

2017-18 Q2 Risk-Based Outlook Summary Ministry of Energy			
High Likelihood Expense Risks \$ Millions	2017-18 Q2 Phase1 INTERNAL	2017-18 Q2 Phase 2 INTERNAL	2017-18 Q2 (TBS)
Approved 2017 Allocation (Including Consolidations and Adjustments)	2,049.9	2,049.9	2,049.9
Less: Consolidations	-264.1	-264.1	-264.1
Less: Greenhouse Gas Reduction Account Reclassification	-2.2	-2.2	-2.2
Less: Northern Ontario Energy Credit	-26.0	-26.0	-26.0
Less: Ontario Rebate for Electricity Consumers	-939.0	-939.0	-939.0
Less: Ontario Electricity Support Program	-140.0	-140.0	-140.0
Less: Rural or Remote Rate Protection Program	-344.0	-344.0	-344.0
Less: On-Reserve First Nations Delivery Credit	-15.0	-15.0	-15.0
Less: Cash Contribution to First Nations	-45.0	-45.0	-45.0
Less: Conferred Benefit to First Nations	-135.0	-135.0	-135.0
Less: Salaries and Benefits	-21.5	-21.5	-21.5
Ministry Discretionary Spending	118.1	118.1	118.1
Pressures & Savings:			
COMMS Projects			
Bill Redesign Initiative	0.3	0.3	
SNAP Projects			
SGF Technical Support	0.5	0.5	
The Study of Energy Storage in Ontario Distribution Systems	0.0	0.0	
OEB Mandate Review	0.0	0.0	
PTO Energy Coordinators	0.4	0.4	
Shakerhill Partners	0.2	0.2	
Energy Technology Trade Project	0.2	0.2	
Social Return on Investment (SROI)	0.0	0.0	
TATA Power/Ryerson Distribution Project	0.1	0.1	
Emerging Trends Research	0.1	0.1	
Toronto Region Board of Trade TAP Program	0.0	0.0	
CRED Projects			
Cap and Trade Implementation Costs - Energy & Water Reporting and Benchmarking - IT Systems and Technical Support	1.5	1.5	1.5
Cap and Trade Implementation Costs - Energy & Water Reporting and Benchmarking - Partnerships	0.1	0.1	0.1
Cap and Trade Implementation Costs - Energy & Water Reporting and Benchmarking - Education	0.1	0.1	0.1
Cap and Trade Implementation Costs - EWRB - Procurement of Expert Services on Ontario Large Building Sector Data	0.1	0.1	0.1
Green Button Technical Adoption of Standard	0.5	0.5	
BPS Sharepoint & IT Support & BPS AODA	0.1	0.1	
BPS Data Analysis	0.0	0.0	
Bloomberg New Energy Finance All Services (Old & New Subscription)	0.1	0.1	
Study of Energy Efficiency for Drinking Water and Wastewater Treatment Plant Equipment	0.2	0.2	
Market Analysis of Ontario's Renewable Energy Sector	0.0	0.0	
Green Energy Investment Agreement (GEIA) Annual Jobs Auditing for 2015 and 2016	0.0	0.0	
Municipal Property Assessment Corporation (MPAC) Data for a Home Energy Rating and Disclosure Program	0.0	0.0	
Considerations for Deploying In Front Of the Meter Conservation Technologies in Ontario	0.0	0.0	
Procurement of consulting services for design of Home Energy Rating and Disclosure program	0.0	0.0	
NAFTA Arbitration: Tennant Energy LLC - Legal Charges	0.4	0.4	0.3
ESP Projects			
Default Emission Factors	0.1	0.1	
Plexos Ontario Electricity Model	0.1	0.1	
Energy East Consulting (Cancelled)	0.0	0.0	0.0
Weekly Fuel Price Survey	0.0	0.0	
Ministry Initiatives			
Fair Hydro Plan Third-Party Legal Services (Potential Savings of \$0.5 million)	2.5	2.5	2.5
Long Term Energy Plan Costs (SNAP & COMMs Projects)	0.4	0.4	0.4
Early Decant of Energy Staff from MacDonald Block (Delayed to 2018-19)	1.3	0.0	1.3
Resources to Support Ontario Rebate for Electricity Consumers Program	0.6	0.6	0.6
Offset 1: Offset Ministry Pressures from Within	-4.9	-4.9	-6.8
Offset 2: Savings related to CI and GEI from CRED (to offset CRED expenses)	-1.5	-1.5	
Offset 3: 5% Holdback (to be offset from H1 Savings)			-5.9
Total Internal Shortfall	3.5	2.2	-5.9
Risk-Based Outlook	121.6	120.3	112.2
Risk-Based Outlook as a % of Ministry Discretionary Spending	103.0%	101.9%	95.0%

The Ministry projected an internal shortfall of \$3.5 million in Q2 Phase 1.

In Q2 Phase 2, the Early Decant of Energy Staff pressure moved to 2018-19, reducing shortfall by \$1.3 million to \$2.2 million. If the Ministry successfully recovers EWRB costs from GGRA and finds underspending in Fair Hydro Plan Legal Services, total shortfall will be reduced to \$0.

Ministry identified \$5.9 million for internal holdback on planned discretionary spending, which will be managed through Hydro One