Good Afternoon:

I want to introduce, recognize and thank the team at Ministry of Energy for helping get us here today.

As I mentioned in Caucus Meeting yesterday, the proposed *Ontario Fair Hydro Plan Act* has been a very difficult and nuanced pieced of legislation to craft.

This team – Deputy Minister Serge Imbrogno, ADM Steen Hume and Director of Legal Services Carolyn Calwell, have gone above and beyond the call of duty – working evenings, weekends and even the Easter long weekend to craft this legislative framework.

They have been supported by external legal counsel from Blakes' – lead by Judy Wilson, who is with us today.

As well, Ontario Power Generation senior management AND Board of Directors have been participating every step of the way and I'm glad that Jeff Lyash is here today as well to help respond to any questions.

It is also significant to note that Treasury Board Secretariat, Ministry of Finance, and the Ontario Financing Authority have been at the table throughout this process.

At this point, I think that all of us have had the benefit of detailed presentation and pre-briefing from Ministry of Energy staff and for those Members of Treasury Board who had additional questions, we also did our best to make sure that legal staff were available to respond.

As a result, I don't think that we necessarily need to revisit the entire presentation that had previously been undertaken, so my comments here will be quite brief.

You will recall the detailed conversations about risks heading into the Cabinet discussions in February and March of this year.

This legislation is designed to mitigate as much risk as possible, while still maintaining a palatable framework that is consistent with our Government's values.

As we have discussed at previous meetings of Cabinet and Government Caucus, we have had to navigate three significant pressures:

Legal Risk = make sure that what we are doing cannot be challenged as unconstitutional. Basis for this is Energy proving that those generating assets can actually last longer than their current contract terms specify.

Accounting Risk = make sure that we are creating a structure that meets reputable accounting opinion to ensure that the debt that is incurred doesn't represent a risk to balanced budget.

Financing Risk = most significant; need to ensure that what we craft is supported by Canadian (and probably US) bond market. We can't risk creating a structure that is not able to secure reliable, low-cost debt financing.

These three factors mean that we have crafted our legislation VERY carefully to ensure that what we are presenting meets these standards.

None of the lawyers, accountants or bond dealers can be described as "happy" and also, none of them can be said to be terribly "upset".

Everyone has had to put a bit of water in their wine.

To be blunt, the legislative construct that we are about to review is <u>not</u> optional and cannot be subject of *any* additional political wrangling.

The product we have today has been the result of thoughtful (and sometimes painful) negotiation with and between Ontario = OPG = dealers [as represented by RBC, CIBC and Goldmans].

To be able to meet the Government House Leaders' deadlines, we put "pens down" on the Legislation last week and the intention is to introduce the bill later this week.

In March our Government made the significant – and fundamentally correct – public policy decision to smooth out electricity rates across a longer period of time.

This legislative framework is the vital next step towards ensuring that we keep our commitment and hit our 1 July 2017 milestone date for full 25% hydro bill reduction.

With that, I'd like to ask OPG CEO Jeff Lyash to spend a few moments on the significant work that has been done by him, his staff and the Board of Directors in support of the Government's fair hydro initiative.