

RE: FNDC Next Steps

From: "Schlaepfer, Martin (ENERGY)" <martin.schlaepfer@ontario.ca>
To: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Cc: "Imbrogno, Serge (ENERGY)" <serge.imbrogno@ontario.ca>, "Feenstra, Mike (ENERGY)" <mike.feenstra@ontario.ca>, "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>, "Chatterjee, Jeet (ENERGY)" <jeet.chatterjee@ontario.ca>, "Armstrong, Hillary (ENERGY)" <hillary.armstrong@ontario.ca>, "Baker, Carys (ENERGY)" <carys.baker@ontario.ca>
Date: Fri, 20 Apr 2018 12:16:13 -0400
Attachments: FNDC_ORC_Day_Letter_04162018 - CLEAN.DOCX (25.79 kB)

Hi Matt,

Attached is a draft FNDC letter to COO. Staff are recommending against the stronger language requested, due to concerns about over-committing a future government. The bullets below explain some of these risks.

- A statement noting that the ministry intends to introduce measures that would expand the FNDC could potentially give rise to legal risk in relation to the honour of the Crown in the event the expansion does not proceed.
- The expansion of the FNDC would require an amendment to an existing LGIC reg. (or a new LGIC reg.). As such, we could not make any commitments in the letter to expand FNDC because that would risk contempt of the Legislature.
- The ministry has established a strong relationship with COO and staff recommend that an open and honest communication take place with COO to highlight that while the ministry and ministry staff will continue to refine the scope and work out the details, that it cannot commit to implementation at this time.
 - ENERGY and COO/Chiefs Energy Table have numerous successful initiatives complete or underway (i.e. FNDC, Hydro One shares deal, OEB Modernization, COO representation on various committees and tables [Chiefs' Energy Committee, Aboriginal Energy Working Group, First Nations-Ontario Energy Table, Grievance Table Process], and many engagements and consultations). Being direct and transparent and focusing on the current and potential future successes should avoid straining an existing, well established relationship.
- The overall recommended approach is to send the attached letter which tries to find a balance in addressing the two letters from ORC Day.

Let us know if MO is comfortable with preparing this letter for signature.

Thanks,
Martin

From: Whittington, Matt (ENERGY)
Sent: April-17-18 3:34 PM
To: Schlaepfer, Martin (ENERGY); Feenstra, Mike (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Coker, Meaghan (ENERGY); Chatterjee, Jeet (ENERGY); Armstrong, Hillary (ENERGY); Baker, Carys (ENERGY)
Subject: RE: FNDC Next Steps

Hi Martin

Thanks for this. MO agrees on next steps.

Could we please start on a draft letter for ORC Day?

We'd like to see language included that is a bit more proactive than "continue to explore potential" for expanding FNDC.

Something along the lines of, "government intends to introduce measures that would expand the FNDC, and is looking forward to working with you more closely on the details and scope of the expansion", would work.

Minister Zimmer and Deputy Richardson should be cc'ed.

Thanks
Matt

From: Schlaepfer, Martin (ENERGY)
Sent: April-17-18 12:36 PM
To: Feenstra, Mike (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Coker, Meaghan (ENERGY); Chatterjee, Jeet (ENERGY); Armstrong, Hillary (ENERGY); Baker, Carys (ENERGY)
Subject: FNDC Next Steps

Hi Mike,

As requested, below are some bullets on the next steps for the FNDC initiative.

1. A letter from the Minister could be sent to Ontario Regional Chief (ORC) Isadore Day indicating that the Government will continue to explore the potential to expand the FNDC to include Band-owned buildings on reserve. The letter will also express thanks to ORC Day for working with the OEB Modernization Panel, in response to the April 6, 2018 letter from ORC Day. **(Week of April 16, 2018)**
2. Work with Hydro One and other affected LDCs to determine operational requirements to enable the expanded FNDC **(Summer /Fall 2018)**
3. Work with the Chiefs of Ontario and First Nation communities/organizations as needed on policy scope and program design for FNDC expansion. For example, understanding which buildings should qualify as Band-owned, understanding how this may differ amongst communities, defining which buildings should/should not qualify for FNDC credit (i.e. Band-owned buildings which are rented to band members, Band-owned buildings rented to non-Band owned businesses, etc.).
4. Prepare TB, LRC and/or Cabinet materials **(Summer 2018)**
 - TB submission may not be necessary as CAO has confirmation from TBS that a submission is not recommended at this time.
 - Materials will be developed for LRC and Cabinet; amendments to O. Reg. 197/17 would be required to expand the FNDC.
5. Work with the Corporate Services Division to determine if the Ministry of Energy would be able to use savings from pre-approved, existing programs to cover the costs associated with the expanded FNDC. NB: Risk may be associated with this option as yearly fluctuations in existing Ontario Fair Hydro Plan programs may not allow for consistent year to year savings to cover the expanded FNDC. **(Autumn 2018, data required from fiscal year Q1-Q2 required at minimum)**
6. Provide updates to COO and the Chiefs' Committee on Energy on progress **(ongoing)**
7. Take program to LRC / Cabinet for decision **(Fall / Winter 2018)**

Let us know if you have any questions.

Thanks,
Martin