INDEPENDENT COMMISSION
Review of the Island Regulatory and Appeals Commission

A Guide to the Final 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 was led by Commissioner Rory Francis, appointed under the *Public Inquiries Act*. The Review operated at arm's length from both the provincial government and IRAC. It set its own process, decided what it examined, and reached its own conclusions. This is the first external review of IRAC since it was created in 1991.

How the Review gathered input

The Review held two distinct periods of public engagement, one early in its work and a second following the release of the Interim Report.

- Public hearings offered in five locations, with two public meetings held and 20 presentations made
- 63 written submissions received through a public call
- Approximately 25 meetings with community organizations, municipal leaders, industry organizations, provincial government departments and other stakeholders
- More than 40 hours of meetings with IRAC staff and Commissioners
- 29 written feedback submissions on the Interim Report, each considered in preparing the Final Report
- A review of IRAC's enabling statute, the 29 pieces of legislation under which it operates, relevant data, and practices in other Canadian jurisdictions

What the Final Report says

The Review's central conclusion is that the institutional model created in 1991 has been overtaken by the breadth, complexity and specialization of the responsibilities now assigned to it.

The Final Report contains 73 recommendations. Of these, 38 are directed to the provincial government, 30 to IRAC or its successor organizations, and 8 to other bodies, including the Residential Tenancy Office. Three recommendations call for joint action.

How to use this guide

This guide follows the structure of the more than 100-page Final Report, with one page for each area of findings and recommendations: Structure and Governance, the Appeals Tribunal, the Regulatory Tribunal, the Administrative Tribunal, and Conclusions and Transition.

Each page highlights selected recommendations. These are a selection only and do not include every recommendation. Their selection and order do not reflect importance. The numbers after each highlight show the section of the Final Report where the full discussion leading to it can be found, followed by its recommendation number.

Please consult the full Final Report for the complete findings and recommendations.

Visit www.IRACReview.ca to view the full Final Report.

4.0 Structure and Governance

The Review found IRAC's staff to be professional, hard-working and dedicated, working within a structure that has not changed in 35 years and no longer reflects the complexity of the work. It also found ample evidence that trust between IRAC and some Island residents has eroded.

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 Recommendations

A selection of recommendations from this section, not the full list and not in order of importance. The numbers after each highlight show the section of the Final Report where it is discussed, followed by its recommendation number.

- **Two specialized Boards.** The provincial government should legislate a complete restructuring of IRAC to create two independent Boards of Commissioners: the PEI Energy and Utilities Board and the PEI Land and Appeals Board. **(4.1, Rec. 1)**
- **Dedicated expertise.** Each Board should have three dedicated full-time Commissioners with the appropriate subject-matter expertise. **(4.1, Rec. 2)**
- **One shared support body.** A single administrative support tribunal should serve both Boards, avoiding duplication. **(4.1, Rec. 3)**
- **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, Rec. 6)**
- **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, Rec. 7)**
- **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 mandatory performance review. **(4.3, Rec. 8)**
- **Clear conflict-of-interest rules.** The *Island Regulatory and Appeals Commission Act* should set out Commissioners' conflict-of-interest obligations, and IRAC should publish a conflict-of-interest policy. **(4.3, Rec. 11, 12)**
- **Regular external review.** The provincial government should assess implementation of this Review's recommendations three years after the Final Report, and mandate an external review of the organization every six years. **(4.4, Rec. 13, 14)**
- **A formal communications protocol** between IRAC and provincial government departments on how legislation is working, while prohibiting any communication intended to influence active proceedings. **(4.5, Rec. 15)**
- **Better public reporting.** IRAC's annual reports should include service standards, decision timelines and whether targets are being met. **(4.6, Rec. 18)**

5.0 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 Recommendations

A selection of recommendations from this section, not the full list and not in order of importance. The numbers after each highlight show the section of the Final Report where it is discussed, followed by its recommendation number.

- **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 are not advancing. **(5.1, Rec. 21–24)**
- **Appeals that work like appeals.** The provincial government should amend the *Residential Tenancy Act* and the *Planning Act* so that appeals to IRAC are more traditional appeals, rather than first-instance decisions. **(5.2, Rec. 25)**
- **Mediation formalized.** IRAC's free mediation service should be set out in a published policy, with annual reporting on its use and results. **(5.3, Rec. 28, 29)**
- **Standing settled early.** IRAC should raise standing at the outset of every planning appeal and publish plain-language guidance on the "aggrieved person" standard. **(5.4.1, Rec. 30, 31)**
- **A Provincial Land Use Plan.** The provincial government should continue the development of a Provincial Land Use Plan, engaging the Mi'kmaq as rights holders. **(5.4.2, Rec. 33)**
- **A fully independent Residential Tenancy Office,** with its own premises, budget, staff and accountability, reporting to the Legislature through the Minister of Housing and Communities. **(5.5.1, Rec. 34, 35)**
- **Simpler tenancy processes.** The Residential Tenancy Office should publish its own rules and service standards, review the length of its forms, and be able to decide uncontested matters without a hearing. **(5.5.2, Rec. 38, 39, 41, 43)**
- **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, Rec. 44, 45)**
- **Learning from past errors.** The Residential Tenancy Office and IRAC should review case files investigated by Ombuds PEI and report publicly on the steps being taken. **(5.5.3, Rec. 48)**

6.0 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 found that IRAC's water and wastewater regulation is positively received by the communities it serves, and recognized IRAC's public communication on petroleum pricing as a model for its other mandate areas.

Highlights of Recommendations

A selection of recommendations from this section, not the full list and not in order of importance. The numbers after each highlight show the section of the Final Report where it is discussed, followed by its recommendation number.

- **Clear authority and objectives in law.** IRAC's governing legislation should establish its regulatory powers as a modern energy regulator, and the provincial government's energy policy objectives should be set out in legislation. **(6.1.1, Rec. 51)**
- **Transparent policy direction.** Legislation should give the provincial government authority to issue transparent policy directives when necessary. **(6.1.1, Rec. 52)**
- **Integrated Resource Planning.** IRAC should have explicit legislated authority to require integrated electricity planning involving Maritime Electric, the PEI Energy Corporation, Summerside Electric and others. **(6.1.2, Rec. 53, 54)**
- **Clear responsibility for electricity supply.** IRAC should have clear authority to hold Maritime Electric accountable for addressing immediate and longer-term supply challenges, beginning with a short-term electricity adequacy plan. **(6.1.2, Rec. 55, 56)**
- **An Independent Consumer Advocate.** The provincial government should create an Office of the Independent Consumer Advocate to represent small, vulnerable and underrepresented consumers and small businesses. **(6.1.3, Rec. 57)**
- **A stronger consumer voice.** IRAC should develop a complete consumer participation framework, covering intervenor eligibility, procedural assistance and cost awards. **(6.1.3, Rec. 58)**
- **Clear the backlog.** As a top priority, IRAC should address its current backlog and prevent it from recurring. **(6.1.4, Rec. 60, 61)**
- **Modernized rules and capacity.** IRAC should publicly review its *Rules of Practice and Procedure* and strengthen its specialized regulatory expertise. **(6.1.4, Rec. 59, 62)**
- **Simpler petroleum licensing.** The provincial government should consider replacing annual retail licensing with a continuing licence or registration. **(6.3, Rec. 65)**

7.0 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, averaging about 525 *Lands Protection Act* applications a year and 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 Recommendations

A selection of recommendations from this section, not the full list and not in order of importance. The numbers after each highlight show the section of the Final Report where it is discussed, followed by its recommendation number.

- **Stronger enforcement.** IRAC should engage external counsel to examine its investigation rule, Rule 98-1, including its responsibility for public reporting. **(7.1.1, Rec. 67)**
- **Fewer unnecessary applications.** Resident-controlled corporations account for 63% of applications, yet only 2 of 978 were denied. 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, Rec. 68)**
- **A fresh look at the Land Identification Program.** Identification is temporary, creating a false sense of security about protecting agricultural and other resource land. The provincial government should weigh the program's value against its cost. **(7.1.3, Rec. 69)**
- **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, Rec. 33)**
- **Guidelines set in regulation.** The provincial government should formalize in regulation the guidelines IRAC uses in advising on land purchase applications, including the "30% rule." **(7.1.4, Rec. 70)**
- **Transparency for non-resident purchases.** IRAC should make its non-resident land ownership maps public, and the Act should require districts to be publicly closed to further non-resident purchases once the 30% guideline is reached. **(7.1.4, Rec. 71, 72)**
- **Reasons for decisions.** The *Lands Protection Act* should require government to publish, with each Order, an explanation of why a land purchase application was approved or denied. **(7.1.5, Rec. 73)**

8.0 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.

Highlights of the transition approach

- **A Transition Implementation Committee.** The provincial government should establish a committee with senior representation from IRAC and the provincial government to prepare a detailed transition plan.
- **Continuity of service.** No active matter should be delayed, restarted or prejudiced because of the restructuring, and the new structure should not come into force until it is ready to operate.
- **Building on existing strengths.** Wherever practicable, existing IRAC Commissioners and 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.
- **Clear communication.** The transition plan should be communicated clearly to staff, regulated entities, municipalities, the legal community and the public.
- **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 Final Report has been delivered to the provincial government and released to the public in full. Decisions on how and when to act on its 73 recommendations rest with the provincial government, IRAC and the other bodies they are directed to.

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Read the full Final Report at www.IRACReview.ca