

Cap and Trade / GreenON

GreenON

- Management consulting group onboard.
- Work underway to set up a bank account and start hiring staff.
- MOECC working with IESO and GreenOn Board to confirm approach for expanding thermostat program and associated vendor timelines and costs.

Cap and Trade

- Third Auction occurred September 6 and raised \$526 million in proceeds; MOECC tracking to Oct 17 TB/MBC for release of funds.
- Linking agreement with Quebec and California signed at Joint Cabinet meeting in late September 2017. MOECC tracking to LRC in November with related regulatory amendments; markets would be linked as of January 1, 2018 with first joint auction planned for February 2018.
- Financial Approvals/Implementation
 - First Cap and Trade Auction (March 2017) raised \$472 million.
 - Second Cap and Trade Auction (June 2017) raised \$504 million.

Key Risks

- Continued heightened stakeholder interest, including from the Auditor General and the FAO, in how government invests cap and trade proceeds.

Electricity Issues (Fair Hydro, LTEP, ON-QC)

LTEP

- Approval of the final LTEP document and OEB/IESO implementation directives tracking direct to CAB October 25 for an October 26 release (PO to confirm release date). Draft materials have not yet been shared with CO/PO.
- PO, CO, and ENE meet weekly to prepare for the LTEP launch event and communications products.

Fair Hydro

- OIC authorizing the Ministers of Energy and Finance to issue the provincial guarantee under the plan was approved by Cabinet on September 27.
- ENERGY will return to LRC/Cabinet in late October to seek approval of additional regulatory amendments related to implementation of the Fair Hydro plan.
- Ongoing work with agencies, LDCs and partners (including TBS/MOF/CO) on implementation requirements continues (biweekly meetings).
- Auditor General has provided a draft of a special report on the Fair Hydro Plan to government. The AG is expected to release the special report in mid-October.

ON-QC Energy Trading

- Energy, working with IESO, is in discussions with Hydro Quebec (HQ) on an enhanced electricity trade agreement.
- Energy is working with the IESO and IO to undertake internal analysis on potential increases to imports from Quebec and the impact on nuclear refurbishments, Ontario Fair Hydro Plan (OFHP), the potential electricity market renewal commitment and other provincial priorities (e.g., climate change).
- Energy will report back to Cabinet in fall 2017 on the negotiations and updates on discussions with storage providers and other electricity sector participants.

Key Risks:

- Release of AG special report on Fair Hydro Plan in October may place additional scrutiny on the LTEP and outlooks, and the Fair Hydro Plan generally.

Corrections and Strategy for Safer Ontario / Police Oversight Reform

- The Independent Advisor on Corrections Reform (Howard Sapers) released his final report on October 3. This report builds on Sapers' interim report from spring 2017. Collectively, the two reports provide 125 recommendations to address the use of segregation and long-term corrections reform, including next steps on healthcare transformation.
- On September 26, the OHRC filed an expedited contravention application with the Ontario Human Rights Tribunal, alleging that the

Ontario government breached the *MCSCS v. Jahn* settlement. MCSCS has received an extension from the OHRC to respond to the expedited hearing request by October 10, and the application by October 17.

- MCSCS has agreed to report back to the Ombudsman every six months on its progress in addressing the *Out of Side, Out of Mind* report recommendations. MCSCS is preparing for its first report back in October 2017.
- PO, CO, MCSCS, TBS, and Leg Counsel meet weekly, and also regularly with MOHLTC, to discuss the proposed corrections reform framework and legislation.
- MCSCS is tracking to Major Projects/Fiscal Prep Committee October 12, HESP October 17, and TB/MBC October 31. MCSCS is targeting the introduction of new corrections legislation in December 2017. MOHLTC will report back on a long-term healthcare transformation strategy in spring 2018.
- MCSCS is updating the new *Police Services Act* and MAG is updating the *Policing Oversight Act* to address recent feedback from the IPC, police associations, and other stakeholders. Legislative drafting is underway to address the feedback.
- A revised omnibus bill is tracking to LRC October 16 and CAB October 18, for introduction in late October/early November. This omnibus bill will include new legislation to address SSO, police oversight, missing persons, and forensics oversight, as well as legislative amendments to the *Coroners Act*.
- PO, CO, MCSCS, MAG, and Leg Counsel continue to meet weekly to discuss progress and next steps on SSO and police oversight.
- Risks: stakeholders have competing interest (e.g., IPC request to remove data collection versus OHRC request to collect and publish data)
 - Ongoing discussions with the IPC office on how to accommodate requests.

Cannabis

Recent Updates

- July 26: Cabinet approved of MTO's vulnerable road users submission, which included impaired driving:
 - "Zero tolerance" for young, novice and commercial drivers
- September 6: Cabinet approved the Cannabis framework including for retail and distribution.

- September 8: Announced the government's framework to manage the federal legalization.
- September 8: Federal government [announced](#) over \$274 million to support policing and border efforts associated with the plan to legalize recreational marijuana use.
- October 3: Prime Minister announced potential federal excise tax of \$1 per gram, not less than \$10 with proceeds shared on 50/50 basis with provinces.
- October 4: Alberta announced draft legalization plan (following Ontario and NB), which includes setting the minimum age at 18 but not yet defining where cannabis will be sold (government run stores or private) – consulting with Albertans until October 27.
- Smoke-free Ontario / Electronic Cigarettes Act refresh tracking to HESP, Sept 26.
- Deputy Minister's Steering Committee ongoing meetings.

Current Status

- Ongoing Development of TB/MBC and LRC materials
 - Draft of legislation is being reviewed, including page-turning briefings with PO.
- MCSCS and supporting ministries are preparing for enforcement summit beginning October 19.
- Secretariat is establishing weekly call to monitor approvals and drafting tracking through introduction.
- Currently tracking to October 17 TB/MBC; LRC on October 30; CAB (bundle) Nov 1; Intro - earliest – Nov 2.

Key Risks

- Aggressive implementation timeline driven by federal deadlines (i.e. July 2018).
- Stakeholder concerns/expectations with Ontario's overall approach.
- Implications and differing consideration for medical cannabis.
- Appropriate balance of policy objectives (public safety, protection of youth/vulnerable population).
- Ensuring alignment and an integrated approach to implementation across impacted ministries (MAG/MOF/MTO/MOHLTC/MCSCS/MIRR).

Ambitious timelines for legislative drafting. CO will work with ministries to monitor progress.

