

Implementation of Ontario's Fair Hydro Plan

Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	- Legislation: - Defining mitigation and recovery mechanism; and - Establishing roles for IESO, OPG and OEB - Regulation (amend O.Reg.429/04) - Shareholder Declaration and Resolution - Third Party Technical Report re Long Lived Assets (TBD) - Accounting opinions from E&Y (OPG) and KPMG (IESO) - Financing: - IESO line of credit to bridge from May-July; - OEFC to OPG equity injection structure; and - OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Recent Action Items</u> OPG: - OPG to continue to work with lead banks / rating agencies / OFA on financing issues - OPG to confirm accounting if OFA were to act as lead on borrowing - ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc - OPG special Board committee to meet on March 17, 2017 - OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member IESO: - IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	- Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) - Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) - Provide comfort level to allow OEB to include in May 2017 RPP - Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available OEB: • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April Legislative Drafting: • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

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	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.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • 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. \$100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

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4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
ENERGY and LSB	- Legislation - Regulation (TBD) <u>Recent Action Items</u> - SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> - 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.	- Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from \$13 million to \$20 million - Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
ENERGY, IGS, LSB, TBS, MOF and H1	- TBC/MBC Submission - Trust Structure - Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> - Blakes to review draft TPA and Trust deed - Tracking to have TPA / other documents finalized by end of next week - CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> - Legislative changes not required. - Funding needs to flow to the Trust prior to March 31, 2017.	- Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration - Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) - Execute TPA between the Ministry and the Trust on March 23rd

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		- Funds to flow by March 28, 2017 April to June 2017: - Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) June 2017: - Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets Summer 2017: - LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
ENERGY, LSB, IESO and LDCs	- Regulation (amend O.Reg.429/04) - Regulatory Registry (RR) posting <u>Recent Action Items</u> - ESP working to finalize materials for LRC on April 10, 2017 - Communications to finalize TPA with OCC / ESP to consider providing support to CME - ESP to work with other ministries regarding other measures that can be considered for SMEs - ESP to consider implications of dropping below 500kw threshold due to investments in conservation	- RR posting on the proposed amendment – posted March 9, 2017 for 30 days - Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) - LRC on April 10, 2016 - Effective April/May 2017 (TBD)

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	<u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
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 IESO: • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

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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>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 spring 2017 (Per Cabinet Minute)
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

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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 - Ministry preparing responsive materials
ENERGY, MOF/OFA, Auditor General (AG)	Provide the AG with a technical briefing on the OFHP	Preliminary discussion on April 12, 2017 (TBD)