ANNOTATED AGENDA
MO UPDATE: November 7, 2017

ELECTRICITY & ASSET OPTIMISATION RELATED ISSUES

1. IESO Credit Facility

- Staff have worked hard to finalize the IESO credit facility for $2 billion for the implementation of the Fair Hydro Plan.
    - The existing $975 million facility is currently more than $800 million drawn.
    - Once the $2 billion facility is facility is put in place, the $975 million facility is to be reduced to $495 million.

- Staff received scanned executed copy of the letter agreement, which provides concurrence by all involved parties on the intercept provision, and the credit facilities agreements on Monday.

2. Impact of the FHP on Certain NUGs

- Staff for OEFC have drafted a potential letter from the Minister of Energy to the Minister of Finance that would provide support for a direction from the Minister of Finance to OEFC to allow for discussions with affected NUGs on the potential impact of GA deferral on their rates and options to avoid such impacts, if that is the outcome affected NUGs prefer.
    - This draft letter has been shared with Energy at a staff level and based on feedback from Energy, a new draft has been prepared.
    - Key feedback was to clarify that the letter focuses on the impact of the deferral of cost recovery of parts of the GA aspect of the FHP and not other aspects of Fair Hydro Plan (FHP) that removes costs from the ratebase, such as government funding of costs of the Rural or Remote Rate Protection and the Ontario Electricity Support Program.

3. Ottawa River Water Powers Act

- MNRF has organised a meeting with Cabinet Office, ENERGY and MOF to discuss the negotiations with Quebec on the water rental rates for the hydroelectric stations on the Ottawa River.
- The current 25 year agreement sets rates to the end of 2017 and had included significant increases over that period.
- The current rates are now relatively similar to the rates for water power rentals in each of Ontario and Quebec for power dams on Provincial Crown lands.
    - Ontario’s water power rentals are a component of the Gross Revenue Charge, established under the Electricity Act, 1998, and related regulations, under the authority of the Minister of Finance.
- MOF issues might include maintaining the fiscal plan framework and not be seen as setting an adverse precedent for Ontario’s GRC.

4. Constance Lake First Nation (CLFN) Meeting Request

- Meeting scheduling between the Chief and the Deputy is pending, but is currently targeted for November 22 with a pre-brief planned for November 17.
- CLFN has approached ENERGY seeking capacity funding for their advisor for discussions with OEFC/MOF.
    - ENERGY has indicated that they are amenable to providing such funding, but sought MOF's input on such funding being provided.
    - Staff provided feedback to ENERGY that this was for Energy to determine, noting that MOF would not be expressing an opinion on the matter.