

Implementation of Ontario's Fair Hydro Plan

Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	- Legislation: - Defining mitigation and recovery mechanism; and - Establishing roles for IESO, OPG and OEB - Regulation (amend O.Reg.429/04) - Shareholder Declaration and Resolution - Third Party Technical Report re Long Lived Assets (TBD) - Accounting opinions from E&Y (OPG) and KPMG (IESO) - Financing: - IESO line of credit to bridge from May-July; - OEFC to OPG equity injection structure; and - OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> - GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. - Ongoing legal, accounting and financing risk assessments. - Impact on Electricity Sector Dedicated Income. - OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	- Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) - Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) - Provide comfort level to allow OEB to include in May 2017 RPP - Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
ENERGY, LSB and LDCs	- Legislation - Regulation (TBD) <u>Considerations</u> - Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	- LDC working group kick-off March 14, 2017 - Report back to TB/MBC by Spring 2017

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	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. \$100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from \$13M to \$20M

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	Work with LDCs to consider any bill messaging.	Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
ENERGY, IGS, LSB, TBS, MOF and H1	- TBC/MBC Submission - Trust Structure - Transfer Payment Agreement (multi-party) <u>Considerations</u> - Legislative changes not required. - Funding needs to flow to the Trust prior to March 31, 2017.	- Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) - Hydro One to finalize establishment of Trust by March 17, 2017 Week of March 20, 2017: - Execute TPA between the Ministry and the Trust by March 22nd - Initiate process to flow funds to the Trust; to be completed before March 31st April to May 2017: - Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs June 2017: - Report back to TB/MBC with

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		final program details and a performance management framework including outcome measures and targets Summer 2017: LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
ENERGY, LSB, IESO and LDCs	- Regulation (amend O.Reg.429/04) - Regulatory Registry (RR) posting <u>Considerations</u> - Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). - Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	- RR posting on the proposed amendment – posted March 9, 2017 for 30 days - Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) - LRC on March 11, 2016 - Effective May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
ENERGY, LSB, OEB and IESO	OEB: - Directive / Letter (TBD) <u>Considerations</u> - Signal efficiencies intent in OEB business plan letter - Work with OEB/LDCs on LTEP document and proposed directive to OEB IESO: - Directive / Letter (TBD)	Continue this work as part of LTEP

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	<u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: ○ Ratepayers; ○ LDCs; ○ Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

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	○ Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)