

ENERGY media calls

From: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
To: "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>
Cc: "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Date: Fri, 30 Jun 2017 20:39:18 -0400

Hi all,

Please see below for today's energy calls. Note that The Star has asked a follow up question regarding the PPA contract with Constance Lake First Nation. We've referred her to MOF / OEFC and will review the response.

Have a great long weekend!

Colin

Ministry: 1 inquiry

Topic: Siemens plant (Tillsonburg)

Reporter & Outlet: Dale Carruthers, London Free Press

Response Type: Minister's spokesperson

Reporter's Questions:

Is the Siemens contract at the Tillsonburg plant under the GEIA still active?

Response:

TBD

Agencies: 1 inquiry

Agency: IESO

Topic: Hydro-Quebec grid outage (2014)

Reporter & Outlet: Hugo Joncas, Journal de Montréal

Response Type: IESO spokesperson

Reporter's Questions:

We received a request from Hugo Joncas from the Journal de Montréal. He asked about an event on Dec. 4, 2014, when Hydro-Quebec's grid experienced a significant outage and Ontario supplied emergency power to Quebec. He wanted to know how did the IESO respond, how much were we paid for the transaction, what impact it had to Ontario's grid.

Response:

We replied that we provided short-term energy to Quebec as part of our participation in the Northeast Power Coordinating Council (NPCC). NPCC procedures facilitate mutual assistance and coordination between its members, an advantage and strength of our interconnected power system. The cost of the energy provided is confidential. To provide the short-term energy to Quebec, the IESO implemented its standard procedures to activate supply resources and maintain the supply-demand balance in Ontario. Ontario's power system remained reliable throughout the event in Quebec.

He then asked about Ontario's peak electricity price that day, did the event cause a significant increase to the price, and what actions were taken to be able to respond, for example, was it necessary to start idled gas plants? We replied that the increased demand on Ontario's system to provide assistance to Quebec that day did cause upward pressure on Ontario energy prices. The wholesale price for electricity peaked at \$633.42/MWh on December 4, 2014, at 1700 hours. To respond to Quebec, the IESO activated its operating reserves and worked with neighbouring jurisdictions to reduce exports from Ontario in order to support the interconnected reliability of the region. We reminded him that the NPCC requirements and resulting interconnection agreements include the ability to recover certain costs when supplying emergency energy to neighbours.

He followed up to ask about a discrepancy between the price for that day found on the daily summary and the wholesale price we had provided. We explained that the \$633.42/MWh is the final, verified hourly price and is found in this spreadsheet available on our website [here](#). As noted in the Daily Summaries, which are published every morning, prices are not considered final until two business days after the trade date. Final prices are also reflected in our Weekly Summaries available [here](#). Prices may change for a number of reasons, for example, when there is an incorrect input to the dispatch tools. More information on this is available [here](#).

Minister's Office: 1 inquiry

Topic: Constance Lake First Nation

Reporter & Outlet: Ainslie Cruickshank, Toronto Star

Reporter's Questions:

1. I wondered if you could give me some more information about the Grievance Table process? When was this established? Why was it established? How does it work?

The agreement between Constance Lake and the province is a result of discussions through the Ontario government's Grievance Table process, a forum for First Nations and the province to work towards resolving historic energy infrastructure grievances. This grievance was identified through the First Nations-Ontario Energy Table and reinforced through the foundation set by the 2015 Political Accord.

The agreement between Ontario and Constance Lake First Nation is the first formal agreement established as a result of the Grievance Table process.

The province has taken action on other identified grievances using different mechanisms.

For example, a key grievance identified through the First Nation-Ontario Energy Table was the high cost of electricity. The government acted swiftly to address this issue by directing the Ontario Energy Board to report on options for rate assistance for on-reserve First Nation households. As a result, Ontario announced its Fair Hydro Plan on March 2, 2017 which includes the introduction of a First Nations Delivery Credit.

2. Can you tell me how many First Nations the ministry is negotiating with? Which revenue generating projects are in question?

The Ministry is currently working with several communities; however, these discussions are confidential.

3. I also wondered who owns the Shekak-Nagagami hydro plant? Does the new resource revenue sharing deal affect the company at all? I.e. do they have to share a large piece of the revenue pie? Or does this reduce the level of revenue the government receives each year?

Brookfield Power is the current owner of the facility. The agreement signed between Constance Lake First Nation and Ontario will offer stable, long term financial support that will be provided directly to the community.

The agreement does not involve or directly impact the project proponent. This includes no impacts to the current power purchase agreement held with the Ontario Electricity Financial Corporation through which the facility sells electricity to the province.

4. How much does the government get annually from the project?

The province does not receive revenues. The 19 MW facility sells electricity to the province through a power purchase agreement held with the Ontario Electricity Financial Corporation.

5. He mentioned that Constance Lake had a previous partnership agreement and the First Nation is owed a share of \$48 million from that agreement. He said that the community hasn't received any benefits since the hydro project began operations despite that agreement and indicated part of the reason is because of a debt the company owes the province, which has meant there isn't enough to pay benefits to the First Nation. Can you provide some more details about that?

Constance Lake First Nation has been a partner in the Shekak-Nagagami Dam since 1994 but has not received any financial benefits to date. This is due, in part, to lower-than-projected electrical output of the facility. This is outlined in the news release from May 25, 2017 (attached).

6. Is the province willing to release the debt Brookfield owes, which would allow more revenue to flow to the First Nation?

As mentioned the agreement signed between Constance Lake First Nation and Ontario will offer stable, long term financial support that will create tangible benefits for the community.

The power purchase agreement is a matter managed by the Ontario Electricity Financial Corporation.

Colin Nekolaichuk | Press Secretary
Office of the Hon. Glenn Thibeault | Minister of Energy
T: [416-325-2690](tel:416-325-2690) C: [647-504-4928](tel:647-504-4928)
colin.nekolaichuk@ontario.ca