

KEY INFORMATION NOTE – AUGUST 31, 2017

Ontario's Fair Hydro Plan

March 1, 2017 Cabinet Submission – Debt/Interest

- Bill projection in the March 1, 2017 Cabinet Submission forecasted total debt of \$28 billion with interest rate of 5 per cent and total interest of \$25 billion.

2017 LTEP Cabinet Submission – Debt/Interest

- Bill projection in the August 31, 2017 Cabinet Submission forecasts total debt of \$19 billion with interest rate of 4.5 per cent and total interest of \$16 billion.

Summary of Draft Navigant Findings

- Key findings from the Navigant analysis into the alignment of costs and benefits of clean energy assets included:
 - Identified that the useful life of clean energy assets could be extended to forty years for the natural gas units (with partial repowering in some cases) and twenty-five years for solar and wind units (with another twenty-five years possible after full repowering).
 - Determined a Fair Allocation Amount (FAA) that evenly allocates these costs over the useful asset life.
 - Compared the FAA to the status quo costs, which envisage higher up front amounts, and identified that prior to 2017 ratepayers have overpaid for clean energy assets by \$8 billion (i.e., overpayment amount).
 - Concluded that from 2017, ratepayers could benefit from lower bills in the short-term as result of paying for clean energy costs as determined by the FAA and receive additional rate reductions as a result of the historical \$8 billion overpayment.

IESO tracking of GA deferral (variance account)

Period	Deferred GA (\$millions)
May*	\$110.2
June*	\$136.6
July	\$147.9
YTD	\$394.7

**Partial implementation of Ontario's Fair Hydro Plan*

Breakdown of Capacity Contribution to Summer Peak by Commitment Category **(Slide 9)**

MW	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Existing	29,059	28,994	28,784	26,893	26,012	25,927	21,082	20,868	17,500	
Committed, Not Yet In-service	101	611	1,421	2,458	2,458	2,483	3,361	4,189	5,069	
Directed Procurements	17	218	459	459	459	459	459	459	459	
Expired Contracts	143	143	194	388	391	476	2,621	3,361	3,375	
MW	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	16,127	16,079	15,234	12,173	10,239	9,369	8,681	8,493	8,091	7,694
Committed, Not Yet In-service	6,700	6,700	7,450	8,266	8,261	9,078	9,078	9,897	9,896	9,891
Directed Procurements	459	459	459	459	459	459	459	459	459	459
Expired Contracts	3,926	3,974	4,018	7,082	8,241	9,161	9,767	9,992	10,407	10,784

Breakdown of Total Installed Capacity by Fuel Type

MW	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Nuclear	12,133	12,133	12,133	11,311	10,430	10,430	8,619	10,322	7,485	
Natural Gas	10,221	10,940	10,818	10,899	10,899	10,899	10,857	10,857	10,857	
Hydro	8,863	8,914	8,959	8,961	8,962	8,997	8,997	9,012	9,012	
Non-Hydro Renewables	8,240	8,692	9,038	9,293	9,291	9,291	9,291	9,291	9,291	
Storage, Demand Response	881	898	898	898	898	898	898	898	898	
Total	40,338	41,577	41,846	41,361	40,480	40,515	38,661	40,379	37,542	
MW	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Nuclear	8,325	8,325	8,276	9,098	8,276	9,098	9,098	9,920	9,920	9,920
Natural Gas	10,857	10,857	10,857	10,857	10,857	10,857	10,857	10,857	10,857	10,857
Hydro	9,012	9,012	9,012	9,012	9,012	9,012	9,012	9,012	9,012	9,012
Non-Hydro Renewables	9,291	9,289	9,289	9,289	9,288	9,288	9,288	9,287	9,288	9,256
Storage, Demand Response	898	898	898	898	898	898	898	898	898	898
Total	38,382	38,380	38,331	39,153	38,330	39,152	39,152	39,973	39,974	39,942

Jurisdictional electricity price comparisons

North American Residential Electricity Prices (Canadian ¢/kWh)							
Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost
1 Quebec	7.34	17 Nebraska	13.63	33 Indiana	15.16	49 Pennsylvania	18.27
2 Manitoba	8.68	18 Utah	13.71	34 Nevada	15.22	50 Maine	18.36
3 British Columbia	9.92	19 Oklahoma	13.99	35 Saskatchewan	15.32	51 Maryland	18.39
4 Alberta	11.11	20 Wyoming	14.07	36 Virginia	15.36	52 Wisconsin	18.50
5 Louisiana	11.74	21 Mississippi	14.09	37 Arizona	15.82	53 Ontario 2016	18.98
6 Washington	11.94	22 Ontario 2017	14.12	38 California	15.87	54 Michigan	19.14
7 Newfoundland	12.48	23 Montana	14.12	39 Alabama	15.90	55 New Jersey	19.87
8 Idaho	12.63	24 Florida	14.17	40 U.S. Average 2016	15.91	56 New York	22.26
9 Canadian Average 2016	12.84	25 Georgia	14.28	41 Minnesota	16.15	57 Vermont	22.43
10 Arkansas	12.85	26 Texas	14.44	42 Nova Scotia	16.24	58 New Hampshire	23.90
11 Tennessee	13.08	27 West Virginia	14.45	43 Ohio	16.33	59 Rhode Island	24.87
12 New Brunswick	13.19	28 New Mexico	14.52	44 South Carolina	16.35	60 Massachusetts	26.42
13 Missouri	13.26	29 South Dakota	14.58	45 Illinois	16.37	61 Alaska	26.52
14 Kentucky	13.26	30 Iowa	14.99	46 PEI	16.84	62 Connecticut	27.07
15 Oregon	13.44	31 North Carolina	15.00	47 Kansas	17.22	63 Hawaii	34.47
16 North Dakota	13.47	32 Colorado	15.08	48 Delaware	17.79		

Note: All estimates are based on April 1, 2016 data with the exception of the 2017 Ontario price, which is based on rates effective July 1, 2017 to reflect the full implementation of Ontario's Fair Hydro Plan. 2017 data for other jurisdictions is not currently available.

Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. All prices exclude taxes and participation in any applicable jurisdictional benefit programs, with the exception of the 8% rebate included as part the 25% average reduction for residential consumers under Ontario's Fair Hydro Plan.

The 2016 and 2017 Ontario residential prices are based on a Toronto Hydro time-of-use Regulated Price Plan (RPP) customer with a monthly consumption of 750 kWh, with 65% of consumption occurring off-peak, 17% occurring mid-peak, and 18% occurring on-peak.

All other Canadian prices are from the Hydro Quebec Rate Comparison for rates effective April 1, 2016 for select local distribution companies servicing specific cities. Where Hydro Quebec reports prices for two cities in a province (e.g. Calgary and Edmonton), an average of the two is used, in provinces where only one city is reported (e.g. Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes.

American jurisdictions reflect April 2016 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the residential sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.28 CAD.

2016 Industrial Electricity Prices (Canadian ¢/kWh)							
Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost	Jurisdiction	Cost
1 Manitoba	4.18	17 Kentucky	6.85	33 West Virginia	8.36	49 Florida	9.65
2 Alberta	4.41	18 Tennessee	6.90	34 Ontario	8.57	50 Maine	9.87
3 Quebec	4.90	19 Mississippi	6.95	35 Michigan	8.61	51 Nova Scotia	10.02
4 Newfoundland	4.90	20 New Mexico	7.10	36 Virginia	8.61	52 Maryland	10.12
5 Washington	5.64	21 Arizona	7.22	37 Ohio	8.65	53 Delaware	10.28
6 Oklahoma	5.67	22 New Brunswick	7.25	38 Pennsylvania	8.84	54 Vermont	12.33
7 Montana	5.72	23 South Carolina	7.39	39 Colorado	8.86	55 New Jersey	12.36
8 British Columbia	6.08	24 Oregon	7.39	40 Wyoming	8.91	56 California	13.64
9 Texas	6.17	25 Alabama	7.56	41 North Dakota	9.02	57 New Hampshire	15.81
10 Louisiana	6.18	26 New York	7.63	42 Minnesota	9.05	58 Connecticut	16.49
11 Nevada	6.37	27 North Carolina	7.67	43 PEI	9.12	59 Massachusetts	16.59
12 Iowa	6.44	28 Utah	7.67	44 Indiana	9.13	60 Rhode Island	17.20
13 Canadian Average	6.61	29 Idaho	7.81	45 Wisconsin	9.43	61 Alaska	20.61
14 Georgia	6.64	30 Missouri	7.94	46 Kansas	9.47	62 Hawaii	24.72
15 Saskatchewan	6.71	31 Illinois	8.03	47 Nebraska	9.47		
16 Arkansas	6.75	32 U.S. Average	8.18	48 South Dakota	9.47		

Note: Estimates may differ from actual costs to a consumer based on location, connection, and operational characteristics. Prices exclude taxes and participation in any applicable jurisdictional benefit programs.

The Ontario industrial price is based on April 2016 data and includes the Hourly Ontario Energy Price, Class A Global Adjustment, Debt Retirement Charge, and transmission and regulatory charges.

All other Canadian prices are from the Hydro Quebec Rate Comparison for rates effective April 1, 2016 for select local distribution companies servicing specific cities. Where Hydro Quebec reports prices for two cities in a province (e.g. Calgary and Edmonton), an average of the two is used, in provinces where only one city is reported (e.g. Vancouver in BC, Montreal in QC), that one price is used to represent the province for indicative comparison purposes.

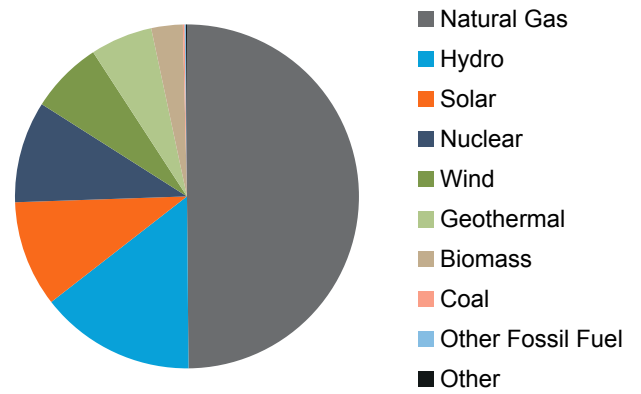
American jurisdictions reflect April 2016 data from the US Energy Information Administration's survey of approximately 500 of the largest electric utilities. The price reflects the average revenue reported by the electric utility from electricity sold to the industrial sector. The value represents an estimated average retail price, but does not necessarily reflect the price charged to an individual consumer. Prices are converted at an exchange rate of 1 USD = 1.28 CAD.

Industrial Conservation Initiative (ICI)

- Electricity consumers participating in ICI are charged Global Adjustment (GA) based on their demand in the highest demand hours on the year. As a result, the electricity cost for many ICI participants is effectively the Hourly Ontario Energy Price (HOEP) in all off-peak hours, which has been very low throughout 2016 and 2017.
- Two recent changes to ICI have been made:
 1. Coincident with the announcement of the 8 per cent rebate for residential consumers, small businesses and farms, ICI was expanded to include all consumers with peak demand greater than 1 megawatt (MW).
 2. As part of Ontario's Fair Hydro Plan (OFHP), ICI was expanded to include smaller manufacturers as well as greenhouses with peak demand greater than 500 kW and less than or equal to 1 MW.

California Supply Mix in 2016

Type	TWh	Share
Natural Gas	98.8	49.9%
Hydro	29.0	14.6%
Solar	19.8	10.0%
Nuclear	18.9	9.6%
Wind	13.5	6.8%
Geothermal	11.6	5.8%
Biomass	5.9	3.0%
Coal	0.3	0.2%
Other Fossil Fuel	0.2	0.1%
Other (Waste Heat)	0.2	0.1%
Total	198.2	100.0%



IESO's Market Renewal – Overview

- The general features of Market Renewal that the Independent Electricity System Operator (IESO) and stakeholders have identified can be categorized into three workstreams:
 - Energy: Move to a market with a single schedule for operations and financial settlement, including locational marginal pricing for suppliers, improved generation commitment and dispatch in real time, and a financially-binding day-ahead market.
 - Operability: Increase system flexibility and improve utilization of interties with neighboring systems to reduce the cost associated with surplus-generation conditions, variable renewable generation uncertainties, and the need to curtail resources.
 - Capacity: Improve procurement of resources to meet the province's resource adequacy needs through an incremental capacity auction that stimulates competition from all qualified supply resources in a technology-neutral manner.
- The present value of estimated benefits between 2021 and 2030 is approximately \$3.4 billion, outlined below is the breakdown:
 - \$510 million from energy market reforms;
 - \$580 million from operability reforms; and
 - \$2.5 billion from capacity auction reforms.
- Considering the uncertainties in the nature of reforms and the magnitude of benefits from each workstream, these net benefits over ten years could range from \$2.2 billion to \$5.2 billion.
- Realized benefits will continue beyond 2030 and will grow over time as more existing contracts expire. These benefits compare to \$200 million in estimated IESO implementation costs. Modest additional implementation costs will also be incurred by market participants.
- Savings related to Market Renewal are incorporated into 2017 LTEP price projections.

Note: contracts for approximately 18 GW of existing supply will reach the end of their terms by 2035. About half of this supply, made up of natural gas-fired resources, will reach contract expiry in the mid-to-late 2020s. The other half of this supply is made up of renewable resources. These resources could participate in the market to meet Ontario's requirements. The IESO 2017 LTEP cost and emissions modelling assumes that supply gaps beginning in 2023 are filled through a mix of imports and gas, however, they provide extremely small amounts of energy.

Ontario Energy Board (OEB) Efficiencies

- The Ontario Energy Board (OEB) has a mandate to regulate the electricity distribution and transmission sector in the public interest, ensuring the financial viability of the sector while promoting reliable service to customers at just and reasonable rates.
- Since 2012, the OEB has taken action – through the Renewed Regulatory Framework for Energy – to more closely link rate regulation with performance measures and outcomes. This includes rolling out LDC Scorecards and revising rate setting processes.
- The LTEP will direct the Ontario Energy Board (OEB) to continue to enhance its efforts to improve the performance of local electricity distribution companies (LDCs) and transmitters. The OEB will make utilities more accountable to their consumers, promote efficiencies and cost reductions, encourage partnerships, and ensure regulatory processes are cost-effective and streamlined to accommodate changing utility business models.
- The OEB has tools available to it to enhance its performance-based regulatory processes. Such enhancements may incentivize LDCs to realize additional efficiencies. Potential enhancements may include:
 - Increasing productivity and stretch factors to make LDCs realize more year-over-year productivity gains;
 - Financial penalties for LDCs who do not meet performance expectations; and
 - Incentives to encourage LDC collaboration and partnerships to realize cost savings.
- Opportunities also exist to modernize OEB regulatory compliance processes and streamline OEB processes to reduce regulatory costs and decrease time for regulatory decisions.

Ontario Rebate for Electricity Consumers and Independent Power Authorities

- There are 10 First Nation communities in Ontario that are served by Independent Power Authorities (IPAs), which are not regulated by the Ontario Energy Board.
- When the Ontario Clean Energy Benefit was created and launched in 2010, a mechanism was needed to enable IPA customers to also benefit from the program.
- The Ministry made significant effort to enroll all 10 of the IPA communities in the Ontario Clean Energy Benefit. In the end, only four communities ended up enrolling.
- The Ministry is using this experience to achieve much greater results in delivering the Ontario Rebate for Electricity Consumers to IPA customers.

- It is doing this by simplifying the enrolment process and continuing to provide financial support for IPAs to upgrade their systems. It has also drafted clear instructions to help IPAs through the application process.
- The Ministry has been engaging with IPAs by phone and email, and also arranged a technical workshop to outline the process and help complete the enrolment application materials.
- The workshop was held in Thunder Bay on July 26, 2017. Six of the 10 IPAs attended and are currently completing their applications. One application has already been received and is currently being reviewed by the Ministry.
- We will continue to reach out to all 10 IPA communities and provide support so their customers can receive the rebate.

Smart Grid Fund

Looking Back

- The Smart Grid Fund was launched in 2011, and has had three different application windows in 2011, 2013, and 2015.
- The original Smart Grid Fund had three core objectives:
 - Supporting technologies that meet Ontario's smart grid principles of customer control, flexibility, and adaptability;
 - Create economic growth by commercializing solutions and creating local jobs; and
 - Integrating these technologies in Ontario to help make our distribution systems work more efficiently, and potentially at lower costs.
- When launched, the Ministry was looking to the industry to show us where they saw the greatest commercial opportunity for these types of technologies.
- The first application round in 2011 was technology-neutral so we could see what themes would arise in the applications. As a result, we saw a great deal of focus on the core smart grid technologies – data analytics, automation, and customer control. This resulted in 8 different projects.
- The second round of applications in 2013 was designed to focus on the technologies that are enabled and optimized by these core smart grid solutions. This included energy storage, advanced microgrids, and electric vehicles. Thirteen different projects are being supported from round 2.
- A different approach was taken for round 3. In 2015, Navigant Consulting prepared the Ontario Smart Grid Assessment and Roadmap, which looked at the cost / benefit of continued investments in these technologies.

- The report specifically identified which technologies have the greatest potential value for customers and grid. These high value technologies were very similar to the trends we observed in round 1 – that the industry is focusing on core smart grid solutions like grid automation, data analytics, and other forms of digitization.
- Twelve more projects were selected in round 3. When added to the five projects that were funded outside of the general calls for applications, the Smart Grid Fund has supported 39 unique projects, creating close to 800 direct jobs and generating \$200 million in total sector investment.
- We have already seen lots of success:

Facts	Overview
Opus One Solutions	
Distributed Generation Integration with Distributed Energy Management and Storage Network Project • Total Cost: \$1,340,792 • SGF Cost: \$429,535 • Direct jobs: 10	Richmond Hill based software engineering and solutions company Opus One was founded in 2011. Starting as a sole proprietorship, the company now has offices in Toronto and Brooklyn, New York and has grown to 50 employees, having tripled in size in the past six months.
Veridian Community Microgrid and Feeder Automation on Distribution Energy Service Platform Project • Total Cost: \$2,942,000 • SGF Cost: \$1,096,000 • Direct jobs: 7	Opus One's GridOS – winner of the Fast Company 2017 World Changing Ideas Award – is an intelligent energy networking platform which can deliver real-time energy management to utilities. GridOS has proven effective in delivering other functionality, including a state-of-the-art microgrid for the Athletes' Village in the 2015 Pan/Parapan American Games.
FleetCarma	
Smart Charging of Electric Vehicles with Real-Time Vehicle Data, Utility Control & Owner Opt-In/Opt-Out Pilot • Total Cost: \$819,274 • SGF Cost: \$339,637.00 • Direct Jobs: 6.1	FleetCarma was founded and based in Waterloo and currently employs 19 individuals. FleetCarma's pilot involved testing of its electric vehicle logging device in conjunction with its smart-charging portal, along with a controller that allows for utilities to manage EV charging to address local grid reliability and reduce the strain charging may put on the grid. The proprietary units are manufactured in Ontario.
	FleetCarma's demonstration project with the SGF helped the company break into the global market. FleetCarma now has 20 smart-charging projects, and is expanding its ChargeTO project Canada-wide with funding from Sustainable Development Technology Canada.
Essex Energy Corporation	
Distribution Monitoring and Controls System Project • Total Cost: \$1,946,970 • SGF Cost: \$687,519	Essex Energy and its partner Utilismart used the SGF to demonstrate their SmartMAP, a software application that uses smart meters to provide to an unparalleled, real-time view of an entire distribution network. Customers benefit from

Facts	Overview
Direct Jobs: 22	SmartMAP from reduced outage duration, a reduction in the number of unplanned outages, communication of outage information, and improved power quality. The company has since grown to more than 20 employees. SmartMAP has been incorporated into a broader online data solution provided by Utilismart. Approximately 140 utility customers have adopted this comprehensive solution.
Energate Inc. Consumer Engagement for the Smart Grid Pilot - Total Cost: \$7,828,315 - SGF Cost: \$2,872,776 - Direct Jobs: 42 Customer Opt-In Dynamic Pricing Programs - Total Cost: \$3,249,242 - SGF Cost: \$1,349,320 - Direct Jobs: 13.75	Energate is an energy management solutions company based in Ottawa that now has 25 full-time employees. To help customers reduce energy consumption, Energate developed and demonstrate its Consumer Connect Demand Response Platform (CCDR). The platform includes mobile apps, web portals, smart thermostats and other connected technology to allow customers to take control of their energy usage. Building on this success, Energate was awarded a second SGF project to test new pricing models with Alectra. Using the CCDR, customers saved an average of \$74 over the six-month demonstration. Another pilot funded by the Independent Electricity System Operator started in the winter of 2016 with similar success. Over 10 Ontario LDCs have adopted Energate's CCDR Platform to help manage peak demand periods while also helping their customers to reduce their energy consumption. Energate has similar projects underway in Texas, Chicago and California.

Looking Forward

- Smart grid technologies present a significant opportunity to make electricity systems run better, reduce costs, and give customers more choice.
- Studies indicate a significant net benefit for continued investment in cost-effective smart grid deployment.
 - In Ontario, investing in the smart grid investments into 2035 has the potential to deliver a net benefit of \$6.3 billion.
 - The Electric Power Research Institute estimates that smart grid deployment in the United States presents a benefit-to-cost ratio of 3:1 to 6:1 over traditional power delivery systems.
- Ontario's distribution sector is structured and regulated in a way that leads utilities to inherently favour investments in traditional infrastructure. That means they are missing opportunities to integrate smart grid technologies that can improve their performance in a cost-effective way.

- This bias is just one of several barriers that can slow or inhibit the development and deployment of smart grid solutions when cost-effective, which in turn reduces the opportunity to optimize the operation of and value from Ontario's distribution networks.
- Addressing these barriers is at the core of the Ministry's grid modernization policy, which is described in the 2017 LTEP.
- A renewed SGF would continue to provide support for testing new technologies, advancing commercialization, and de-risking the sector. In addition, the Ministry proposes that the program be enhanced to broaden the scope of eligible investment activities and taking a more targeted approach at addressing barriers to grid modernization and commercialization of smart grid technologies.
- A renewed SGF would be guided by four strategies:
 - Promoting jobs and economic growth by continuing to demonstrate technologies with observed high-value potential;
 - Addressing LDC barriers to modernization;
 - Helping the smart grid sector in Ontario mature; and
 - Exploring ways for government to benefit from its investments.
- This approach to renewing the Smart Grid Fund was approved by the Treasury Board on August 16, which included \$60 million over five years.
- The Ministry will spend the next several weeks and months to develop program design details and consult with a broad range of stakeholders to ensure that the Smart Grid Fund can best meet its new core objectives:
 - Addressing barriers to grid modernization: development of modernization plans, deployment, and other initiatives that will address barriers to grid modernization in Ontario and continue to reduce risk and uncertainty in electricity sector investments.
 - Advancing Ontario's innovation economy: create jobs and economic development opportunities for Ontario vendors seeking to commercialize and export smart energy technologies.
 - Positioning Ontario at the forefront of the smart grid: support the demonstration of the innovative utility business models, emerging smart grid technologies, and other initiatives that both respond to changes in the sector and have the potential for generating value for Ontario's utilities and ratepayers.

Status of OESP, Distribution Rate Relief, OFHP, 8% etc.

Distribution Rate Relief

- Distribution Rate Relief is available through Distribution Rate Protection (DRP), First Nations Delivery Credit (FNDC), and Rural or Remote Rate Protection (RRRP).
- RRRP is an existing program and there are no implementation issues. The only change was the funding source for Hydro One Networks customers. As part of the OFHP, starting July 1, 2017, funding of RRRP for Hydro One Networks' low density residential customers (R2 rate class) was moved from all Ontario rate payers to appropriated provincial funds.
- DRP is available to residential customers of 8 LDCs, including: Hydro One Networks R1 and R2 rate classes, Northern Ontario Wires, Lakeland Power (Parry Sound), Chapleau Public Utilities Corporation, Sioux Lookout Hydro, InnPower, Atikokan Hydro and Algoma Power. Hydro One Networks' customers are by far the largest group receiving benefits. The Ministry has conducted follow-up consultations with LDCs and no major implementation issues have been identified. All eligible customers are on track to receive DRP benefits for their electricity consumption on or after July 1.
- FNDC is available to First Nations residential customers who live on-reserve and are served by a licensed distributor on-reserve. Hydro One Networks serves the majority of these customers. The Ministry has conducted follow-up consultations with LDCs and no major implementation issues have been identified. All eligible customers are on track to receive FNDC benefits for their electricity consumption on or after July 1.
- The July invoice for FNDC, DRP and RRRP has been received from the IESO. The invoiced amounts are displayed below. These amounts will not reflect full calendar month expenditures going forward since much of consumption for July is not billed until August.

Invoiced Amounts for July	
Program	Payment Amount
FNDC	\$384,083.93
DRP	\$4,893,759.65
RRRP	\$9,260,204.19
Total	\$14,538,047.77

8% Rebate (Ontario Rebate for Electricity Consumers)

- The Ontario Rebate for Electricity Consumers (OREC) program commenced on January 1, 2017. The program is fully implemented.
- The July invoice for OREC from IESO was \$66,793,204.19.

OESP

- On March 1, 2017, the Treasury Board approved a suite of cost-saving initiatives known as Ontario's Fair Hydro Plan. As a rate reduction tool for low-income customers, the OESP is an integral component of Ontario's Fair Hydro Plan.
- The OESP was launched on January 1, 2016. Administered by the Ontario Energy Board, the OESP provides on-bill credits to electricity customers every month.
- Eligibility depends on total household income and the number of household members. An enhanced credit is available if the customer has unique electricity demands. This includes:
 - Electrical heating as a primary heating source;
 - Certain electrically intensive medical devices; and
 - Indigenous customers, or those living with Indigenous family members.
- To date, about 35 per cent of Ontarians that are potentially eligible for the OESP are enrolled. That includes over 200,000 accepted applications. To date, close to 12,000 applications have been received from Indigenous customers, or customers living with Indigenous family members.
- Ontario's Fair Hydro Plan included several enhancements to the OESP:
 - Moving the OESP from the rate base to the tax base. The OESP currently costs the average residential customers about \$1 per month. In conjunction with other elements of the Fair Hydro Plan, these are real savings for customers.
 - *If asked about how OESP is financed:* Before May 1, 2017, every customer in Ontario paid a volumetric charge of \$0.0011 per kilowatt-hour to finance the OESP.
 - Expanding the OESP to provide more rate relief and be eligible by more low-income customers. Starting on May 1, 2017, all credits amounts were increased by 50 per cent, and new eligibility categories were added to the OESP.
 - Aligning the program with other social assistance programs to increase uptake as much as possible. The Ministry of Energy has been working very closely with the Ministry of Community and Social Services to automatically enrol social assistance clients into the OESP.
- Significant progress has already been made on implementing changes to the OESP. Regulatory amendments were approved in April 2017 to ensure that credit increases and new eligibility were ready for May 1. This means that:

- A single customer earning under \$28,000 can now receive \$45 per month, up from \$30;
 - A family of four with a combined earning under \$48,000 can now receive \$40 per month; and
 - Seven or more people living together who earn a total of \$39,000 or less can receive \$75 per month, up from \$50.
- Further legislative and regulatory amendments were approved in June 2017 to streamline OESP with social assistance programs, and to move the OESP to the tax base.
 - The Ministry of Community and Social Services is setting up a dedicated team to support OESP enrolment of its social assistance clients. This includes hiring new personnel, which was approved by Treasury Board on July 25, 2017.
 - The Ministry will work with the Ontario Energy Board (OEB) and other partners to explore other ways to increase OESP uptake across the province.
 - Some of this work has already begun. The OEB is working collaboratively with the Ministry of Finance and the Canada Revenue Agency on an electronic mechanism for OESP applicants to provide the appropriate consents. Right now, paper forms are still required by the Canada Revenue Agency, which creates challenges for applicants (e.g. access to printers).