Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

The following minuted decisions resulted from the presentation of the Ministry's Program, Review, Renewal and Transformation (PRRT) plan to Treasury Board/Management Board of Cabinet (TB/MBC) on December 7, 2017.

Additional decisions related to the Ministry's plan were also made by the Board as a Budget Initiative.

The Honourable Glenn Thibeault; Serge Imbrogno, Deputy Minister; and Rob Burns, Chief Administrative Officer were in attendance during the discussion of the Ministry's PRRT plan.

Further to the Ministry's presentation, the Board made the following decisions:

i) Received a report on the Ministry's 2018-19 PRRT Plan.

   In this regard:

   a) Noted the Ministry's plan positions it to remain primarily a policy development and implementation ministry, focusing its efforts on delivering the government's top energy priority – providing Ontario with a clean, reliable and affordable supply of energy through the implementation of the Long-Term Energy Plan (LTEP), and the Ontario Fair Hydro Plan.

ii) Approved the Ministry's funding allocation for both operating and capital in 2018-19, 2019-20, and 2020-21, as well as a notional capital outlook from 2021-22 through to 2027-28 as outlined below.

In this regard:

Approved the following multi-year plan and outlook:

$	2018-19 Plan	2019-20 Outlook	2020-21 Outlook
Total Operating Expense	1,965,265,814	1,970,664,314	2,016,726,314
Total Capital Expense	25,263,500	25,982,600	24,608,800
Total 2018-19 PRRT Allocations	1,990,529,314	1,996,646,914	2,041,335,114
Total Operating Assets	1,100,100,000		
Total Capital Assets	1,000	1,000	1,000
FTE Cap (#)	216.61	218.61	218.61
Total Salaries and Wages	**21,465,814**	**22,367,704**	**22,367,704**

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

b) Noted the following multi-year notional capital outlook:

$	2021-22 Outlook	2022-23 Outlook	2023-24 Outlook	2024-25 Outlook	2025-26 Outlook	2026-27 Outlook	2027-28 Outlook
Total Capital Expense	24,435,500	24,435,500	24,435,500	24,435,500	46,120,700	44,233,700	42,024,700
Total Capital Assets	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Capital

iii) Directed the Ministry to manage within the 10-year capital expense outlook and to report back to TB/MBC in future planning cycles on any changes to the 10-year outlook, including a business case for the change.

iv) Noted that the business case should include details of capital project and program changes, as well as change drivers, the annual asset and expense impacts, and the proposed offsets to remain within the annual approved expense outlook.

v) Directed the Ministry to report back to TB/MBC in future PRRT Planning processes on any changes to the annual approved capital assets outlook, including changes to the assets of their consolidated entities.

Report backs and Holdbacks

vi) Directed report back(s) to TB/MBC and place funding on holdback for program(s) as outlined in these minutes.

Performance Measures

vii) Received the program-level measures submitted and noted that Ministries will be asked to report back to TB/MBC on updates to the program-level measures as part of the 2019-20 PRRT process, including updates to the measures previously submitted and new measures where they were not submitted.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

I) BUDGET INITIATIVES – N/A

II) PROGRAM DECISIONS

The minutes are based on the Ministry identified program inventory, with details listed in the following attachments:

- Attachment 1: Ministry Program Report – Operating Expense
- Attachment 2: Ministry Program Report – Capital Expense

For Expenditure Estimates, the Ministry Vote/Item structure and related Treasury Board delegated authorities remain in place, with details listed in the following attachments:

- Attachment 3: Expenditure Monitoring – Operating Expense (Dodeca Report)
- Attachment 4: Expenditure Monitoring – Operating Assets (Dodeca Report)
- Attachment 5: Expenditure Monitoring – Capital Expense (Dodeca Report)
- Attachment 6: Expenditure Monitoring – Capital Assets (Dodeca Report)
- Attachment 15: Capital VISA Report

If applicable, the following attachments contain further details on the Ministry's minutes:

- Attachment 7: Transfer Payment Summary
- Attachment 8: Section 15
- Attachment 9: Revenue Summary Report (by Accounts)
- Attachment 10: Revenue Summary Report (by Accounts & Dockets)
- Attachment 11: FTE Impact Summary
- Attachment 12: Report back Report
- Attachment 13: Holdback Report
- Attachment 14: Executive Control
- Attachment 16: Capital Pre-Commitment Report
- Attachment 17: Major Public Infrastructure Projects

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Ontario Rebate for Electricity Consumers Program (TP)

This initiative provides an 8% rebate equal to the provincial portion of HST to consumers eligible for the Regulated Price Plan (RPP) and other eligible consumers as defined by legislation – this includes about five million residential consumers, small businesses and farms.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**860.0000**	**861.0000**	**871.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**860.0000**	**861.0000**	**871.0000**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Operating Expense</u>

Approved reductions to the program's allocation to reflect an updated forecast.

In the regard, the Board approved:

i) Decreases of $22,000,000 in 2018-19, $21,000,000 in 2019-20, and $24,000,000 in 2020-21 and on-going in the Ontario Rebate for Electricity Consumers transfer payment line.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Rate Mitigation

Delivered by the Ontario Energy Board, the Ontario Electricity Support Program provides a monthly rate reduction directly on bills of eligible low-income electricity consumers in Ontario. Credits are calculated by household size and income and range from $35 to $75 per month. For customers with electric heat or certain medical devices, this range increases to between $52 to $113 per month.

Rural or Remote Rate Protection (RRRP) provides a direct credit on the electricity bills of rural or remote residential customers who are faced with higher distribution costs compared to urban areas.

The On-Reserve First Nations Delivery Credit removes delivery charges directly from on-reserve First Nations' customers electricity bills.

In this regard, the Board:

- Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**724.2490**	**771.4226**	**808.4226**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**724.2490**	**771.4226**	**808.4226**
Operating Assets	**1,100.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

iii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Operating Expense</u>

Approved FTEs and funding to support Fair Hydro Plan Administration.

In this regard, the Board approved:

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

i) Approved 14 temporary FTEs from 2018-19 through to 2020-21 only and funding of $3,422,600; including $1,423,900 in Salaries and Wages to administer the transfer payment programs under Ontario's Fair Hydro program.

Approved adjustments to Ontario's Fair Hydro Plan transfer payments to reflect updated forecasts.

In this regard, the Board approved:

i) The following expenditure decreases for various transfer payments under Ontario's Fair Hydro plan, as follows:

i) $400,000 in On-Reserve First Nations Delivery Credit in 2018-19 only.
ii) $29,442,300 in 2018-19, $61,000,000 in 2019-20, and $87,000,000 in 2020-21 and on-going in Ontario Electricity Support Program.

Approved plan to separate the Distribution Rate Protection component of the Rural or Remote Rate Protection program, which is under Ontario's Fair Hydro Plan.

In this regard, the Board approved:

i) The creation of a new transfer payment line entitled "Distribution Rate Protection" under Electricity Price Mitigation (Vote/Item 2905-01) to provide rate protection to full-time residential customers of 8 LDCs with some of the highest distribution rates.

ii) An internal realignment between transfer payment lines within Ontario's Fair Hydro Plan, $233,300,000 from Rural or Remote Rate Protection Program transfer payment to the newly created Distribution Rate Protection transfer payment starting in 2018-19.

Transfers between Ministries

Approved $2,373,600 in 2018-19 only to Ministry of Community and Social Services to support enhancing Social Assistance Enrolment in the Ontario Electricity Support Program, administered by the Ministry of Energy.

In this regard, the Board:

i) Approved a decrease of $815,900 in 2018-19 only from Energy's Ontario Electricity Support Program transfer payment (Vote/item 2905-1).
ii) Noted the $1,557,700 remaining is within the Ministry of Energy's program – Rate Mitigation.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

<u>Operating Assets</u>

Approved Operating Assets for Rate Mitigation.

In this regard, the Board approved:

a) An Operating Asset, $1,100,000,000 in 2018-19, for investments, in Electricity Price Mitigation (Vote/Item 2905-5), for Ontario Power Generation share purchases.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Electricity Market Operations & System Planning (Delivered by the Independent Electricity System Operator)

Effective January 1, 2015, the Ontario Power Authority (OPA) and IESO were merged into one single entity known as the IESO. The merger is expected to achieve greater agency efficiency for the benefits of ratepayers. The IESO balances the supply and demand for electricity in Ontario and directs its flow across the province's transmission lines. The new IESO continues the responsibilities of the OPA after the merger in 2015.

The key areas of focus are coordinating conservation efforts across the province, planning the power system and ensuring the development of the needed generation sources. While the IESO is consolidated with the Ministry of Energy, the government does not fund the IESO. Instead, the IESO recovers all its costs through an annual usage fee approved by the Ontario Energy Board and charged to electricity rate payers such that its expenses are fully offset from the electricity rate base.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**204.5184**	**198.4862**	**198.4862**
Capital Expense	**22.6241**	**23.0968**	**23.0968**
Total Expense	**227.1425**	**221.5830**	**221.5830**
Operating Assets	**0.0000**	[redacted]	[redacted]
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**23.0968**	**23.0968**	**23.0968**	**23.0968**	**44.7820**	**42.8950**	**40.6860**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

<u>Consolidation Updates</u>

Received updated consolidation forecasts for Independent Electricity System Operator.

In this regard, the Board noted:

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

i) An expenditure increase of $ 4,511,400 in 2018-19, and expenditure decreases of $3,940,400 in 2019-20, and $3,940,400 in 2020-21 and on-going for the agency Independent Electricity System Operator.

Capital Decisions

Received updated consolidation forecasts for Independent Electricity System Operator.

In this regard, the Board noted:

i) Decreases of $299,400 in 2018-19 and $230,000 in each of 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, and increases of $21,455,200 in 2025-26, $19,568,200 in 2026-27 and $17,359,200 in 2027-28, in the Independent Electricity System Operator capital consolidation to reflect updated amortization forecast.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Electricity and Natural Gas Sector Regulation (Delivered by the Ontario Energy Board)

The Ontario Energy Board (OEB) oversees the Province's electricity and natural gas sectors through effective, fair and transparent regulation and in accordance with the objectives set out in the governing statutory framework. Its mission is to promote a viable, sustainable and efficient energy sector that serves the public interest and assists consumers to obtain reliable energy services at reasonable cost. Key functions include:

i) Set gas and electricity rates and prices;

ii) Monitor the financial and operating performance of natural gas and electrical utilities;

iii) Provide consumers with the information they need to better understand energy matters;

iv) Protect energy consumers' interests; and

v) Develop regulatory policy to meet challenges in the sector.

While the OEB is consolidated with the Ministry of Energy, the government does not fund the OEB. Instead, the OEB is self-funded and collects its revenue requirement from the entities that it regulates such that its expenses are fully offset by the electricity rate base.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**43.7283**	**43.6654**	**45.7174**
Capital Expense	**2.6374**	**2.8838**	**1.5100**
Total Expense	**46.3657**	**46.5492**	**47.2274**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

iii) Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**1.3367**	**1.3367**	**1.3367**	**1.3367**	**1.3367**	**1.3367**	**1.3367**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Operating Decisions

Consolidation Updates

Received updated consolidation forecasts for Ontario Energy Board.

In this regard, the Board noted:

i) Decreases of $975,700 in 2018-19, a decrease of $1,038,600 in 2019-20, and an expenditure increase of $1,013,400 in 2020-21 and on-going for the agency Ontario Energy Board.

Capital Decisions

Consolidation Updates

Received updated consolidation forecasts for Ontario Energy Board.

In this regard, the Board noted:

i) Increases of $1,315,900 in 2018-19, $1,597,700 in 2019-20, $747,500 in 2020-21 and $574,200 in each of 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28 in the Ontario Energy Board capital consolidation to reflect updated amortization forecast.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Strategic Asset Management

This program supports the Province as a shareholder of Hydro One in regards to managing its investment and governance relationship.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**35.0000**	**0.0000**	**0.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**35.0000**	**0.0000**	**0.0000**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Approved return of previously approved funding no longer needed to support Strategic Asset Management activities.

In this regard, the Board approved:

i) Decrease of $35,000,000 in 2018-19 in Services (Vote/Item 2906-1).

ii) Direct that any program underspending within the program is to be returned to Treasury Board, and cannot be redeployed elsewhere within the Ministry to address funding pressures.

<u>Internal Realignment</u>

Approved internal reallocation within the program to move funding from Services to a transfer payment line.

In this regard, the Board Approved:

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

i) Increase of $30,000,000 in Strategic Asset Management Indigenous Engagement transfer payment, offset by a decrease in Services (Vote/Item 2906-1).

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Northern Ontario Energy Credit Program (TP)

The Northern Ontario Energy Credit (NOEC) was introduced in the 2010 Budget. The Northern Ontario Energy Credit helps low-to-moderate income individuals and families living in northern Ontario with their home energy costs, which are often higher in the North due to more severe winters. For the 2014-15 benefit year, qualifying individuals can receive up to $148 and qualifying families (including single parents) can receive up to $227.

The NOEC is a tax credit; its allocation was transferred to ENERGY in 2012 Budget as a result of presentation change in compliance with the new Public Sector Accounting Board (PSAB) standard to better reflect sector costs by ministry. The Ministry of Finance retains policy and legislative authority over NOEC and continues to coordinate program delivery and support activities.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**26.0000**	**26.0000**	**26.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**26.0000**	**26.0000**	**26.0000**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Energy Policy Development and Implementation

This program is responsible for developing Ontario's energy policy framework, which is central to the building of a strong and prosperous economy. It provides leadership and support to the energy sector to ensure clean, reliable, affordable and sustainable energy supply, transmission and distribution systems. The program supports energy conservation and efficiency, grid modernization, and the development of cleaner forms of energy. This program also oversees engagement and consultation with First Nations and Métis on provincial energy sector activities and projects while facilitating the participation of Aboriginal communities in renewable energy and transmission system developments.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**21.0131**	**21.0131**	**21.0131**
Capital Expense	**0.0020**	**0.0020**	**0.0020**
Total Expense	**21.0151**	**21.0151**	**21.0151**
Operating Assets	**0.0000**		
Capital Assets	**0.0010**	**0.0010**	**0.0010**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0020**	**0.0020**	**0.0020**	**0.0020**	**0.0020**	**0.0020**	**0.0020**
Capital Asset	**0.0010**	**0.0010**	**0.0010**	**0.0010**	**0.0010**	**0.0010**	**0.0010**

Operating Decisions

<u>Internal Realignments</u>

Approves an internal realignment within the program to address Salaries and Wages pressure.

In this regard, the Board approved:

i) Increases of $554,100 in 2018-19, $1,133,200 in 2019-20, and $1,133,200 in 2020-21 and on-going in Salaries and Wages (Vote/Item 2902-1), offset from Services (Vote/Item 2902-1).

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Statutory Appropriations

Approved Statutory Appropriations for Energy Policy Development and Implementation.

In this regard, the Board approved:

a) $1,000 in 2018-19 for Bad Debt Expense, under the Financial Administration Act (Vote/item 2902-19)

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Innovative Energy Technologies

The International Demonstration Fund would be a $10M grant-based pilot program. The fund would provide financial support for projects led by Ontario-based companies that demonstrate Ontario technologies.

The renewed Smart Grid Fund (Approved in August 2017 providing $60M over remaining four years starting in 2018-19) would involve an expanded program scope and target grid modernization innovative solutions.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**20.0000**	**18.0000**	**15.0000**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**20.0000**	**18.0000**	**15.0000**
Operating Assets	**0.0000**	[redacted]	[redacted]
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Operating Expense

Smart Grid Fund

Approved creation of transfer payment entitled Smart Grid Fund within Policy and Programs(Vote/Item 2902-1)

Approved an expenditure increase of $20,000,000 in 2018-19, $18,000,000 in 2019-20, and $15,000,000 in 2020-21.

Direct the Ministry to:

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

i) Report as part of the quarterly in-year expenditure management and reporting process on implementation status, including an update on performance measurement information (measures and targets for the renewed program), and spending to date.

ii) Return any underspending to Treasury Board/Management Board of Cabinet and not be reallocated within the Ministry.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Climate Change Action Plan, Greenhouse Gas Reduction Account initiatives

An Overnight Electric Vehicle Charging program would offer Ontarians rebates against the cost of charging EVs overnight.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**12.1800**	**12.5000**	**12.5100**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**12.1800**	**12.5000**	**12.5100**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

2018-19 Greenhouse Gas Investment Plan

Reviewed the evaluation provided by the Minister of the Environment and Climate Change under subsection 71(3) of the Climate Change Mitigation and Low-carbon Economy Act, 2016, in the form of the 2018-19 Greenhouse Gas Investment Plan (GHGIP), with respect to the proposed drawdown from the Greenhouse Gas Reduction Account (GGRA).

In this regard, the Board:

i) Noted that these minutes supersede future year allocations for 2018-19, 2019-20 and 2020-21 approved by Treasury Board/Management Board of Cabinet (TB/MBC) on February 28, 2017, in respect of the 2017-18 GHGIP.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

With respect to the Greenhouse Gas Reduction Account:

ii) Authorized ministries to proceed with the implementation of initiatives and draw down from the GGRA, subject to the approvals and direction detailed in these minutes.

With respect to initiatives implemented in 2017-18 and will continue in 2018-19:

Electric Vehicle Overnight Charging program

i) Authorized ENERGY to draw down $7,190,000 from the GGRA, including $2,180,000 in 2018-19, $2,500,000 in 2019-20, and $2,510,000 in 2020-21, subject to the availability of cap and trade proceeds and future report backs to TB/MBC, to continue to implement the Electric Vehicle Overnight Charging program, to lower overall electricity bills for homeowners that charge vehicles.

ii) Approved increases of $2,180,000 in 2018-19, $2,500,000 in 2019-20 and $2,510,000 in 2020-21, in the Electric Vehicle Overnight Charging Rebate Program Transfer Payment, and corresponding increases in recoveries, in Policy and Programs (Vote/Item 2902-1).

iii) Noted the following reclassification adjustments: increases of $2,180,000 in 2018-19, $2,500,000 in 2019-20 and $2,510,000 in 2020-21 in Operating Expense Adjustment – Greenhouse Gas Reduction Account Reclassification.

iv) Placed the Electric Vehicle Overnight Charging Rebate Program Transfer Payment in Policy and Programs (Vote/Item 2902-1) under executive control.

v) Approved interim payment authorities of $726,700 in 2018-19 under section 15 of the Financial Administration Act, in Policy and Programs (Vote/Item 2902-1).

vi) Directed ENERGY to not commit funding in an amount exceeding $726,700 in 2018-19 to support the implementation of this initiative, until authorized by TB/MBC at a later date.

vii) Directed ENERGY to seek a recovery from the GGRA through a submission to MOECC on a quarterly basis for eligible expenditures incurred in relation to this initiative.

viii) Noted that the amount of interim payment authorities will be reduced by the amount of recoveries processed on or after April 1, 2018, until such time when TB/MBC directs otherwise.

ix) Directed ENERGY to work with MOECC to assess and confirm funding requirements for 2019-20 and beyond as part of the annual GHGIP including a report on the effectiveness of the program at achieving intended outcomes.

x) Directed ENERGY to report back through the 2019-20 Program Review, Renewal and Transformation process, to confirm funding requirements for 2019-20 and beyond.

2018-19 Program Review, Renewal and Transformation Minuted Decisions

xi) Directed ENERGY to not enter into any agreements that will commit future year funding starting in 2019-20, without explicit approval of TB/MBC.

xii) Deferred consideration of the request for an increase of new FTEs to a report back to TB/MBC on resource requirements in Fall 2018.

xiii) Directed ENERGY to:

a) Work with MOECC to estimate, measure and verify greenhouse gas reductions.
b) Work with MOECC to:
   1) Submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting process, or as requested, on the status of implementation, including collaboration with stakeholders, spending to date, forecast spending by year-end, and estimated greenhouse gas reduction achieved for the Electric Vehicle Overnight Charging program.
   2) Develop and submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting process on performance outcomes, measurement details and methods, baseline and target values, and results achieved, as appropriate.
c) Submit any other requested information to MOECC as required to support the completion of the MOECC Minister's evaluation, the development of standardized performance measures and performance reporting, and the annual report on the implementation of the Climate Change Action Plan, as required under the Climate Change Mitigation and Low-carbon Economy Act, 2016.
d) Develop a communications strategy in consultation with MOECC, Cabinet Office, Office of the Premier, Ministry of Finance and Treasury Board Secretariat prior to any announcements.

With respect to new initiatives to be implemented starting in 2018-19:

Microgrid Technology for Diesel Reduction program

i) Authorized ENERGY to draw down $30,000,000 from the GGRA, including $10,000,000 in 2018-19, $10,000,000 in 2019-20 and $10,000,000 in 2020-21, subject to the availability of proceeds and future report backs to TB/MBC, to implement the Microgrid Technology for Diesel Reduction program, to support the implementation of renewable microgrids in four First Nations communities (Weenusk, Fort Severn, Whitesand and Gull Bay) where transmission connection to Ontario's electricity grid is not economical.

ii) Directed ENERGY to report back to TB/MBC with details on program design and an implementation plan prior to program launch.

2018-19 Program Review, Renewal and Transformation Minuted Decisions

iii) Approved the creation of a new transfer payment line entitled "Microgrid Technology for Diesel Reduction", in Policy and Programs (Vote/Item 2902-1), and place it under executive control.

iv) Approved increases of $10,000,000 in 2018-19, $10,000,000 in 2019-20 and $10,000,000 in 2020-21, in the Microgrid Technology for Diesel Reduction Transfer Payment, and corresponding increases in recoveries, in Policy and Programs (Vote/Item 2902-1).

v) Noted the following reclassification adjustments: increases of $10,000,000 in 2018-19, $10,000,000 in 2019-20 and $10,000,000 in 2020-21 in Operating Expense Adjustment – Greenhouse Gas Reduction Account Reclassification.

vi) Directed ENERGY to submit a joint report back to TB/MBC with MOECC, to confirm the availability of proceeds from the cap and trade program, and to seek approval of interim payment authorities under section 15 of the Financial Administration Act.

vii) Directed ENERGY to not commit any funding to support the implementation of this initiative, until after interim payment authorities under section 15 of the Financial Administration Act have been secured from TB/MBC.

viii) Directed Ministry of Energy to work with MOECC to assess and confirm funding requirements for 2019-20 and beyond as part of the annual GHGIP including a report on the effectiveness of the program at achieving intended outcomes.

ix) Directed ENERGY to report back through the 2019-20 Program Review, Renewal and Transformation process, to confirm funding requirements for 2019-20 and beyond.

x) Directed ENERGY to not enter into any agreements that will commit future year funding starting in 2019-20, without explicit approval of TB/MBC.

xi) Deferred consideration of the request for an increase of new FTEs to a report back to TB/MBC on resource requirements in Fall 2018.

xii) Directed ENERGY to:

a) Work with MOECC to estimate, measure and verify greenhouse gas reductions.

b) Work with MOECC to:

1) Submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting process, or as requested, on the status of implementation, including collaboration with stakeholders, spending to date, forecast spending by year-end, and estimated greenhouse gas reduction achieved for the Microgrid Technology for Diesel Reduction program.

2) Develop and submit to MOECC monthly, and report back to TB/MBC as part of the quarterly in-year expenditure management and reporting

process on performance outcomes, measurement details and methods, baseline and target values, and results achieved, as appropriate.

c) Submit any other requested information to MOECC as required to support the completion of the MOECC Minister's evaluation, the development of standardized performance measures and performance reporting, and the annual report on the implementation of the Climate Change Action Plan, as required under the Climate Change Mitigation and Low-carbon Economy Act, 2016.
d) Develop a communications strategy in consultation with MOECC, Cabinet Office, Office of the Premier, Ministry of Finance and Treasury Board Secretariat prior to any announcements.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Long-Term Energy Plan Program Initiatives (TP)

The group of Long-Term Energy Plan programs represent a small portion of the ministry's allocation but directly engages and impacts important ministry stakeholders. It is an important delivery mechanism to deliver on the Government's energy priorities, including:

Supporting Ontario companies to develop, test, and commercialize the next generation of smart grid solutions through real-world demonstrations on Ontario's electricity system. This further solidifies Ontario's reputation as a global hub for smart grid technology, ensures Ontario energy consumers have one of the cleanest and most reliable electricity systems in the world, and gives them more control over their energy costs. It is a key component of the Long-Term Energy Plan, and supports green energy economic development and green jobs.

Assisting community-based conservation planning and outreach, along with the delivery of conservation education initiatives to effect change in consumer behaviour.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**3.4474**	**3.4474**	**3.4474**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**3.4474**	**3.4474**	**3.4474**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Operating Decisions

Transfers between Ministries

Approved $2,373,600 in 2018-19 only to Ministry of Community and Social Services to support enhancing Social Assistance Enrolment in the Ontario Electricity Support Program, administered by the Ministry of Energy.

In this regard, the Board:

iii) Approved a decrease of $815,900 in 2018-19 only from Energy's Ontario Electricity Support Program transfer payment (Vote/item 2905-1).
iv) Noted the $1,557,700 remaining is within the Ministry of Energy's program – Rate Mitigation.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Corporate Services Division)

Ministry administration for the Ministry's corporate services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**5.2022**	**5.2022**	**5.2022**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**5.2022**	**5.2022**	**5.2022**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Transfer between Ministries

i) Approved an expenditure decrease of $9,600 in 2018-19 and on-going from Services (Vote/Item 2901-1) related to IT Vendor Optimization, as the Ministry's portion of an inter-ministry transfer.

Internal Realignments

i) Approved an internal realignment within the program to address Salaries and Wages pressure of $119,900 in 2018-19, $245,200 in 2019-20, and $245,200 in 2020-21 and on-going in Salaries and Wages (Vote/Item 2901-1), offset from Services (Vote/Item 2901-1).

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Communication Services Branch)

Ministry administration for the Ministry’s communications services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**4.1036**	**4.1036**	**4.1036**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**4.1036**	**4.1036**	**4.1036**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Internal Realignments

Approved an internal realignment within the program to address Salaries and Wages pressure.

In this regard, the Board approved:

i) Increases of $111,900 in 2018-19, $228,800 in 2019-20, and $228,800 in 2020-21 and on-going in Salaries and Wages (Vote/Item 2901-1), offset from Services (Vote/Item 2901-1).

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (Legal Services Branch)

Ministry administration for the Ministry's legal services.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**3.2549**	**3.2549**	**3.2549**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**3.2549**	**3.2549**	**3.2549**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

Ministry Admin (MO, DMO)

Ministry administration for the Ministry's Minister Office and Deputy Minister Office.

In this regard, the Board:

i) Approved the following multi-year resources for the program:

Financial Decisions $M	2018-19	2019-20	2020-21
Operating Expense	**2.5689**	**2.5689**	**2.5689**
Capital Expense	**0.0000**	**0.0000**	**0.0000**
Total Expense	**2.5689**	**2.5689**	**2.5689**
Operating Assets	**0.0000**		
Capital Assets	**0.0000**	**0.0000**	**0.0000**

ii) Noted the following multi-year capital resources:

Financial Decisions $M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital Expense	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Capital Asset	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

Operating Decisions

Internal Realignment

Approved reallocation of resources between standard accounts within Ministry Admin (MO and DMO) to address Salaries and Wages pressure.

In this regard, the Board approved,

i) Approved an internal realignment within the program of $77,100 in 2018-19, $157,700 in 2019-20, and $157,700 in 2020-21 and on-going in Salaries and Wages (Vote/Item 2901-1), offset from Services (Vote/Item 2901-1).

Statutory Appropriations

Approved Statutory Appropriations for Ministry Admin (MO, DMO).

In this regard, the Board approved:

$64,014 in 2018-19 for Minister's and Parliamentary Assistants's salaries under the Executive Council Act (Vote/item 2901-16).

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

<u>Operating Assets</u>

Approved Operating Assets for Ministry Administration.

In this regard, the Board approved:

a) An Operating Asset, $1,000 in 2018-19, for accounts receivable, in Ministry Administration (Vote/Item 2901-10), for advances and recoverable in-year recoveries.

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

III) NON-TAX REVENUE

Approved the Ministry's non-tax revenues as detailed in Attachment 10 – Revenue Summary Report (by Accounts & Dockets).

Ministry – Other Revenue

Received updated forecast for Ministry – Other Revenue related to asset optimization – broadening Hydro One ownership.

In this regard, the Board noted:

i) Noted total Other Revenues of $91,000,000 in 2018-19, $20,000,000 in 2019-20, $18,000,000 in 2020-21.

Revenue Consolidated Agencies

Received updated consolidation forecasts for consolidated agencies (Ontario Energy Board, and the Independent Electricity System Operator).

In this regard, the Board noted:

i) Noted total Other Revenues of $276,798,100 in 2018-19, $271,468,500 in 2019-20, and $272,194,400 in 2020-21.

Revenue Government Business Enterprises

Received updated consolidation forecasts for government business enterprises (Ontario Power Generation, and Hydro One).

In this regard, the Board noted:

i) Noted total Other Revenues of $852,855,800 in 2018-19, $1,140,010,800 in 2019-20, and $1,114,744,600 in 2020-21.

IV) FTE SUMMARY

The Board approved FTE changes as detailed in Attachment 11 – FTE Impact Summary.

V) INTERIM PAYMENTS FROM THE CONSOLIDATED REVENUE FUND

The Board approved interim payments as detailed in Attachment 8 – Section 15.

VI) REPORT BACKS

The Board directed the Ministry to report back to TB/MBC as detailed in Attachment 12 – Report back Report.

<Insert additional minutes if applicable – see examples in the Guidance.>

Ministry of Energy

2018-19 Program Review, Renewal and Transformation Minuted Decisions

VII) HOLDBACKS

The Board approved holdbacks for 2018-19 as detailed in Attachment 13 –Holdback Report.

VIII) ADJUSTMENTS – TRILLIUM TRUST – N/A

IX) EXECUTIVE CONTROLS

The Board approved Operating/Capital Executive Controls for 2018-19, as detailed in Attachment 14 – Executive Control.

X) CAPITAL PRE-COMMITMENTS – N/A

XI) MAJOR PUBLIC INFRASTRUCTURE PROJECTS – N/A

XII) PERFORMANCE MEASUREMENT SYSTEM

The Board received a report on the Ministry's Key Performance Indicators.

In this regard, the Board:

i) Approved the following Key Performance Indicators:

i) Maintaining low electricity sector emissions in support of the province's climate change targets (measured levels of CO2 emissions in the electricity sector).
ii) Continue to increase energy efficiency and conservation in Ontario (cumulative reduction in energy consumption).
iii) Supporting the energy innovation sector and modernizing Ontario grids (number of Smart Grid Fund projects).
iv) Net Income contributions to the Province from Hydro One and OPG (combined net income in $B).

ii) Directed the Ministry to report back to TB/MBC with updated results for these Key Performance Indicators as part of the 2019-20 PRRT process.

iii) Directed the Ministry to work with the Centre of Excellence for Evidence-Based Decision Making to refine and finalize the Ministry's performance measurement system, and report back to TB/MBC as part of the 2019-20 PRRT process.

2018-19 Program Review, Renewal and Transformation Minuted Decisions

XIII) ATTACHMENTS

Details of the above decisions are provided in the following attachments:

Attachment 1	Ministry Program Report – Operating Expense
Attachment 2	Ministry Program Report – Capital Expense
Attachment 3	Expenditure Monitoring Summary – Operating Expense (Dodeca Report)
Attachment 4	Expenditure Monitoring Summary − Operating Assets (Dodeca Report)
Attachment 5	Expenditure Monitoring Summary – Capital Expense (Dodeca Report)
Attachment 6	Expenditure Monitoring Summary − Capital Assets (Dodeca Report)
Attachment 7	Transfer Payment Summary
Attachment 8	Section 15
Attachment 9	Revenue Summary Report (by Accounts)
Attachment 10	Revenue Summary Report (by Accounts & Dockets)
Attachment 11	FTE Impact Summary
Attachment 12	Report back Report
Attachment 13	Holdback Report
Attachment 14	Executive Control
Attachment 15	Capital VISA Report
Attachment 16	Capital Pre-Commitment Report
Attachment 17	Major Public Infrastructure Projects