's existing reporting threshold for corporations. (7.1.2)
- **A fresh look at the Land Identification Program.** Identification now expires after ten years, creating a false sense of security related to protecting agricultural and other resource land. The provincial government should weigh the program's value against its cost. (7.1.3)
- **A Provincial Land Use Plan.** The *Lands Protection Act* controls land ownership, not land use. The provincial government should continue developing a Provincial Land Use Plan. (7.1.3)
- **Transparency for non-resident purchases.** IRAC should seek approval to publish its 30% guideline and make its non-resident land ownership maps public. (7.1.4)
- **Clear limits on non-resident ownership.** The *Lands Protection Act* should require districts to be publicly closed to further non-resident purchases once the published guideline (above) is reached. (7.1.4)
- **Stronger enforcement.** IRAC should engage external counsel to examine its investigation rule, Rule 98-1, including public reporting, and make that examination public. (7.1.1)

Conclusions and Transition

The Review found IRAC to be a small organization with a very broad mandate, staffed by people who are professional and committed to public service. The changes proposed are meant to strengthen and modernize these essential functions, not diminish them.

How the change is carried out will matter as much as what is changed.

Highlights of the transition approach

- **A Transition Implementation Team.** The provincial government should establish a team with senior representation from IRAC and the provincial government to plan the move to the new structure.
- **Continuity of service.** No active matter should be delayed, restarted or prejudiced because of the restructuring, and the new structure should not take effect until it is ready to operate.
- **Building on existing strengths.** Wherever possible, existing IRAC staff should form the foundation of the successor organizations.
- **A phased approach.** Operational improvements to IRAC can and should begin now, before structural change takes place.
- **Accountability for results.** The provincial government and the successor organizations should report publicly on progress, followed by an early post-implementation review.

What happens next

The Review is now seeking feedback on the Interim Report.

That feedback will help inform and strengthen the Review's final recommendations, and the final report will be delivered on November 1, 2026.

Share your feedback by October 2, 2026.

Read the full Interim Report at www.IRACReview.ca and submit your comments by email to Commission@IRACReview.ca
