

RE: Small edits, mostly to tighten and clarify third from bottom paragraph. Re: For review | Minister's statement | FAO's report on the Fair Hydro Plan

From: "Jackson, Kelly (MOF)" <kelly.jackson2@ontario.ca>
To: "Berry, James (ENERGY)" <james.berry5@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>, "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>
Cc: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>, "Bossin, Bryan (OPO)" <bryan.bossin@ontario.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "Donelson, Philip (OPO)" <philip.donelson@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>, "Poopalapillai, Christine (TBS)" <christine.poopalapillai@ontario.ca>, "Gallant, Gabrielle (TBS)" <gabrielle.gallant@ontario.ca>, "Baig, Saad (MOF)" <saad.baig@ontario.ca>, "Martin, Jessica (MOF)" <jessica.martin@ontario.ca>, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Tretiakov, Ilia (ENERGY)" <ilia.tretiakov@ontario.ca>, "Den Heijer, Kevin (ENERGY)" <kevin.denheijer@ontario.ca>
Date: Wed, 24 May 2017 10:54:08 -0400

Hi all,

For background, just confirming that that to date only one of the rating agencies (DBRS) has commented on the Ontario Fair Hydro Plan. Others have said they are waiting for more details.

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DBRS' press release stated:

- "Provided the debt continues to be fully supported by the electricity rate base, DBRS will treat it as self-supported and exclude it from the calculation of tax-supported debt."
- "DBRS views the proposed changes as credit neutral."
- "The Province has the ability to absorb the fiscal impact of the proposed policy changes, while still restoring budgetary balance in 2017–2018."

Best,
Kelly

From: Berry, James (ENERGY)
Sent: May-24-17 8:42 AM
To: Teliszewsky, Andrew (ENERGY); Forgione, Andrew (OPO)
Cc: @OPO-Media Relations and Issues Management; Bossin, Bryan (OPO); Bevan, Andrew (OPO); Donelson, Philip (OPO); McEachern, Gillian (OPO); Poopalapillai, Christine (TBS); Gallant, Gabrielle (TBS); Baig, Saad (MOF); Jackson, Kelly (MOF); Martin, Jessica (MOF); Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY); Tretiakov, Ilia (ENERGY); Den Heijer, Kevin (ENERGY)
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Minister Thibeault has signed off on the statement. As discussed, the plan as of now is to share below with gallery via email after the FAO's media briefing and before oppo are out at 10:30 and 11 a.m. The statement will also be shared with Caucus/staff.

From: Teliszewsky, Andrew (ENERGY)

Sent: May-24-17 7:27 AM

To: Forgione, Andrew (OPO)

Cc: Berry, James (ENERGY); @OPO-Media Relations and Issues Management; Bossin, Bryan (OPO); Bevan, Andrew (OPO); Donelson, Philip (OPO); McEachern, Gillian (OPO); Poopalapillai, Christine (TBS); Gallant, Gabrielle (TBS); Baig, Saad (MOF); Jackson, Kelly (MOF); Martin, Jessica (MOF); Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY); Tretiakov, Ilia (ENERGY)

Subject: Small edits, mostly to tighten and clarify third from bottom paragraph. Re: For review | Minister's statement | FAO's report on the Fair Hydro Plan

Over the last few weeks our government has been working very closely with the Financial Accountability Officer to provide information and analysis on our proposed Fair Hydro Plan - and today, we welcome his final report. If passed, our government's plan will bring significant and sustained relief on electricity bills for Ontario families starting this summer.

It's important to remember that the FAO's projection of electricity costs reflects a point-in-time estimate that demonstrates how we can ensure greater fairness and affordability in the short and medium term. Later this summer, our government will release the next Long-Term Energy Plan (LTEP), which will take additional costs out of the system and address affordability over the long-term.

We've always said that the proposed Fair Hydro Plan will cost more over the long-term, but it will share the costs of our investments more fairly over a longer period of time, and lower bills by 25% on average starting this summer. The FAO's analysis shows cost projections of \$21 billion over 29 years for our plan, which is in line with earlier estimates.

We also note that the FAO has considered some outlier scenarios, such as increased interest rates and borrowing the full balance of funds required. These are extremely unlikely, and do not factor in government action being taken to reduce electricity system costs, electricity market renewal, or technological developments.

The FAO report confirms the foundation of the Fair Hydro Plan - a cut in electricity rates by 25% on average for all residential consumers and as many as half a million small businesses and farms across the province. What's more: rate increases will be held to the rate of inflation for four years; while low-income Ontarians and those living in eligible rural and Northern communities would see savings of up to 40 to 50%.

Families in the province have asked for real and immediate relief on their electricity bills and that's why we are working to deliver the largest rate reduction in Ontario's history if the legislation passes.

We thank the FAO for this report, and look forward to releasing our Long Term Energy Plan later this summer.

Andrew Teliszewsky

Chief of Staff | Office of Hon. Glenn Thibeault

Ministry of Energy

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On May 23, 2017, at 9:10 PM, Forgione, Andrew (OPO) <Andrew.Forgione@ontario.ca> wrote:

Hi Atel - edited version below. May need to add in stronger auditing language but let's see how press conference goes / we can discuss on our call tmrw AM.

Today, Glenn Thibeault, Minister of Energy, issued the following statement regarding the Financial Accountability Officer's (FAO) assessment on Ontario's proposed Fair Hydro Plan:

Over the last few weeks our government has been working very closely with the Financial Accountability Officer to provide information and analysis on our proposed Fair Hydro Plan - and today, we welcome his final report. If passed, our government's plan will bring significant and sustained relief on electricity bills for Ontario families starting this summer.

It's important to remember that the FAO's projection of electricity costs reflects a point-in-time estimate that demonstrates how we can ensure greater fairness and affordability in the short and medium term. Later this summer, our government will release the next Long-Term Energy Plan (LTEP), which will take additional costs out of the system and address affordability over the long-term.

We've always said that the proposed Fair Hydro Plan will cost more over the long-term, but it will share the costs of our investments more fairly over a longer period of time, and lower bills by 25% on average starting this summer. The FAO's analysis shows cost projections of \$21 billion over 29 years for our plan, which is in line with our publicly stated analysis.

We also appreciate that the FAO has gone to the lengths of considering outlier scenarios, such as increased interest rates and borrowing the full balance of funds needed, which he outlines could result in higher costs. This is extremely unlikely, and does not factor in government action being taken to reduce electricity system costs, electricity market renewal, or technological developments.

Since we announced the Fair Hydro Plan nearly 80 days ago, we've been clear and transparent about our plan to cut electricity rates by 25% on average for all residential consumers and as many as half a million small businesses and farms across the province. We've also been clear that any increases will be held to the rate of inflation for four years. We've also said that low-income Ontarians and those living in eligible rural and Northern communities would see savings of up to 40 to 50%. The FAO's report confirms all of this.

Families in the province have asked for real and immediate relief on their electricity bills and that's why we are working to deliver the largest rate reduction in Ontario's history if the legislation passes.

We thank the FAO for his report, and look forward to releasing our Long Term Energy Plan later this summer.

A. Forgione

(647)-205-3475

From: Teliszewsky, Andrew (ENERGY)

Sent: Tuesday, May 23, 2017 5:21 PM

To: Berry, James (ENERGY); @OPO-Media Relations and Issues Management; Bossin, Bryan (OPO); Bevan, Andrew (OPO)

Cc: Donelson, Philip (OPO); McEachern, Gillian (OPO); Poopalapillai, Christine (TBS); Gallant, Gabrielle (TBS); Baig, Saad (MOF); Jackson, Kelly (MOF); Martin, Jessica (MOF); Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY); Tretiakov, Ilia (ENERGY)

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We need to show Minister and he's in and out of range tomorrow, so we'd like to lock this down tonight. If anyone has edits, please send along this evening, please.
Atel/

From: Berry, James (ENERGY)

Sent: May-23-17 4:29 PM

To: @OPO-Media Relations and Issues Management; Bossin, Bryan (OPO)

Cc: Donelson, Philip (OPO); McEachern, Gillian (OPO); Poopalapillai, Christine (TBS); Gallant, Gabrielle (TBS); Baig, Saad (MOF); Jackson, Kelly (MOF); Martin, Jessica (MOF); Campbell, David (ENERGY); Nekolaichuk, Colin (ENERGY); Tretiakov, Ilia (ENERGY); Teliszewsky, Andrew (ENERGY)

Subject: For review | Minister's statement | FAO's report on the Fair Hydro Plan

Hi all,

As discussed with a number of you earlier this afternoon, attached please find the draft Minister Thibeault statement to share with the gallery and any other interested media, following the FAO's media briefing tomorrow morning taking place from 9 to 10 a.m. in the Media Studio.

Please provide edits later today/this evening, if possible. You'll notice a placeholder in the statement that can be included (the paragraph in italics) depending on the direction opposition and media take with their statements and stories respectively.

Any questions, concerns – let us know.

Thank you,

James