

RE: Policy Updates / Briefings

From: "Whittington, Matt (ENERGY)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=whittington, matt (energy)cce">
To: "Feenstra, Mike (MNDM)" <mike.feenstra@ontario.ca>
Date: Wed, 31 Jan 2018 12:04:29 -0500
Attachments: TB QAs for DRP Report Back_ESPNuc_20180129.docx (22.56 kB); Assessment Note - Energy - Darlington Refurbishment v5 Sec briefing post....docx (739.96 kB); M SP for TB-MBC report back on DRP_ESPNuc 20180123.docx (22.53 kB); DRP TB Submission_ESPNuc 20180103_cleanv2.pptx (1.28 MB); DRP TB Submission APPENDIX - 20180103_cleanv2.pptx (2.98 MB); Watay Minister's Deck - January 31st.pptx (113.72 kB)

Hey Mike

Good to hear from you – looking forward to having you join the team next week!

There are two priority items that I am going to send you some paper on – they are both tentatively tracking to TB next Tuesday, although they are also evolving in real time and we are in a bit of a battle to keep them on the agenda right now.

These are really our final two major Mandate Letter type of items that we are trying to get done in early 2018.

1) TB/CAB Approval for OPG to commence refurbishment on Darlington GS Unit 3

- I've attached quite a bit of material here but if you want to quickly get the lay of the land you can start with the Minister's speaking remarks, and then go through DRP TB Sub deck (it's pretty extensive). Also attached is a lengthy appendix to the deck, the TB Analyst Assessment note and a Q&A based on questions from TB.

- As quick background, refurbishing 4 units at Darlington has been part of the province's supply mix planning as far back as the 2010 LTEP. It was subsequently re-confirmed by Cabinet in the 2013 LTEP, in 2015 in a dedicated Cabinet trip, and then again in fall 2017 as part of the latest LTEP. We built in "off-ramps" to the refurbishment plan that require Cab approval before releasing OPG to start work on each unit, but the project is better thought of as all 4 units as a package (efficiency of scale etc.), and the off-ramps should be considered "escape-valves" in the case of massive changes to provincial demand or if a current unit refurbishment is going so terribly over time or budget that the entire project should be reconsidered.

- Given that neither of those scenarios have occurred, we see this as a slam dunk, but PO has recently asked us for more costing and GHG emission information on potential off-ramp scenarios (ie. if we were to build 3000MW of new gas plants or new wind instead of continuing with refurbishment). For a variety of reasons, we don't think this is relevant to the submission, but we are working to pull it together and get it over to TB/PO this week, in order to satisfy their curiosity so we can continue to track into TB next week.

- David Campbell and I have been offering pre-briefs to all TB members and haven't had much interest, with staff indicating that TB members are generally supportive of the submission.

2) Watay Project – Remote Community Connection

- I think you're pretty familiar with the objective of this one – grid connection of 21 FN communities

in Northwest Ontario that currently run on diesel gen-sets. Attached is a deck we are walking the Minister through this afternoon, up-to-date as of last night.

- We've been working on this since at least the 2013 LTEP, building the business case for connection (savings of \$1B to province/feds over 40 years), negotiating with the Federal government for a Federal contribution, and over the last several months negotiating a 3-way MOU and Term Sheet between the province, feds, and Watay that would govern the flow of funding and share of project risk.

- Intense negotiations on the details of the MOU and Term Sheet have been occurring since December when we were able to reach a handshake agreement on a general framework with Watay and the feds.

- Staff worked over the weekend to turn several new versions of both docs, and I'm pleased to say that Watay brought the final version to their Board meeting of Watay Chiefs last night, and they were both approved as is. A pretty major milestone for us! Now we just need TB/CAB approval for the MOU and Term Sheet.

- Because this is all happening in real-time, we don't have a TB sub into TBS yet, so their staff are understandably getting a little anxious. Meaghan and I will be reaching out to TB/PO today to push to stay on the agenda, and we should be able to send at least a draft TB sub over before end-of-day.

- The timing for going to TB on the 6th is primarily being driven by the desire of the Feds to announce this in Feb, which could potentially include the Premier. The next TB isn't until the 27th of Feb, so I am trying to get this done next week to leave more flexibility for the P's tour planning etc. The announcement would likely be in TB and include Philpoot/Morneau/Zimmer/Thibeault (was originally going to be P/PM but we've since heard PM is not likely to be going to N. Ontario again until after June).

Okay – sorry for the novel.

I can follow up shortly with some more materials on other files we are working on (some MOECC/GreenON stuff our Minister cares about, LTEP Implementation plans from the Ontario Energy Board and the IESO, an item tracking to LRC next week, and everything else ongoing), but wanted to get you acquainted with these items as they are really my only priority for the next 7 days - the rest you can get up to speed on you settle in, I think.

Happy to jump on the phone anytime if you want to quickly chat as well.

Matt

From: Feenstra, Mike (MNDM)
Sent: January-31-18 10:37 AM
To: Whittington, Matt (ENERGY)
Subject: Policy Updates / Briefings

Hey Matt,

Hope you're doing well!

I'm looking forward to settling into the office next week and getting up to speed on what you and the policy team are currently working on at Energy.

In the meantime, are any policy trackers and/or briefing notes on top/timely files that you might be able to share with me in advance of next week?

Thanks,

Mike

Mike Feenstra

Chief of Staff, Office of the Honourable Michael Gravelle

Minister of Northern Development and Mines

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