Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

The following minuted decisions resulted from the presentation of the Ministry's Program, Review, Renewal and Transformation (PRRT) plan to Treasury Board/Management Board of Cabinet (TB/MBC) made on February 2, 2017.

The following minuted decisions also reflect TB/MBC decisions made on January 24 and 25, 2017 resulting from consensus with Transformation Initiatives including:

- Digital Action Plan
- Modernizing Information and Information Technology

In addition, the following minuted decisions also reflect TB/MBC decisions made on December 15, 2016, January 25, 2017, February 6, 14 and 28, 2017 resulting from presentations on Transformation Initiatives including:

- Transfer Payment Modernization
- Benefits Transformation
- Government Realty

Additional decisions relating to the Ministry's plan were also made by the Board on March 28, 2017 and April 13 and 27, 2017.

The Hon. Glenn Thibeault and Deputy Minister Serge Imbrogno were in attendance during the discussion of the Ministry's PRRT plan.

Further to the Ministry's presentation(s), the Board made the following decisions:

i) Received a report on the Ministry's 2017-18 PRRT Plan Digital Action Plan, Benefits Transformation, Transfer Payment Administration Modernization, I&IT Modernization, and Government Realty transformation initiatives.

The Ministry's plan positions it to remain primarily a policy development and implementation ministry, focusing its efforts on delivering the government's top energy priority – providing Ontario with a clean, reliable and affordable supply of energy through the implementation of the the Long-Term Energy Plan (LTEP), and the Ontario Fair Hydro Plan.

ii) Approved the Ministry's funding allocation for both operating and capital in 2017-18, 2018-19, 2019-20, and 2020-21, as well as a notional capital outlook from 2021-22 through to 2026-27 as outlined on the next page.

2017-18 Program Review, Renewal and Transformation Minuted Decisions

In this regard:

a) Approved the following multi-year plan and outlook:

($)	2017-18 Plan	2018-19 Outlook	2019-20 Outlook	2020-21 Outlook
Total Operating Expense	2,026,611,514	2,017,490,714	2,025,580,314	2,102,230,314
Total Capital Expense	23,239,700	24,247,000	24,614,900	24,091,300
Total 2017-18 PRRT Allocations	2,049,851,214	2,041,737,714	2,050,195,214	2,126,321,614
Total Operating Assets	1,100,000,000			
Total Capital Assets	1,000	1,000	1,000	1,000
FTE Cap	201.61	204.61	204.61	204.61
Total Salaries and Wages	19,178,914	19,178,914	19,178,914	19,178,914

b) Noted the following multi-year notional capital outlook:

($)	2021-22 Outlook	2022-23 Outlook	2023-24 Outlook	2024-25 Outlook	2025-26 Outlook	2026-27 Outlook
Total Capital Expense	24,091,300	24,091,300	24,091,300	24,091,300	24,091,300	24,091,300
Total Capital Assets	1,000	1,000	1,000	1,000	1,000	1,000

<u>Capital</u>

iii) Directed the Ministry to manage within the 10-year capital expense outlook and to report back to TB/MBC in future planning cycles on any changes to the 10-year outlook, including a business case for the change.

iv) Noted that the business case should include details of capital project and program changes, as well as change drivers, the annual asset and expense impacts, and the proposed offsets to remain within the annual approved expense outlook.

v) Directed the Ministry to report back to TB/MBC in future PRRT Planning processes on any changes to the annual approved capital assets outlook, including changes to the assets of their consolidated entities.

vi) Directed the Ministry to work with the Ministry of Infrastructure to strengthen the

Ministry's internal infrastructure planning processes and support the Ministry of Infrastructure's efforts to coordinate infrastructure planning across ministries, asset types, and communities over the next three years.

Report backs and Holdbacks

vii) Directed report back(s) and holdback(s) to Treasury Board/Management Board of Cabinet on program(s) and/or transformation initiative(s) as outlined in these minutes.

Performance Measures

viii) Received the program-level measures submitted and noted that Ministries will be asked to report back to Treasury Board/Management Board of Cabinet on updates to the program-level measures as part of the 2018-19 PRRT process, including updates to the measures previously submitted and new measures where they were not submitted.

I) PERFORMANCE MEASUREMENT SYSTEM

The Board approved the following Key Performance Indicators:

1. Increase Energy Efficiency and Conservation (cumulative reduction in consumption)
2. Maintain Low Energy Sector Emissions
3. Minimize Growth of Electricity Costs to Consumers and Businesses
4. Support Transition to Market-Based Metering Program

The Board directed the Ministry to report back to Treasury Board/Management Board of Cabinet with updated results for these Key Performance Indicators as part of the 2018-19 PRRT process.

The Board directed the Ministry to work with the Centre of Excellence for Evidence-Based Decision Making to refine and finalize the Ministry's performance measurement system, and report back to Treasury Board/Management Board of Cabinet as part of the 2018-19 PRRT process.

2017-18 Program Review, Renewal and Transformation Minuted Decisions

II) BUDGET INITIATIVES – N/A

III) TRANSFORMATION INITIATIVES

Digital Action Plan

Received the report back on progress in establishing the Ontario Digital Service.

Modernizing Information & Information Technology

The Board reviewed and approved adjustments to the Information and Information Technology (I&IT) Modernization Boulder, which consists of initiatives to improve productivity and performance for the Ontario Public Service I&IT organization, and strengthen I&IT governance and processes, to achieve savings of $97,800,000 by 2020-21.

In this regard, the Board:

Vendor Optimization: Contractor Optimization

i) Approved the reallocation of savings, minuted in the 2016-17 PPRT, as a result of variances from original planning assumptions and the assignment of additional savings of $1,036,200 in 2017-18 and $572,400 in 2018-19 and ongoing for Contractor Optimization, a component of the Vendor Optimization stream.

Organizational Rebalance

ii) Approved an increase of $2,400,000 in 2017-18 and ongoing in Central Agencies Cluster (Vote/Item 3409-1), offset by a corresponding decrease in Enterprise Information Technology Services (Vote/Item 3408-1), to realign the savings targets within Treasury Board Secretariat (TBS) for Enterprise Service Management.

Cluster Host Ministries and Client Ministries

iii) Approved the fiscally neutral transfer of savings targets for the I&IT Modernization Boulder from cluster host ministries to their respective client ministries.

Report Back

iv) Directed cluster host ministries to work with TBS to provide updates to TB/MBC as part of the Quarterly Reporting and through the 2018-19 PRRT, including the following details:

   a) Progress to date and plans to achieve the Boulder savings targets, including confirmation of the distribution of savings targets; and

   b) Status updates to TB/MBC on the progress of the following:

      - ITS Modernization;

- Vendor Optimization, including the allocation of savings targets and any realignments of savings targets;
- Application Portfolio Management;
- Reduce Complexity;
- Organizational Rebalance; and
- Refined Estimated Allocations in Ministries.

v) Directed TBS to continue to work with cluster host ministries, and for cluster host ministries to work with their client ministries, to continue to refine estimated allocations and cost savings and report back in the 2018-19 PRRT.

Transfer Payment Administration Modernization

The Board received a report back on the Transfer Payment Administration Modernization (TPAM) initiative including the Human Services Demonstration Project, the roll-out of the Grants Ontario System, and the rollout of the Transfer Payment Common Registration system and "My TP Account" functionality. As minuted through the 2016-17 PRRT, TPAM is expected to result in total savings of $25,000,000 in 2017-18, $50,000,000 in 2018-19, $75,000,000 in 2019-20 and $100,000,000 in 2020-21.

In this regard, the Board:

i) Approved the:

  a) Proposed savings adjustments to ministry allocations related to the 2017-18 TPAM savings targets with no impact on the total savings targets.

  b) Transfer of the Grants Ontario System from Treasury Board Secretariat (TBS) to Ministry of Government Services (MGCS) including all operating and capital expenditures and recoveries and capital assets.

  c) Proposed funding model for the sustainment of Grants Ontario and the Transfer Payment Common Registration systems as enterprise systems for transfer payment management.

ii) Directed all impacted ministries to:

  a) Manage TPAM savings targets from within their ministry allocations.

  b) Transfer base funding to MGCS for the sustainment of Grants Ontario and the Transfer Payment Common Registration systems, and to manage these costs from within their allocations.

  In this regard, the Board directed that:

  1) Ministries with operating expenses of greater than $500,000,000 annually will transfer amounts to MGCS for the IT systems' base funding requirements as follows:
     - $375,000 in 2017-18;
     - $435,000 in 2018-19; and
     - $500,000 in 2019-20 and ongoing.

2) Ministries with operating expenses of less than $500,000,000 will transfer $50,000 annually to MGCS.

3) Cabinet Office and Office of Francophone Affairs will not be required to transfer funding due to their size.

Report Back

iii) TBS, as project lead for the TPAM transformation initiative, to report back on the progress of the initiative.

In this regard, the Board directed:

a) TBS to work with the Ministry of Advance Education and Skills Development, the Ministry of Agriculture, Food and Rural Affairs, the Ministry of the Attorney General, the Ministry of Children and Youth Services, the Ministry of Citizenship and Immigration, the Ministry of International Trade, the Ministry of Community and Social Services, the Ministry of Community Safety and Correctional Services, the Ministry of Economic Development and Growth, the Ministry of Education, the Ministry of Energy, the Ministry of the Environment and Climate Change, the Ministry of Finance, the Office of Francophone Affairs, the Ministry of Government and Consumer Services, the Ministry of Health and Long-Term Care, the Ministry of Indigenous Relations and Reconciliation, the Ministry of Infrastructure, the Ministry of Labour, the Ministry of Municipal Affairs, the Ministry of Housing, the Ministry Natural Resources and Forestry, the Ministry of Tourism, Culture and Sport and the Ministry of Transportation and report back to TB/MBC as part of Quarterly Reporting and through the 2018-19 PRRT with a status update for all TPAM project initiatives, including an update on the achievement of savings targets.

Benefits Transformation

The Board received an update on the Benefits Transformation Initiative to modernize and integrate the Ontario's income-based benefit programs in order to move from a program-by-program to a citizen-focused approach to improve the way client access income-based benefits and make program administration more efficient.

As minuted through the 2016-17 PRRT, Benefits Transformation is expected to result in total savings of $50,000,000 in 2017-18, $75,000,000 in 2018-19, $100,000,000 in 2019-20 and $150,000,000 in 2020-21.

In this regard, the Board directed:

i) Ministry of Finance (MOF) to work with the Ministry of Community and Social Services (MCSS), the Ministry of Health and Long-Term Care, the Ministry of Education, the Ministry of Advanced Education and Skills Development, the Ministry of Children and Youth Service (MCYS), the Ministry of the Attorney General (MAG), the Ministy of the Status of Women, the Ministry of Energy, the Ministry of Government and Consumer Services, the Ministry of Housing and Treasury Board Secretariat and report back to TB/MBC by Summer 2017 with analysis and plans on near-term and longer-term initiatives across government to modernize and integrate provincial income-based benefit programs including:

- A progress update and detailed implementation plan for the near-term/Wave 1 initiatives, including a delivery model, a project management approach, IT strategy and governance structure, and refined investments and savings;
- Identification and detailed implementation plans for longer-term/Wave 2 initiatives, including expanding near-term/Wave 1 initiatives across other benefit programs as quickly as possible;
- Refined intended outcomes, including identification of clear and measurable outcomes with metrics, data sources and reporting schedules; and,
- A plan to achieve outstanding savings and distribution across partner ministries for 2019-20 and 2020-21.

ii) MOF to continue to work with partner ministries and report back to TB/MBC as part of Quarterly Reporting with a status update on Benefits Transformation initiatives.

iii) All impacted ministries to manage Benefits Transformation savings targets from within their ministry allocations, including the MCSS, MCYS and MAG.

Government Realty

The Board received an update on the Government Realty Transformation Initiative which focuses on creating an efficient, flexible and sustainable realty portfolio to support program delivery and the future workforce.

In this regard, the Board directed:

i) The Ministry of Infrastructure (MOI) to work with partner ministries on potential realty strategies that aligns with Ontario Public Sector transformation priorities, and report back through the 2018-19 PRRT;

ii) MOI to continue to work with Treasury Board Secretariat (TBS) to develop the Toronto Workforce Strategy that will inform which staff will be housed in the reconstructed Macdonald Block, and report back through the 2018-19 PRRT with the proposed strategy and implementation plan;

iii) MOI to continue to assess surplus properties to support broader government priorities including the development of Community Hubs; and

iv) MOI to work with TBS to determine the necessary updates to the Management Board of Cabinet Realty Directive, and report back by Spring 2017 to request changes to the Directive.

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

IV) PROGRAM DECISIONS

The minutes are based on the Ministry identified program inventory, with details listed in the following attachments:

- Attachment 1: Ministry Program Report – Operating Expense
- Attachment 2: Ministry Program Report – Capital Expense

For Expenditure Estimates, the Ministry Vote/Item structure and related Treasury Board delegated authorities remain in place, with details listed in the following attachments:

- Attachment 3: Expenditure Monitoring Summary – Operating Expense
- Attachment 4: Expenditure Monitoring Summary – Operating Assets
- Attachment 5: Expenditure Monitoring Summary – Capital Expense
- Attachment 6: Expenditure Monitoring Summary – Capital Assets
- Attachment 15: Capital Vote Item Standard Account Activity (VISA) Ten Year Report

If applicable, the following attachments contain further details on the Ministry's minutes:

- Attachment 7: Transfer Payment Summary
- Attachment 8: Section 15 – Interim Payment Authority
- Attachment 9: Non-Tax Revenue Summary
- Attachment 10: Non-Tax Revenue Decisions
- Attachment 11: FTE Impact Summary
- Attachment 12: Report Backs
- Attachment 13: Holdbacks
- Attachment 14: Executive Controls
- Attachment 16: Capital Pre-Commitment Report
- Attachment 17: Major Public Infrastructure Projects

Strategic Asset Management & Transformation

This program supports the Province as a shareholder of Hydro One in regards to managing its investment and governance relationship.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**280.0000**	**70.0000**	**0.0000**	**0.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**280.0000**	**70.0000**	**0.0000**	**0.0000**
Operating Assets	**0.0000**	[redacted]	[redacted]	[redacted]
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Planning Allocation Adjustments</u>

Cash Contribution to First Nations

Approved an increase in the Ministry's allocation for cash contribution related to agreement in principle with First Nations related to broadening Hydro One ownership.

In this regard, the Board approved:

i) Increases of $15,000,000 in 2017-18, $15,000,000 in 2018-19, and $15, 000,000 in 2019-20 in the Ministry's Operating Expense allocation.

<u>Creating/re-naming Votes, Items, Transfer Payments</u>

Approved the creation of a Transfer Payment in Strategic Asset Management (Vote/item 2906-1).

In this regard, the Board approved:

i) Creation of Strategic Asset Management Indigenous Engagement Transfer Payment, in Strategic Asset Management and Transformation (Vote/Item 2906-1)

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Operating Expense

First Nations Hydro One Ownership

Approved the following transactions related to the agreement in principle with First Nations to broaden Hydro One Ownership.

In this regard, the Board:

i) Approved an increase of $45,000,000 in 2017-18 only in Cash Contribution for First Nations Transfer Payment, in Strategic Asset Management (Vote/item 2906-1), with the actual amount of payment subject to Definitive Agreements, and level of First Nations participating.

ii) Approved decreases of $15,000,000 in 2017-18, $15,000,000 in 2018-19, and $15,000,000 in 2019-20 to eliminate the planning allocation adjustment related to the Cash Contribution for First Nations (See previous Planning Allocation Adjustments section).

iii) Noted that Strategic Asset Management (Vote 2906-1) includes $135,000,000 for the financial benefit (Conferred Benefit) arising out of a share sale price that is below market share price and that, in order for the Ministry to recognize the financial benefit (Conferred Benefit) as an expenditure, the Lieutenant Governor in Council must prescribe the financial benefit as a new non-cash expense under clause 38(1)(a.1) of the Financial Administration Act.

iv) Subject to the promulgation by the Lieutenant Governor in Council of a regulation described in iii) above, approved an increase of $135,000,000 in 2017-18 in Conferred Benefit Amount, in Strategic Asset Management (Vote/item 2906-1), with the actual amount of the non-cash expense subject to the Definitive Agreements and level of First Nations participating and market price at closing.

Commented [KC1]: TBS has confirmed this does not interfere with Province's ability to enter into agreement or close the transaction

v) Directed the Ministry to report back to Treasury Board upon close of the transaction with participation levels, actual payments and non-cash expenses.

Commented [KC2]: Would suggest a report-back after we close as we still wont know participation levels when definitive agreements are complete

vi) Directed that, pending the promulgation of a regulation described in iii) above, the $135,000,000 included in Strategic Asset Management (Vote 2906-1) for the financial benefit (Conferred Benefit) is subject to executive control and may not be used as an offset for an intra-ministerial Treasury Board Order and that, upon the promulgation of such a regulation, any underspending is subject to executive control back and may not be used as an offset for an intra-ministerial Treasury Board Order.

Hydro One Secondary Share Sale Strategy in 2017-18

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Approved additional funding to cover projected transaction costs in 2017-18, in addition to the $70,000,000 already in the Ministry's Allocation.

In this regard,

i) Approved an increase of $30,000,000 in 2017-18, in Services, in Strategic Asset Management (Vote/item 2906-1) for transactions costs arising from 2017-18 secondary share sale offer(s).

ii) Directed that any underspending be returned to Treasury Board/Management Board of Cabinet and not be reallocated within the Ministry.

<u>Internal Realignments</u>

Approved the reallocation of resources between Ministry Administration and Strategic Asset Management to support the indigenous Engagement, with no financial impact on the Ministry's allocation.

In this regard, the Board approved:

i) A reallocation of $1,000 in 2017-18 to Strategic Asset Management Indigenous Engagement Transfer Payment (Vote/item 2906-1), offset from Services, in Strategic Asset Management (Vote/item 2906-1).

Ontario Rebate for Electricity Consumers

This initiative provides an 8% rebate equal to the provincial portion of HST to consumers eligible for the Regulated Price Plan (RPP) and other eligible consumers as defined by legislation – this includes about five million residential consumers, small businesses and farms.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**939.0000**	**882.0000**	**882.0000**	**895.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**939.0000**	**882.0000**	**882.0000**	**895.0000**
Operating Assets	**0.0000**	[redacted]	[redacted]	[redacted]
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Operating Expense

Planning Allocation Adjustments

Ontario Rebate for Electricity Consumers

Approved increases in the Ministry's allocation for the Ontario Rebate for Electricity Consumers (OREC).

In this regard, the Board approved:

i) Increases of $1,006,000,000 in 2017-18, $1,004,000,000 in 2018-19, and $1,004,000,000 in 2019-20, $1,004,000,000 in 2020-21, and on-going in Ontario Rebate for Electricity Consumers Transfer Payment, in Electricity Price Mitigation (Vote/item 2905-1).

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

<u>Creating/re-naming Votes, Items, Transfer Payments</u>

Approved the renaming of Vote/Item 2905-1, formerly Ontario Clean Energy Benefit, to be renameed Electricity Price Mitigation (Vote/Item 2905-1) .

<u>Internal Realignments</u>

Approved the consolidating of various Transfer Payments under Electricity Price Mitigation (Vote 2905) within different items, to be under Electricity Price Mitigation (Vote/item 2905-1), as follows:

i) Northern Ontario Energy Credit moves from (Vote/item 2905-2), to (Vote/item 2901-1)

ii) Ontario Rebate for Electricity Consumers moves from (Vote/item 2905-3), (Vote/item 2905-1)

Ontario Rebate for Electricity Consumers (OREC)

Approved decreases to the Planning Allocation Adjustments (see below) based on updated forecast.

In this regard, the Board:

i) Approved decreases of $67,000,000 in 2017-18, $122,000,000 in 2018-19, $122,000,000 in 2019-20, and $109,000,000 in 2020-21, and on-going in Ontario Rebate for Electricity Consumers Transfer Payment, in Electricity Price Mitigation (Vote/item 2905-1).

ii) Noted final OREC amounts of $939,000,000 in 2017-18, $882,000,000 in 2018-19, $882,000,000 in 2019-20, $895,000,000 in 2020-21.

Long-Term Energy Plan Program Initiatives

The group of Long-Term Energy Plan programs represent a small portion of the ministry's allocation but directly engages and impacts important ministry stakeholders. It is an important delivery mechanism to deliver on the Government's energy priorities, including:

- Supporting Ontario companies to develop, test, and commercialize the next generation of smart grid solutions through real-world demonstrations on Ontario's electricity system. This further solidifies Ontario's reputation as a global hub for smart grid technology, ensures Ontario energy consumers have one of the cleanest and most reliable electricity systems in the world, and gives them more control over their energy costs. It is a key component of the Long-Term Energy Plan, and supports green energy economic development and green jobs.
- Assisting community-based conservation planning and outreach, along with the delivery of conservation education initiatives to effect change in consumer behavior.
- Engaging energy industry stakeholders and groups in knowledge sharing, helping the broader public sector develop and implement conservation plans, and supporting the development of energy efficiency standards to be adopted by regulation.
- Support and encourage Indigenous community participation in the development of energy and conservation projects.
- Support the grid connection of remote Northwestern Ontario First Nation communities or explore other options to reduce diesel use where connection isn't economical.
- Providing immediate relief to electricity ratepayers by enhancing and broadening Electricity Social Programs and shifting from recovering costs from ratepayers, to being funded from government appropriations.

2017-18 Program Review, Renewal and Transformation Minuted Decisions

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	502.4474	756.4474	832.4474	895.4474
Capital Expense	0.0000	0.0000	0.0000	0.0000
Total Expense	502.4474	756.4474	832.4474	895.4474
Operating Assets	0.0000	[redacted]	[redacted]	[redacted]
Capital Assets	0.0000	0.0000	0.0000	0.0000

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Asset	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Operating Decisions

Creating/re-naming Votes, Items, Transfer Payments

Approved the creation of Transfer Payments Electricity Price Mitigation (Vote/item 2905-1) related to the Ontario Fair Hdyro Plan.

In this regard, the Board approved creation of:

i) On-Reserve First Nations Delivery Credit Transfer Payment under Electricity Price Mitigation (Vote/item (2905-1)

ii) Ontario Electricity Support Program Transfer Payment under Electricity Price Mitigation (Vote/item (2905-1)

iii) Rural or Remote Rate Protection Program Transfer Payment under Electricity Price Mitigation (Vote/item (2905-1)

Operating Expense

Ontario Fair Hydro Plan – Electricity Social Programs

Approved the following programs moving from recovering costs from electricity ratepayers, to being funded from voted appropriations, pending passage of enabling legislation.

In this regard, the Board approved:

i) Increases of $344,000,000 in 2017-18, $472,000,000 in 2018-19, $484,000,000 in 2019-20, and $497,000,000 in 2020-21 in Rural or Remote Rate Protection Program Transfer Payment, in Electricity Price Mitigation (Vote/Item 2905-1).

ii) Increases of $140,000,000 in 2017-18, $261,000,000 in 2018-19, $325,000,000 in 2019-20, and $375,000,000 in 2020-21 in Ontario Electricity Support Program Transfer Payment, in Electricity Price Mitigation (Vote/Item 2905-1).

iii) Increases of $15,000,000 in 2017-18, $20,000,000 in 2018-19, $20,000,000 in 2019-20, and $20,000,000 in 2020-21 in On-Reserve First Nations Delivery Credit Transfer Payment, in Electricity Price Mitigation (Vote/Item 2905-1).

Operating Assets

Approved the creation of an Operating Asset related to Ontario Fair Hydro Plan for Ontario Power Generation Share Purchases.

In this regard, the Board approved:

i) An Operating Asset, $1,100,000,000 in 2017-18, in Electricity Price Mitigation (Vote/Item 2905-5), for Ontario Power Generation share purchases.

Statutory Appropriations

Approved the following statutory appropriations:

i) $1,000 in 2017-18 and on-going in Energy Development and Management (Vote/Item 2902-S) for Bad Debt Expenses, under the Financial Administration Act.

Greenhouse Gas Reduction Account (GGRA)

Overnight Electric Vehicle Charging Initiative

Approved the Ministry of Energy to proceed with the implementation of the Overnight Electric Vehicle Charging Initiative, with funding of up to $8,680,000 over four years to be drawn from the Greenhouse Gas Reduction Account, subject to the availability of cap and trade proceeds.

In this regard, the Board:

i) Approved the creation of a new transfer payment line entitled Electric Vehicle Overnight Charging Rebate Program in the Energy Development and Management Program, Policy and Programs (Vote/Item 2902-1), and place it under executive control.

ii) Approved the creation of a new recoveries line in the Energy Development and Management Program, Policy and Programs (Vote/Item 2902-1) for the purpose of recovering eligible costs from the Greenhouse Gas Reduction Account.

iii) Approved increases in operating expenses of $2,150,000 in 2017-18, $2,180,000 in 2018-19, $1,850,000 in 2019-20 and $2,500,000 in 2020-21 in the Electric Vehicle Overnight Charging Rebate Program Transfer Payment, and corresponding increases in recoveries, in the Energy Development and Management Program, Policy and Programs (Vote/Item 2902-1) for the Overnight Electric Vehicle Charging Initiative identified in the Climate Change Action Plan.

iv) Placed 2017-18 funding on holdback pending:

a) Completion of the evaluation by the Minister of the Environment and Climate Change. In this regard:

1) Directed the Ministry to submit the following information to the Ministry of the Environment and Climate Change by April 30, 2017 to enable the completion of the evaluation by the Minister of the Environment and Climate Change: detailed program design parameters, implementation timelines, delivery mechanisms and the estimated reduction in GHG emissions associated with program offerings.

b) A joint report back to Treasury Board/Management Board of Cabinet with the Ministry of the Environment and Climate Change to confirm the availability of proceeds from the cap and trade program.

v) Directed the Ministry to seek a recovery from the Greenhouse Gas Reduction Account through a submission to the Ministry of the Environment and Climate Change for eligible expenditures incurred in relation to the initiative.

vi) Directed the Ministry to work with MOECC to assess and confirm funding requirements for 2018-19 and beyond as part of the annual Greenhouse Gas Investment Plan.

vii) Directed the Ministry to report back through the 2018-19 Program Review, Renewal and Transformation process to request funding requirements in 2018-19 and beyond.

viii) Directed the Ministry to not enter into any agreements that will commit future year funding starting in 2018-19, without explicit approval of TB/MBC.

ix) Directed the Ministry to:

a) Work with MOECC to estimate, measure and verify greenhouse gas reductions.

b) Work with MOECC to:

1) Submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting process, or as requested, on the status of implementation, including collaboration with stakeholders, spending to date, forecast spending by year-end, and estimated greenhouse gas reduction achieved.

2) Develop and submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting

process on performance outcomes, measurement details and methods, baseline and target values.

c) Submit any other requested information to MOECC as required to support the completion of the MOECC Minister's evaluation, the development of standardized performance measures and the annual report on the implementation of the Climate Change Action Plan, as required under the Climate Change Mitigation and Low-carbon Economy Act, 2016.

d) Develop a communications strategy in consultation with MOECC, Cabinet Office, Office of the Premier, Ministry of Finance and Treasury Board Secretariat prior to any announcements.

Energy Policy Development and Implementation

This program is responsible for developing Ontario's energy policy framework, which is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to ensure clean, reliable, affordable and sustainable energy supply, transmission and distribution systems. The program supports energy conservation and efficiency, grid modernization, and the development of cleaner forms of energy. This program also oversees engagement and consultation with First Nations and Métis on provincial energy sector activities and projects while facilitating the participation of Aboriginal communities in renewable energy and transmission system developments.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**21.0131**	**21.0131**	**21.0131**	**21.0131**
Capital Expense	**0.0020**	**0.0020**	**0.0020**	**0.0020**
Total Expense	**21.0151**	**21.0151**	**21.0151**	**21.0151**
Operating Assets	**0.0000**	[redacted]	[redacted]	[redacted]
Capital Assets	**0.0010**	**0.0010**	**0.0010**	**0.0010**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0020**	**0.0020**	**0.0020**	**0.0020**	**0.0020**	**0.0020**
Capital Asset	**0.0010**	**0.0010**	**0.0010**	**0.0010**	**0.0010**	**0.0010**

Operating Decisions

Operating Expense

Approved the Ministry's assignment of its savings target..

In this regard, the Board approved:

i) A decrease of $1.930,600 in 2017-18 and on-going, in Services, in Policy and Programs, (Vote/item 2902-1).

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Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Transfers between Ministries

Grants Ontario

Approved a transfer of funding to the Ministry of Government and Consumer Services to support base funding for the Grants Ontario system.

In this regard, the Board approved:

i) A decrease $50,000 in 2017-18 and on-going, in Services, in Energy Development and Management (Vote/Item 2902-1), fully offset by an increase in the Ministry of Government Services, Ontario Shared Services (Vote/Item 1811-5) to support base funding for the Grants Ontario system.

Transfer of Investment & Governance Secretarion

Approved the transfer of time limited FTEs (temporary) from the Ministry of Energy to the Ministry of Finance for the Investment & Governance Secretariat.

In this regard, the Board Approved:

i) The permanent inter-ministry transfer of five temporary FTEs in 2017-18 and 2018-19 only from the Ministry of Energy to the Ministry of Finance to support the Investment and Governance Secretariat.

i) Decreases of $930,000 in 2017-18 and $930,000 in 2018-19 only, including $580,000 in Salaries and Wages in each year, in the various standard accounts, in Energy Development and Management (Vote/Item 2902-1).

Other FTEs Decisions:

The Board approved the following FTE changes:

In this regard,

ii) Approved a temporary inter-ministry transfer of 2 FTEs in 2017-18 only from the Ministry of Energy to the Ministry of Government and Consumer Services to support the Energy and Water Reporting and Benchmarking (EWRB) Project.

iii) Directed the Ministry to manage the request related to Electricity Price Mitigation, for 4 permanent FTEs in 2017-18 and ongoing from within its current FTE allocation.

Electricity Market Operations & System Planning (Delivered by the Independent Electricity System Operator)

Effective January 1, 2015, the Ontario Power Authority (OPA) and IESO were merged into one single entity known as the IESO. The merger is expected to achieve greater agency efficiency for the benefits of ratepayers. The IESO balances the supply and demand for electricity in Ontario and directs its flow across the province's transmission lines. The new IESO continues the responsibilities of the OPA after the merger in 2015.

The key areas of focus are coordinating conservation efforts across the province, planning the power system and ensuring the development of the needed generation sources. While the IESO is consolidated with the Ministry of Energy, the government does not fund the IESO. Instead, the IESO recovers all its costs through an annual usage fee approved by the Ontario Energy Board and charged to electricity rate payers such that its expenses are fully offset from the electricity rate base.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**196.3478**	**200.007**	**202.4266**	**202.4266**
Capital Expense	**22.0139**	**22.9235**	**23.3268**	**23.3268**
Total Expense	**218.3617**	**222.9305**	**225.7534**	**225.7534**
Operating Assets	**0.0000**	[redacted]		
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**23.3268**	**23.3268**	**23.3268**	**23.3268**	**23.3268**	**23.3268**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Consolidation Updates</u>

Approved updated consolidation forecasts for Independent Electricity System Operator.

In this regard, the Board noted:

2017-18 Program Review, Renewal and Transformation Minuted Decisions

i) Increases of $1,326,900 in 2017-18, $6,039,600 in 2018-19, $8,459,200 in 2019-20, of $8,459,200 in 2020-21 in the Independent Electricity System Operator.

Capital Decisions

Consolidation Updates

Received updated consolidation forecasts for Independent Electricity System Operator.

In this regard, the Board noted:

i) Increases of $1,181,800 in 2017-18, $3,072,400 in 2018-19, $7,075,700 in 2019-20, $7,075,700 in 2020-21, and $7,075,700 in each of 2021-22, 2022-23, 2023-24, 2024-25, 2025-26 and 2026-27, in the Independent Electricity System Operator capital consolidation to reflect updated amortization forecast.

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Electricity and Natural Gas Sector Regulation (Delivered by the Ontario Energy Board)

The Ontario Energy Board (OEB) oversees the Province’s electricity and natural gassectors through effective, fair and transparent regulation and in accordance with the objectives set out in the governing statutory framework. Its mission is to promote a viable, sustainable and efficient energy sector that serves the public interest and assists consumers to obtain reliable energy services at reasonable cost. Key functions include:

- Set gas and electricity rates and prices;
- Monitor the financial and operating performance of natural gas and electrical utilities;
- Provide consumers with the information they need to better understand energy matters;
- Protect energy consumers’ interests; and
- Develop regulatory policy to meet challenges in the sector.

While the OEB is consolidated with the Ministry of Energy, the government does not fund the OEB. Instead, the OEB is self-funded and collects its revenue requirement from the entities that it regulates such that its expenses are fully offset by the electricity rate base.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**44.514**	**44.704**	**44.704**	**44.704**
Capital Expense	**1.2238**	**1.3215**	**1.2861**	**0.7625**
Total Expense	**45.7378**	**46.0255**	**45.9901**	**45.4665**
Operating Assets	**0.0000**	[redacted]	[redacted]	[redacted]
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.7625**	**0.7625**	**0.7625**	**0.7625**	**0.7625**	**0.7625**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Consolidation Updates

Approved updated consolidation forecasts for Ontario Energy Board.

In this regard, the Board noted:

i) Increases of $6,499,900 in 2017-18, $6,400,000 in 2018-19, $6,239,900 in 2019-20, and $6,240,000 in 2020-21 in the Ontario Energy Board operating consolidation.

Capital Decisions

Consolidation Updates

Received updated consolidation forecasts for Ontario Energy Board.

In this regard, the Board noted:

i) Decreases of $160,300 in 2017-18, $160,400 in 2018-19, and increases of $100 in 2019-20, $53,300 in 2020-21, and $237,500 in each of 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 in the Ontario Energy Board capital consolidation to reflect updated amortization forecast.

Northern Ontario Energy Credit Program (TP)

The Northern Ontario Energy Credit (NOEC) was introduced in the 2010 Budget. The Northern Ontario Energy Credit helps low-to-moderate income individuals and families living in northern Ontario with their home energy costs, which are often higher in the North due to more severe winters. For the 2014-15 benefit year, qualifying individuals can receive up to $148 and qualifying families (including single parents) can receive upto $227.

The NOEC is a tax credit; its allocation was transferred to ENERGY in 2012 Budget as a result of presentation change in compliance with the new Public Sector Accounting Board (PSAB) standard to better reflect sector costs by ministry. The Ministry of Finance retains policy and legislative authority over NOEC and continues to coordinate program delivery and support activities.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**26.0000**	**26.0000**	**26.0000**	**26.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**26.0000**	**26.0000**	**26.0000**	**26.0000**
Operating Assets	**0.0000**			
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Minister's Office, Deputy Minister's Office)

Ministry administration for the Ministry's Minister Office and Deputy Minister Office.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**2.5689**	**2.5689**	**2.5689**	**2.5689**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**2.5689**	**2.5689**	**2.5689**	**2.5689**
Operating Assets	**0.0000**			
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Statutory Appropriations</u>

Approved the following statutory appropriations:

i) $64,014 in 2017-18 in 2017-18 and on-going in Ministry Administration (Vote/Item 2901-S) for Minister's and Parliamentrary Assistant's Salary, under the Executive Council Act.

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Corporate Services Division)

Ministry administration for the Ministry's corporate services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**5.2118**	**5.2118**	**5.2118**	**5.2118**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**5.2118**	**5.2118**	**5.2118**	**5.2118**
Operating Assets	**0.0000**			
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Transfers between Ministries</u>

IT Cluster Rationalization

Approved a transfer of funding to the Ministry of Government Services to support client ministry's consumption of services/costs.

In this regard, the Board approved:

i) A decrease of $9,700 in 2017-18 and on-going in Services, in Ministry Administration (Vote/item 2901-1), fully offset by an increase in the Ministry of Government Services.

2017-18 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Communication Services Branch)

Ministry administration for the Ministry's communications services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	**4.1036**	**4.0886**	**4.0886**	**4.0886**
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Total Expense	**4.1036**	**4.0886**	**4.0886**	**4.0886**
Operating Assets	**0.0000**	[redacted]		
Capital Assets	**0.0000**	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Transfers between Ministries

Approved the fiscally neutral transfer of Bulk Media funding from Ministry of Energy to Treasury Board Secretariat.

In this regard, the Board approved:

i) A decrease of $15,000 in 2017-18 and ongoing in Services, in Ministry Administration (Vote/Item 2905-1) offset by a corresponding increase in Treasury Board Secretariat.

Ministry Admin (Legal Services Branch)

Ministry administration for the Ministry's legal services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2017-18	2018-19	2019-20	2020-21
Operating Expense	3.2549	3.2549	3.2549	3.2549
Capital Expense	0.0000	0.0000	0.0000	0.0000
Total Expense	3.2549	3.2549	3.2549	3.2549
Operating Assets	0.0000			
Capital Assets	0.0000	0.0000	0.0000	0.0000

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Expense	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Asset	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Operating Decisions

The Board approved the following FTE change:

i) Approved a temporary inter-ministry transfer of 1 FTE in 2017-18 only from the Ministry of Energy to the Ministry of the Attorney General for Legal Services support.

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

V) NON-TAX REVENUE

Approved the Ministry's non-tax revenues as detailed in Attachment 10 – Non-Tax Revenue Decisions.

Ministry – Other Revenue

Received updated forecast for Ministry – Other Revenue related to asset optimization – broadening Hydro One ownership.

In this regard, the Board noted:

i) Noted total Other Revenues of $1,635,632,400 in 2017-18, $6,544,600 in 2018-19, negative ($215,026,800) in 2019-20, and negative ($216,613,100) in 2020-21.

Revenue Consolidated Agencies

Received updated consolidation forecasts for consolidated agencies (Ontario Energy Board, and the Independent Electricity System Operator).

In this regard, the Board noted:

i) Noted total Other Revenues of $267,540,400 in 2017-18, $272,465,800 in 2018-19, $275,306,200 in 2019-20, and $274,782,600 in 2020-21.

Revenue Government Business Enterprises

Received updated consolidation forecasts for government business enterprises (Ontario Power Generation, and Hydro One).

In this regard, the Board noted:

i) Noted total Other Revenues of $616,901,400 in 2017-18, $1,293,950,300 in 2018-19, $1,228,741,500 in 2019-20, and $1,717,309,400 in 2020-21.

VI) FTE SUMMARY

The Board approved FTE changes as detailed in Attachment 11 – FTE Impact Summary.

VII) INTERIM PAYMENTS FROM THE CONSOLIDATED REVENUE FUND – N/A

VIII) REPORT BACKS – Pending

IX) HOLDBACKS – N/A

2017-18 Program Review, Renewal and Transformation Minuted Decisions

X) HOUSEKEEPING ADJUSTMENTS - GREENHOUSE GAS REDUCTION ACCOUNT

Ministry of Energy,

i) Approved the creation of the following reclassification adjustment lines:

a) Operating expense adjustment – Greenhouse Gas Reduction Account reclassification.

ii) Noted the following reclassification adjustment amounts:

a) $2,150,000 in 2017-18, $2,180,000 in 2018-19, $1,850,000 in 2019-20, and $2,500,000 in 2020-21 in Operating expense adjustment – Greenhouse Gas Reduction Account reclassification.

XI) EXECUTIVE CONTROLS

The Board approved redeploying underspending within Transfer Payments under Electricity Price Mitigation (Vote/item 2905-1) to address pressures elsewhere in Transfer Payments within Electricity Price Mitigation (Vote/item 2905-1).

The Board directed that no funding from within Electricity Price Mitigation (Vote/item 2905-1) is to be redeployed within the Ministry outside of Electricity Price Mitigation(Vote/item 2905-1).

XII) CAPITAL PRE-COMMITMENTS – N/A

XIII) MAJOR PUBLIC INFRASTRUCTURE PROJECTS – N/A

Ministry of Energy

2017-18 Program Review, Renewal and Transformation Minuted Decisions

XIV) Attachments

Details of the above decisions are provided in the following Attachments:

Attachment 1	Ministry Program Report – Operating Expense
Attachment 2	Ministry Program Report – Capital Expense
Attachment 3	Expenditure Monitoring Summary – Operating Expense
Attachment 4	Expenditure Monitoring Summary − Operating Assets
Attachment 5	Expenditure Monitoring Summary – Capital Expense
Attachment 6	Expenditure Monitoring Summary − Capital Assets
Attachment 7	Transfer Payment Summary
Attachment 8	Section 15 - Interim Payment Authority
Attachment 9	Non-Tax Revenue Summary
Attachment 10	Non-Tax Revenue Decisions
Attachment 11	FTE Impact Summary
Attachment 12	Report Backs
Attachment 13	Holdbacks
Attachment 14	Executive Controls
Attachment 15	Capital Vote Item Standard Account Activity (VISA) Ten Year Report
Attachment 16	Capital Pre-Commitment Report
Attachment 17	Major Public Infrastructure Projects