

Implementation of Ontario's Fair Hydro Plan

March 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 LoC 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 sufficient evidence to 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	- Report back to TB/MBC by Spring 2017 - Fall 2017 implementation (per Cabinet Minute)

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	in place to provide to existing consumers in Algoma and Remotes. • 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.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB and OEB	• Legislation • Regulation (TBD) <u>Considerations</u> • Reach out to OEB to consider whether surplus funding of ~\$100M could be used to increase OESP credits by 50%. Regulation can be updated quickly (need to consider whether posting on EBR is required). • Consider whether revised directive needed to continue having OEB administer program. • 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 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY, 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. • Work with LDCs to consider any bill messaging.	• 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 • Program in place in 2017 (per Cabinet Minute)

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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.	Week of March 6, 2017: - TBC/MBC (March 6th) - Follow up call with LDC group to discuss Trust principles (principles to be reflected in the Trust Deed) - Ongoing engagement with Hydro One, LSB, OPCD, CSD on establishment of Trust and development of Agreement (including sharing of drafts for comment) - Confirm Trust principles with Hydro One Week of March 13, 2017: - Hydro One to finalize establishment of Trust - Continue development of Agreement, including circulating near to final version by March 17th Week of March 20, 2017: - Execute Agreement by Hydro One, the Trust and the Ministry by March 22nd - Initiate process to flow funds to the Trust; to be completed before March 31st

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		April to May 2017: - Trust develops specific 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 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). - RR posting is typically a minimum of 45-days for all regulatory changes affecting business to allow for review/comment. Note: RR posting is not a legal requirement but a best practice. - Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	- RR posting on the proposed amendment - LRC [DATE] - Effective May 2017 (TBD)

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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) <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.	Continue this work as part of LTEP
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	Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

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	<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	