

RE: Draft Speaking Points for DM

From: "Veinot, Cindy (TBS)" <"o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Date: Mon, 13 Feb 2017 21:08:40 -0500
Attachments: GA Smoothing – Potential Structure.pptx (129.38 kB)

Edited -- Cindy

From: Hosick, Sarah (TBS)
Sent: February-13-17 6:31 PM
To: Veinot, Cindy (TBS)
Subject: Draft Speaking Points for DM

Hi Cindy

Proposed draft electricity update speaking points for the Deputy to use at her weekly meeting with the minister tomorrow:

- The Office of the Provincial Controller continues to work closely with the Ministry of Energy, IESO and their external auditor (KPMG), OPG and their external auditor (PwC), as well as OPG's advisor (EY) on accounting issues related to the GA smoothing proposal; no discussion has taken place with the OAG
- This item is currently expected to be presented as an Info item at Cabinet on Wednesday, followed by Fiscal Prep Committee on Thursday, and finally return to Cabinet next Wednesday for policy approval.
- The leading option under consideration for implementing Global Adjustment smoothing is a complex structure involving IESO, OPG (including the creation of a consolidated Trust), and OFA (see attached slide)
- If the identified requirements for the leading option can be achieved, an accounting position can be supported that (1) does not create a fiscal hit and (2) does not increase net debt
- The accounting analysis is not complete and several of the requirements are high risk re: sustainability
- The complexity of the structure in and of itself increases risk

Thanks
Sarah