Part 1: Summary

Report Back Requirements	Provided?	Details/Comment
Provide regular updates	Yes	See details on pg 1
Provide spending to date	Yes	See details on pg 2
Provide results to date	Yes	See details on pg 3
Provide a value for money assessment	No	To be provided in the Q3 2018-19 quarterly report back
Assess the need for an additional funding request	Yes	A new funding request has not been provided at this time. Request for additional funding will be contingent on performance and continued identified need

Part 2: Details

Program Updates

On March 6, 2017, Treasury Board and Management Board of Cabinet ("TB/MBC") approved an amount of $100 million for the establishment of an Affordability Fund ("Fund") as part of the government's Ontario Fair Hydro Plan (see Appendix for originating minute). The Fund is being administered by an independent Trust (the Affordability Fund Trust, or the "Trust"), which provides oversight of funds and facilitates efficient distribution of funds to electricity distributors.

The brief chronology below notes key milestones that were achieved in Q3 2017-18 as well as next steps.

- September to early October 2017: Trust finalized the program design for the Fund. It is expected that program design will be an iterative process to enable continuous improvement based on feedback.

- October 2017: Ministry of Energy ("ENERGY") provided its Program Review, Renewal and Transformation ("PRRT") submission to TB/MBC, which included a report-back with final program details and a performance management framework for the Fund.

- October 24, 2017: The Fund was launched through a formal announcement and press release. The press release included information regarding a toll-free number and website (affordabilityfund.org) through which customers are able to submit an application form.

- November 2017:

    - Trust entered into a Memorandum of Understanding with Ontario 211 services to support community engagement activities, including referral services and community sector consultations (e.g. with local United Way chapters, municipalities and relevant community agencies).

    - Trust initiated negotiations with electricity distributors on program implementation agreements, which outline program delivery guidelines and budgets. The Trust has indicated that it expects Hydro One to deliver the program in service areas of those electricity distributors who do not apply to deliver the program.

- December 2017: Trust hired an executive search firm to assist in the recruitment of an Executive Director for the Fund. The Executive Director will report to the Trust and liaise between the Trustees, administrators and electricity distributors.

- January 2018: Trust expects to enter into implementation agreements with interested electricity distributors.

- Q4 2017-18: Eligible customers are expected to start receiving measures through the Fund.

Spending to date

- $100 million was transferred to the Affordability Fund Trust on March 30, 2017. As of December 31, 2017, total spending to date was $1,709,724. See below table for spending breakout.

Fund Spending To Date (as of December 31, 2017)

Expense Type	2017 Spending
Trustees - Meetings and Travel	$14,245
Trustees - Insurance and Legal	$47,700
Trust Administration - Call Centre and IT	$407,567
Trust Administration - Audit and Legal	$203,017
Trust Administration - Consultants	$770,710
Trust Administration - Marketing and Communication	$73,322
Trust Administration - Labour	$193,123
Trust Administration - Other	$$40
Total Spending To Date	**$1,709,724**

- As of December 31, 2017, a total interest of $679,181 had been earned. Considering the interest earned, the remaining funding in the Fund is $98,969,457.

Fund Ending Balance (as of December 31, 2017)

Item	$ Amount
Beginning Balance of Fund	$100,000,000
Interest Earned To Date	$679,181
Total Spending To Date	$1,709,724
Ending Balance of Fund	**$98,969,457**

Results to date and Value for Money Assessment

- Between October 24, 2017 (Fund announcement date) and December 31, 2017, the Fund received 2,234 applications, of which 1,622 were delivered to 47 active electricity distributors.

- A Value for Money Assessment has not been provided at this time since eligible customers did not receive benefits through the Affordability Fund in Q3 2017-18.

    - Eligible customers are expected to start receiving benefits through the Fund in Q4 2017-18.

- ENERGY will be in a position to provide a Value for Money Assessment six months after customers start receiving benefits from the Fund. ENERGY will provide a Value for Money Assessment in its Q3 2018-19 report back to TB/MBC.

Additional Funding

- A multi-year funding request has not been provided since, at the time of preparing this submission, eligible customers had not received benefits through the Fund.

- ENERGY will continue to assess the need for an additional funding request, considering Fund results and electricity customer needs.

Appendix

☐	[2017] Budget Initiative	☒	[2017-18] PRRT Final Minutes (Not a Budget Initiative)	☐	[TB/MBC Date, e.g., Apr X, 2017] In-Year Minute

The Board received a report back on the Affordability Fund including final program details, a performance management framework and spending to date.

In this regard, the Board directed the Ministry to:

i) Provide regular updates to TB/MBC through Quarterly Reports including spending to date, results to date and a value for money assessment, starting Q4 2017-18.

ii) Continue to assess the need for an additional funding request, based on Fund results and electricity customer needs.

☐	[2017] Budget Initiative	☐	[2017-18] PRRT Final Minutes (Not a Budget Initiative)	☒	TB/MBC, Mar 6, 2017

Approved funding in 2016-17 for the government-funded Affordability Fund.

In this regard, the Board:

i) Approved a Treasury Board Order, under the authority of the Financial Administration Act, in the amount of $100,000,000 in Green Energy Initiatives Transfer Payment, under Energy Development and Management (Vote/item 2902-1), offset by the Treasury Board Contingency Fund, to establish the Affordability Fund.

ii) Direct the Ministry to:

a) Report back to TB/MBC by Q1 2017-18 with final program details, and a performance management framework including intended outcomes.

b) Report back to TB/MBC through the 2018-19 PRRT with spending to date, results achieved to date, a value for money assessment, and if needed at that time a multi-year funding request along with impacts to the Province's fiscal plan.

c) Provide regular updates to TB/MBC through regular reporting process including quarterly reports.

d) Work with Cabinet Office and the Office of the Premier to develop a communications strategy.