

OFHP | Next Steps & Implementation...

From: "Teliszewsky, Andrew (ENERGY)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=teliszewsky, andrew (energy)4fe">
To: "Ghiassi, Ali (MOF)" <ali.ghiassi@ontario.ca>, "Pichelli, Jason (TBS)" <jason.pichelli@ontario.ca>, "Jancik, Mike (OPO)" <mike.jancik@ontario.ca>, "Matt Whittington (Matt.Whittington@ontario.ca)" <matt.whittington@ontario.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
Cc: "Marangoni, Emily (OPO)" <emily.marangoni@ontario.ca>
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Good Afternoon:

Wanted to put on your collective radar(s) the next steps for the implementation of the Ontario Fair Hydro Plan (OFHP).

Big thing now is the "Provincial Guarantee". Refresher – this is essentially a contract between Ontario (Legislation said it would be Finance and Energy Ministers to co-sign with OPG Trust Co.). This contract is designed to deal with the outlier financing risk of "low probability, high impact" events such as a major change in Legislation that makes the deal un-financeable.

OFA and OPG have been hard at these negotiations with the dealers and this will land next week or week after. The critical piece is that this requires a TB/MBC (ie. approval from Government) visit before the credit rating agencies will start the process of evaluating the financing vehicle and we have to build in 2 months for credit rating agency process, so the September 26th TB/MBC meeting has been circled for final approvals. Missing this puts at risk the ability to move debt from IESO to OPG before calendar year end, which is very important accounting piece.

Anyway, long story short, we are going to start gearing up for some pre-briefs of TB/MBC Ministers' in mid-September since we think it wise to do a proper sit down with each of them prior to the 26 September.

Might be a good idea to do an FPC / Major Projects on this, but should wait until Gadi is back from holiday and OFA is firmly signed off on the term sheet for Provincial Guarantee.

Hope you are each keeping well and please have a good weekend.

Andrew

Andrew Teliszewsky

Chief of Staff | Office of Hon. Glenn Thibeault
Ministry of Energy
andrew.teliszewsky@ontario.ca
416-327-3550 (o)
416-436-6370 (m)