RE: MOF media inquiry - SCOPA & FHP

From: "Demetriades, Natasha (ENERGY)" <natasha.demetriades@ontario.ca>
To: "Berry, James (ENERGY)" <james.berry5@ontario.ca>
Cc: "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>, "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>
Date: Fri, 02 Mar 2018 12:09:00 -0500

Done!

I'll share the response with you once it's ready.

Natasha

From: Berry, James (ENERGY)
Sent: March-02-18 11:56 AM
To: Demetriades, Natasha (ENERGY)
Cc: Nekolaichuk, Colin (ENERGY); Whittington, Matt (ENERGY)
Subject: RE: MOF media inquiry - SCOPA & FHP

Okay, thanks Natasha. Can you please flag for TBS as well? Copying Matt as FYI for him.

From: Demetriades, Natasha (ENERGY)
Sent: March 2, 2018 11:28 AM
To: Berry, James (ENERGY) <James.Berry5@ontario.ca>
Cc: Nekolaichuk, Colin (ENERGY) <Colin.Nekolaichuk@ontario.ca>
Subject: MOF media inquiry - SCOPA & FHP

Hi James:

MOF has received a media inquiry from the Globe and Mail (highlighted below).

They've checked in with the OFA and they recommend that ENERGY respond to this.

The reporter does not have a hard deadline.

I'm checking in with the division to see if we can work on some answers.

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Context:

As you may be aware, last year the Financial Accountability Office estimated that the FHP would cost Ontario $45 billion over 29 years, or a net cost of $21 billion once the resultant savings to electricity ratepayers are subtracted. The FAO also said that "After 10 years, ratepayers will be required to repay the deferred electricity costs plus approximately $21.0 billion in interest."

In its response to the Auditor General of Ontario's report on the FHP, the government asserted the following:

While total borrowing costs will not be known until the program is complete, accumulated interest is projected to be considerably less than the estimates in the report of the Financial Accountability Office (FAO), cited by the report. Total borrowing estimates over the thirty year life of the program have been revised down substantially by the government since the FAO released its report in May 2017 and borrowing costs are now forecast to be substantially lower than original estimates. Current government estimates forecast that the peak debt over the thirty year life of OFHP will be below $20 billion. The preliminary estimate from March 2017 was about $28 billion.

Question:

I request the detailed borrowing estimates cited by the government above, including the underlying math behind peak debt and interest charges and any assumptions made.