

First Nations-Ontario Energy Table:

Minister's Briefing

November 22, 2017

CONFIDENTIAL

PURPOSE

- To provide consideration and recommendations to address initiatives/approaches being advanced by the Chiefs of Ontario (COO) at the upcoming Energy Table meeting during the Leaders in the Legislature event.
- The last meeting of the Energy Table was held on March 10, 2017 in Garden River First Nation.
- The Ministry and COO have been in discussions regarding the upcoming Energy Table.
 - On the following page is a proposed agenda shared by COO.

PROPOSED MEETING AGENDA

COO has provided a draft agenda as follows:

1. Opening Remarks
 - Elder
 - Nathan
 - Chiefs Committee rep
 - Ontario Regional Chief
 - Minister Thibeault
 - Introductions
2. Ontario Fair Hydro Plan and First Nations Delivery Credit
 - Update on the Delivery Credit Implementation
 - Update on the Affordability Fund
 - Eliminating Delivery Credit on Band Buildings
3. Long Term Energy Plan
 - Opportunities for First Nations
 - Opportunities for collaboration
4. Updates
 - Hydro One
 - IESO
 - OPG
 - OEB
 - Grievance Process
 - Watay Power
 - National First Nations Energy Strategy (AFN)

1) MINISTER REMARKS

- Staff are preparing Minister remarks for the upcoming Energy Table.
- The remarks will highlight:
 - The commitments in the LTEP and to demonstrate how First Nation feedback was taken into consideration;
 - The Ontario Fair Hydro Plan and its role in lowering electricity bills;
 - The success of programs like the First Nations Delivery Credit, implemented on July 1, 2017;
 - The successes that have been achieved through the Grievance Table process.

2a) OFHP - FIRST NATION DELIVERY CREDIT/ EXTENSION TO BAND BUILDINGS

- The Ministry of Energy, in collaboration with the Chiefs of Ontario (COO), crafted policy in a manner which best reflects the needs and wishes of First Nations to ensure the implementation of the credit on July 1, 2017.
- Through the FNDC Working Group the Chiefs Committee on Energy had requested that the FNDC include Band owned buildings however agreed to focus on First Nation on-reserve residential customers.
- At a meeting with Ministry staff on November 9, 2017, the Chiefs Committee on Energy requested that Band owned buildings be included in an expanded FNDC in a timely fashion.
- Buildings identified as Band owned buildings are as follows, but not limited to and recognizing that not all communities have similar infrastructure:
 - Arenas
 - Health Centres
 - Administration buildings
 - Senior Centres
 - Community Centres
 - Schools
 - Water plants

Consideration:

- The Chiefs Committee on Energy is aware the FNDC is tax based program and will be reaching out through the COO to First Nations to collect information on delivery costs for these types of facilities to assist the Ministry with determining the costs of expanding the FNDC by the end of November.

Proposed Response:

- The Ministry look forward to receiving the information on delivery costs for Band owned buildings from COO for all impacted First Nations and undertake an analysis.
- Any expansion of the FNDC will require the approval of Treasury Board, since the program is financed by the tax base.
- The Ministry could also consider options involving net metering that may financially support these communities.

2b) OFHP - AFFORDABILITY FUND

- Ontario's Fair Hydro Plan established an Affordability Fund to help Ontarians who don't qualify for low-income conservation programs to make energy efficiency improvements to their homes, where this couldn't otherwise be done without the support.
- Established through the tax base, the Fund is being administered by an independent Trust and is accessible to electricity distributors, including LDCs and independent power authorities (IPAs) serving First Nations communities.
- The Board of Trustees for the Trust includes representation from United Way Ottawa, the Neighbour to Neighbour Centre, Thunder Bay Hydro, Hydro One and Alectra. ENERGY is represented on the Board, with non-voting status.
- Consultations with electricity distributors were undertaken over Summer 2017. Feedback highlighted the importance of program design to be an iterative process and to be flexible to accommodate future changes.
 - To the ministry's knowledge, no IPAs or FN-owned LDCs (Attawapiskat, Kashechewan, Fort Albany) participated.
- On October 24, 2017, the Affordability Fund was launched through a formal announcement and press release. The press release included information regarding a toll-free number and website through which customers are able to submit an "Application for Support". AFT also held a webinar for electricity distributors on the day of the launch.
- The Trust, with administrative support from Hydro One, plans to negotiate program implementation agreements with electricity distributors starting December 2017.

Consideration:

- COO is likely to request some level of involvement in the design process of the program to ensure First Nation challenges are addressed appropriately.
- COO may request a funding envelope specifically for First Nations.
- COO may request a role on the Board of Trustees

Proposed Response:

- The Ministry appreciates the issues and concerns that COO has raised regarding the Affordability Fund
- COO should work with the Ministry to provide input into program design to ensure First Nations concerns are heard.

3) LTEP 2017 – OPPORTUNITIES FOR FN COLLABORATION

- The 2017 LTEP was released on October 26, 2017
- The Energy Table will provide an opportunity for the Ministry to highlight the commitments in the LTEP and to demonstrate how First Nation feedback was taken into consideration.
- Regarding First Nation involvement in the energy sector, COO has not expressed a clear position on how they see First Nation participation in the sector given how the Province is shifting away from procurement of new supply.
- The Energy Table meeting will be an opportunity to walk through the LTEP 2017 and potentially set a path forward for future discussions. The Chiefs may raise a concern that they were not provided a review of the draft LTEP prior to it being published.
- Summary of Commitments to First Nation communities:
 - Conservation programs will be reviewed
 - Connecting Remote Communities
 - Implement Community Energy Plans
 - Education and capacity building programs will be reviewed
 - Local Opportunities
 - Explore new tools to address barriers to the financing
 - Report-back Between LTEPs
 - Natural Gas Expansion
- Implementation Directives have been issued to the Independent Electricity System Operator and the Ontario Energy Board. The agencies will now develop plans to implement the LTEP's goals and submit these plans for the Minister for review.

Consideration:

- The Chiefs of Ontario are likely to request an active role in providing input and working with the agencies in developing the implementation plans.

Proposed Response:

- The Ministry expects the agencies to engage with the First Nation Leadership to incorporate First Nation perspectives into the implementation plans.

4) UPDATES

- Hydro One
 - COO is working to encourage First Nation participation in the Hydro One share transaction targeting November 17th to meet the minimum threshold of 80% (106 First Nations) to close the transaction.
 - Hydro One to provide update.
- IESO
 - IESO to provide update.
- OPG
 - OPG to provide update.
- OEB
 - OEB to provide update.

4) UPDATES

- Grievance Process
 - The Ministry has worked address the grievances brought forward by the Chiefs of Ontario over the last year
 - Six Nations is currently consulting it's community on a proposed deal to have the Niagara Reinforcement Project completed
 - Constance Lake First Nation grievance is settled
 - Serpent River First Nation grievance is settled
 - Chippewa of the Thames First Nation is working with Hydro One to address their Indian Act Permit issue for transmission facilities crossing reserve lands
 - No additional First Nations have been identified by COO for the grievance process
- Watay Power
 - All parties are working to complete negotiations as quickly as possible.
- National First Nations Energy Strategy (AFN)
 - COO has requested capacity funding to support the Ontario regions input into the First Nation National Energy Strategy.
 - COO will work with IESO to understand First Nation specific information gathered for LTEP 2017 that can be utilized for National Energy Strategy

OTHER POTENTIAL ITEMS: CAPACITY FUNDING

- On November 10, 2017 the Chiefs of Ontario re-submitted two capacity funding proposals:
 1. Hydro One Equity Acquisition - Ontario First Nation Sovereign Wealth Fund
 - \$2,017,000.00 requested
 2. Energy Technical Table and Energy Roundtable
 - \$165,000.00 requested.
- Ministry is currently reviewing the proposals.
- The IESO provides \$100,000 annually to COO for one 1 FTE to support their capacity to participate in the energy sector
 - It isn't clear how the FTE is being utilized by COO to support their capacity in the energy sector
 - COO currently has the FTE listed as supporting the Environment portfolio

OTHER POTENTIAL ITEMS: FIRST NATION POWER AUTHORITY

- COO has consistently advocated for COO/First Nation involvement in the development of energy policy throughout the policy development and implementation life cycle.
 - At the last Energy Table, COO proposed the establishment of the First Nations Power Authority to build their in-house capacity to lead policy development.
- As an alternative to the First Nation Power Authority concept, the Ministry can consider and respond by proposing the expansion of the Energy Table to the structure that was originally proposed in 2015.
 - The original concept of the Energy Table had a Technical Working Group component that would meet in between the Energy Table meetings to undertake the required work to advance initiatives that were prioritized by the respective Leadership.
- This approach could be structured using the Chiefs Committee on Energy who would be responsible for managing COO's side of the equation and engage with the Ministry to actively inform policy development as was done for the FNDC. The Technical Working Group would report into the Energy Table where high level direction would be provided.