

Implementation of Ontario's Fair Hydro Plan

Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> Legislation and Regulations Drafting / House Prep: - LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation - LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature - Blakes and LSB to work with MAG on any constitutional law issues - Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards - LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 - LSB to identify additional amendments for at Committee - MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) TBS, LRC and Cabinet: - ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI - ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation - MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions - Ministry working with Navigant (and OPG) to prepare a report	- Pens down on Legislation – April 28, 2017 - KPMG and E&Y comments/ opinions to be provided – May 1, 2017 - OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) - Approval dates: - TB – May 9 2017; and - LRC/Cabinet – May 10, 2017 - Legislation / House dates: - Legislation introduction – May 11, 2017 - Opposition Briefing (TBD) - Debate – Week of May 15, 2017 - Committee/Clause by Clause – Week of May 23, 2017 - Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June OPG: • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) IESO: • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member OEB: • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

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	<u>Considerations</u> Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
ENERGY, LSB and LDCs	<u>Recent Action Items</u> - SNAP to continue to monitor rate hearings for RRRP LDCs - SNAP to collect billing implementation timeline estimates from LDCs - SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each - Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases - New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline - Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible <u>Considerations</u> - Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. - Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. - Work with LDCs to consider any bill messaging.	- Pens down on Legislation – April 28, 2017 - Approval dates: - TB – May 9 2017; and - LRC/Cabinet – May 10, 2017 - Legislation / House dates: - Legislation introduction – May 11, 2017 - Opposition Briefing (TBD) - Debate – Week of May 15, 2017 - Committee/Clause by Clause – Week of May 23, 2017 - Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> SNAP to continue to work through OESP automatic qualification with MCSS / OEB	- April 28, pens down on Legislation - Pens down on Legislation – April

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	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: ○ OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; ○ Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. \$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: ○ TB – May 9 2017; and ○ LRC/Cabinet – May 10, 2017 • Legislation / House dates: ○ Legislation introduction – May 11, 2017 ○ Opposition Briefing (TBD) ○ Debate – Week of May 15, 2017 ○ Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: ○ TB – May 9 2017; and ○ LRC/Cabinet – May 10,

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	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation - Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> - On-reserve eligibility considerations require discussion with Chiefs of Ontario - Work with LDCs on implementation details that need to be captured in legislation. - Legislation required to have program funded by taxpayers. - Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. - Work with LDCs to consider any bill messaging.	2017 - Legislation / House dates: - Legislation introduction – May 11, 2017 - Opposition Briefing (TBD) - Debate – Week of May 15, 2017 - Committee/Clause by Clause –n Week of May 23, 2017 - Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	- TBC/MBC Submission - Declaration of Trust (“Trust Deed”) - Transfer Payment Agreement (TPA) - Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> - March 23 and 24: Trust Deed and TPA executed. - March 30: Funds transferred to Computershare. - April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees - Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	April to May 2017: - Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees June 2017: - Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes June 2017: - Report back to TB/MBC with final program details and a

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	Hydro One / Alectra) - Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> - Legislative changes not required.	performance management framework including outcome measures and targets Summer 2017: - LDCs begin to apply to the Trust for funds Late 2017/early 2018: - ENERGY can apply for additional funds through 2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust
6) Expanding ICI (ESP)		
ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> - Communications finalized TPA with OCC / ESP - TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> - Ongoing outreach with LDCs being undertaken by IESO.	- Report back to TB/MBC on May 9, 2017 - Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
ENERGY, LSB, OEB and IESO	OEB: - Directive / Letter (TBD) <u>Considerations</u> - Signal efficiencies intent in OEB business plan letter - Work with OEB/LDCs on LTEP document and proposed directive to OEB	Continue this work as part of LTEP

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	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

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10) Stakeholder/Agency Outreach (Communications)		
ENERGY	- Minister's letters to: - Ratepayers; - LDCs; - Business (e.g., OCC, CME, Concerned Manufactures, etc); and - Agencies (i.e., IESO, OPG, OEB and H1)	Early-mid March
11) Engagement with Officers of the Legislature		
ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Provide FAO staff with a technical briefing on the OFHP	- March 9, 2017: Preliminary discussion - March 14, 2017: Letter received requesting additional information by March 24, 2017 - March 31, 2017: Ministry submitted responsive materials
ENERGY, MOF/OFA, Auditor General (AG)	- Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> - Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
ENERGY	- Ministry to begin work on bill presentment <u>Recent Action Items</u> - MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	Initial discussion on March 31, 2017

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	Ministry has developed deck on bill presentment with high level slides on legislation	