PRRT Submission – Ministry of Energy

Plan Summary

- Plan is **within allocation**.

Key Risks

- **Fair Hydro Plan** – Hydro One has applied to the Ontario Energy Board for a rate increase from 2018 to 2021. If approved, this **could increase government's program costs by $65M/year by fiscal 2020-21**.

- **Affordability Fund** – $100M has been provided to date, with only $0.3M spent as of September 2017. As with any demand-driven program, additional funds may need to be allocated.

Key Staff Recommendations

- **Approve-in-Principle** – Retain **up to $35M in 2018-19** as a placeholder for the financial implications of an agreement with the Métis Nation of Ontario.

    - Negotiations with **Métis Nation of Ontario** on Hydro One ownership are ongoing.

- **Do not Approve; Defer to New Initiatives Request** – **Offset for International Energy Demonstration Fund** (IEDF); savings cannot be used to fund a new initiative.

- **Approve-in-Principle** – **Program savings of $35M in 2018-19**.

- **Approve-in-Principle** – Redeploy no longer needed funding and declare a portion as savings, due to updated forecast for Fair Hydro Plan transfer payments.

- **Defer to Wrap-up** – **Request for 19 permanent FTEs** to deliver on Energy's expanded mandate and to administer transfer payments under the Fair Hydro Plan.

- **Do not Approve** – **Funding pressures within certain transfer payments under the Fair Hydro Plan**, which are due to the demand-driven nature of the programs.

    - Instead, the **risks will be managed corporately and offset from the C Fund**, if Energy cannot manage in-year.

- **Approve-in-Principle** – Establish a renewed Smart Grid Fund ($60M over five years), which would help:
    - Advance the commercialization of Ontario's energy sector;
    - Support the domestic adoption and commercialization of smart grid technologies; and
    - Support diversification to international markets.