Motion 1 (Government)

Schedule 1 to the Bill, Section 7

I move that Section 7 of Schedule 1 to the Bill be struck out and the following substituted:

Regulated rate consumers, first adjustments

7. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, the electricity rates payable by regulated rate consumers for the period beginning on July 1, 2017 and ending on April 30, 2018 are the rates determined by the Board under this section and in accordance with the regulations.

Determination by Board

(2) The rates mentioned in subsection (1) shall be the rates that would result in a hypothetical regulated rate consumer who meets the prescribed criteria being invoiced a total amount, consisting of such types of amounts as may be prescribed, that is 25 per cent less than the total amount, consisting of such types of amounts as may be prescribed, that the consumer would have been invoiced under the comparison rates described in subsection (3).

Comparison rates

(3) The comparison rates are the rates that would have been effective May 1, 2017 if they had been determined by the Board for the consumer mentioned in subsection (2) using the method prescribed by the regulations made under clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, without taking into account any forecasted impact of any other provisions of this Act.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment would provide clearer authority to effect the 25% reduction in rates by regulation.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment is necessary to add further clarity and precision to the Bill and to support the technical features of the regulation more completely. It would provide clearer authority to effect the 25% reduction in rates by regulation.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.

Motion 2 (Government)

Schedule 1 to the Bill, Section 8

I move that Subsection 8 of Schedule 1 to the Bill be struck out and the following substituted:

Other specified consumers, first adjustments

8. (1) For the period beginning on July 1, 2017 and ending on April 30, 2018, the adjustments made under section 25.33 of the *Electricity Act, 1998* shall, with respect to specified consumers who are not regulated rate consumers, be further adjusted by electricity vendors in accordance with the regulations and in accordance with the determinations made by the Board in accordance with the regulations.

Regulations

(2) The regulations may specify different adjustments, or methods of determining the adjustments, to be made in respect of prescribed classes of specified consumers who are not regulated rate consumers.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendments are intended to improve clarity.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendments are intended to add further clarity and precision to the Bill, and to support the technical features of the regulation more completely.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.

<u>Motion 3 (PC)</u>

Schedule 1 to the Bill, Subsection 10 (1.1)

I move that subsection 10 of Schedule 1 to the Bill be amended by adding the following subsection:

Information and materials included on, with invoices require approval of Auditor General

(1.1) Information or materials directed by the Minister or the Board to be included by electricity vendors on or with invoices shall not be included unless approved by the Auditor General.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Auditor General to approve all information and material to be provided by electricity vendors to electricity consumers related to determinations by the Board under the Act.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- Section 10 sets out the requirements on electricity vendors regarding the timely implementation of the Part II adjustments under the Act and does not relate to the information or material that electricity vendors provide to their customers that would describe impacts on electricity bills related to those Part II adjustments.

- Issues related to information and materials that electricity vendors may distribute to their electricity consumers falls under the existing authority of the Board as the independent regulator under the Ontario Energy Board Act, 1998 and its regulations.

- The proposed motion may result in unreasonable delays in electricity consumers receiving the 25% rate reduction provided for under the Act.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

- The existing authority related to the officers of the legislature remains in current legislation.

<u>Motion 4 (Government)</u>

Schedule 1 to the Bill, section 11

I move that subsection 11 of Schedule 1 to the Bill be struck out and the following substituted:

Subsequent adjustments

11. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998* and subject to subsection (2), the Lieutenant Governor in Council may prescribe methodologies to be applied by the Board after April 30, 2018 for the purpose of determining,

(a) electricity rates for regulated rate consumers; or

(b) further adjustments to be applied by electricity vendors, in accordance with the regulations and in accordance with the Board's determinations, to the adjustments made under section 25.33 of the *Electricity Act, 1998* in respect of specified consumers who are not regulated rate consumers.

Regulations

(2) The Lieutenant Governor in Council shall have regard to the following in making the regulations:

1. The purposes of this Act.

2. The clean energy costs borne by specified consumers over time.

3. Such other matters as may be prescribed.

Same

(3) The regulations may prescribe,

(a) different methodologies for different prescribed classes of specified consumers and in respect of different periods of time; and

(b) different adjustments to be applied in respect of prescribed classes of specified consumers who are not regulated rate consumers and in respect of different periods of time.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment is necessary to add further clarity and precision to the Bill and to support the technical features of the regulation more completely. It would clarify that regulations may prescribe methodologies to be used by the Board and electricity vendors in determining rates for different prescribed classes of consumers and different adjustments for classes of specified consumers who are not regulated rate consumers.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment would clarify that regulations may prescribe methodologies to be used by the Board and electricity vendors in determining rates for different prescribed classes of consumers and different adjustments for classes of specified consumers who are not regulated rate consumers

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.

Motion 5 (Government)

Schedule 1 to the Bill, subsections 12 (2) and (3)

I move that subsection 12 (2) of Schedule 1 to the Bill be struck out and the following substituted:

Same

(2) If an invoice for the electricity is issued to the person by the specified consumer or a unit sub-meter provider providing unit sub-metering for the specified consumer, the amounts or rates payable for the electricity by the person who is liable to pay the invoice shall be determined in accordance with the regulations.

Same

(3) The regulations may prescribe different amounts or rates or different methods for determining amounts or rates for different prescribed classes of specified consumers.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion would clarify that specified consumers would apply benefits and clean energy adjustments to sub-meter consumers.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed motion is necessary to add further clarity and precision to the Bill and to support the technical features of the regulation more completely. It would clarify that specified consumers (e.g. managers and those who do the billing for apartment and condominium complexes) would be required to apply benefits and clean energy adjustments to sub-meter consumers.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.

Motion 6 (Government)

Schedule 1 to the Bill, subsection 13 (2)

I move that subsection 13 (2) of Schedule 1 to the Bill be struck out and the following substituted:

Same

(2) For greater certainty, subsection (1) applies regardless of whether any estimate, projection or other input used in calculating the clean energy adjustment was erroneous or out of date at the time of the calculation and regardless of whether any of those estimates, projections or other inputs is subsequently amended, updated or corrected.

RECOMMENDATION: CARRY

Analysis/Summary

Specified consumers are required to pay amounts included in their invoices as clean energy adjustments. The proposed changes would clarify that the obligation to pay clean energy adjustments applies even if an estimate, projection or other input was wrong or subsequently changed. The proposed provision is narrower than the original provision.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- Specified consumers are required to pay amounts included in their invoices as clean energy adjustments. The proposed changes would clarify that the obligation to pay clean energy adjustments applies even if an estimate, projection or other input was wrong or subsequently changed. .

Key Messages

- In the early years, a portion of the costs covered by the GA would be refinanced to lower hydro bills for today's electricity ratepayers.
- In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment.
- Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Motion 7 (PC)

Schedule 1 to the Bill, subsection 15 (3)

I move that subsection 15 (3) of Schedule 1 to the Bill be struck out and the following substituted:

Financial Services Manager to notify the Board
(3) The Financial Services Manager shall, in accordance with the regulations,

(a) notify the Auditor General of the clean energy adjustment determined under subsection (1) in respect of a reference period and such other information related to the determination of the clean energy adjustment as may be prescribed; and

(b) if the Auditor General approves the determination, notify the Board of the clean energy adjustment in respect of the reference period and such other information related to the determination of the clean energy adjustment as may be prescribed.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Auditor General to approve the clean energy adjustment determined by the Financial Services Manager and such other information related to the clean energy adjustment as may be prescribed in regulations.

The proposed amendment would provide the Auditor General primary approval authority in relation to the clean energy adjustment.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to officers of the legislature under current legislation remains.

Motion 8 (NDP)

Schedule 1 to the Bill, Subsection 15 (3.1)

I move that subsection 15 of Schedule 1 to the Bill be amended by adding the following subsection:

Publication of certain information

(3.1) Before notifying the Board of a clean energy adjustment in respect of a reference period, the Financial Services Manager shall publish such information or updates to previously-published information as would permit the calculation of a projection of the cumulative impact of the implementation of this Act on electricity invoice amounts for the period beginning November 1, 2017 and ending on April 20, 2047.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Financial Services Manager to publish information or updates to previous information in relation to the impact of the implementation of the Act on electricity invoice amounts from November 1, 2017 to April 30, 2047 and to publish such information before notifying the Board of a clean energy adjustment.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would require OPG, as the Financial Services Manager, to perform duties that are outside of its mandate.
- Regular publication of this information would impose unreasonable process and resource-related burdens on the Financial Services Manager, adding unnecessarily to administration costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Motion 9 (NDP)

Schedule 1 to the Bill, Subsection 15 (3.2) and (3.3)

I move that subsection 15 of Schedule 1 to the Bill be amended by adding the following subsections:

Clean energy adjustment subject to Board approval

(3.2) A clean energy adjustment determined by the Financial Services Manager in respect of a reference period is subject to the Board's approval.

Same

(3.3) The Board shall not approve a clean energy adjustment in respect of a reference period unless it determines that to do so is in the interest of consumers, within the meaning of the *Electricity Act, 1998,* with respect to the price of electricity service.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require a clean energy adjustment to be subject to Board approval and further requires that the Board shall not approve a clean energy adjustment unless it determines that such approval is in the interests of electricity consumers.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The OEB would determine the Fair Adjustment Amount to be applied to RPP prices and non-RPP bills.
- The OEB would advise the IESO of the Fair Adjustment Amount that is to be applied by Local Distribution Companies (LDCs) and Retailers to non-RPP bills.
- The OEB also has the authority under the Act to approve the fees of the Financing Entity (i.e., the entity set up by OPG).
- Under the *Ontario Fair Hydro Plan Act, 2017*, the Ontario Energy Board (OEB) retains its responsibility for setting Regulated Price Plan (RPP) rates.

Motion 10 (NDP)

Schedule 1 to the Bill, Subsection 15 (3.4)

I move that subsection 15 of Schedule 1 to the Bill be amended by adding the following subsection:

Cap on Clean Energy Adjustment

(3.4) If the Board determines that the clean energy adjustment in respect of a reference period is greater than it would have been for that period had the funding obligations been incurred under 66 (2) of the Electricity Act, 1998 by the Financial Corporation and not under this Act, then the clean energy adjustment for that period shall be reduced by the difference between them.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require a reduction in the clean energy adjustment if the amount determined is greater than it would have been for that reference period had the funding obligations been incurred by the Ontario Electricity Financial Corporation (OEFC).

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would introduce a constraint which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks. It also has the potential to add materially to financing costs.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- It strives to strike a balance between transparency, expediency and financeability.

Motion 11 (NDP)

Schedule 1 to the Bill, Subsection 15 (4)

I move that subsection 15 (4) of Schedule 1 to the Bill be amended by striking out “Without changing the clean energy adjustment, the Board shall” and substituting “The Board shall”.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would provide the Board with the authority to determine rates without having regard to the impact of such rates on the clean energy adjustment.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks which could add materially to the costs of financing.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The OEB would determine the Fair Adjustment Amount to be applied to RPP prices and non-RPP bills.
- The OEB would advise the IESO of the Fair Adjustment Amount that is to be applied by Local Distribution Companies (LDCs) and Retailers to non-RPP bills.
- The OEB also has the authority under the Act to approve the fees of the Financing Entity (i.e., the entity set up by OPG).

Motion 12 (NDP)

Schedule 1 to the Bill, Subsection 15 (5)

I move that subsection 15 of Schedule 1 to the Bill be amended by adding the following subsection:

Same

(5) In determining rates under subsection (4), the Board shall have regard to the interest of consumers, within the meaning of the Electricity Act, 1998, with respect to the price of electricity service.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would set out that the Board must consider the interests of electricity consumers when it is determining rates in accordance under Subsection 15 (4) of the Act.

The Board, under the *Ontario Electricity Board Act, 1998*, already has as one of its objectives: “To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service”.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would allow for a type of supervisory authority which is different from that which is associated with normal commercial financings of this type or kind. It therefore creates transaction and financing risks which could add materially to the costs of financing.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- The OEB would determine the Fair Adjustment Amount to be applied to RPP prices and non-RPP bills.
- The OEB would advise the IESO of the Fair Adjustment Amount that is to be applied by Local Distribution Companies (LDCs) and Retailers to non-RPP bills.
- Under the *Ontario Fair Hydro Plan Act, 2017*, the Ontario Energy Board (OEB) retains its responsibility for setting Regulated Price Plan (RPP) rates.

Motion 13 (NDP)

Schedule 1 to the Bill, Subsection 15 (6)

I move that subsection 15 (4) of Schedule 1 to the Bill be amended by adding the following subsection:

Comparison

(5) At least 30 days before the Board determines rates under subsection (4) in respect of a reference period, the Minister, or a public entity designated by the Minister for the purpose, shall publish a comparison for each year in the period beginning on November 1, 2017 and ending on April 30, 2047 between,

(a) the rates at which specified consumers were invoiced and are projected to be invoiced for electricity as a result of the implementation of this Act; and

(b) the estimated rates at which specified consumers would have been invoiced but for the implementation of this Act.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Minister or a public entity designated by the Minister to publish – at least 30 days before each reference period – a comparison between the amounts specified consumers are or are expected to be invoiced as a result of the Act and the estimated amounts that they would have been invoiced absent the act.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- Existing processes may be used for the publication of information related to the impact of the Fair Hydro Plan. It is expected that the Clean Energy Adjustments calculated under this section would appear on customers' bills.

Key Messages

- In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment.
- Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Motion 14 (Government)

Schedule 1 to the Bill, Section 18

I move that Section 18 of Schedule 1 to the Bill be struck out and the following substituted:

Appointment

(18) Ontario Power Generation Inc. is appointed as the Financial Services Manager for the purposes of this Act, unless it is unable or unwilling to do so, in which case the Minister may appoint a different Financial Services Manager in accordance with the regulations.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment would allow for the replacement of OPG without amending the Act if OPG is unable or unwilling to act as Financial Services Manager.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment would allow for the replacement of OPG without amending the Act if OPG is unable or unwilling to act as Financial Services Manager.
- This provides for greater flexibility in the Bill.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

- Under the *Ontario Fair Hydro Plan Act, 2017*, Ontario Power Generation (OPG) would provide industry and financial expertise, through its role in managing the refinancing of the GA.

Motion 15 (NDP)

Schedule 1 to the Bill, Subsection 19 (5)

I move that Section 19 of Schedule 1 to the Bill be amended by adding the following subsection:

Same

(5) The Board shall not approve a fee under subsection (4) unless it determines that to do so is in the interest of consumers, within the meaning of the *Electricity Act, 1998,* with respect to the price of the electricity service.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would set out that the Board must consider the interests of electricity consumers when it is reviewing fees of the Financial Services Manager under the Act.

The Board, under the *Ontario Electricity Board Act, 1998*, already has as one of its objectives: "To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service".

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The proposed amendment would allow for a type of supervisory authority and introduce constraints which are different from that which are associated with commercial financings of this type or kind. It therefore creates transaction and financing risks, having the potential to add to financing costs.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- The OEB would determine the Fair Adjustment Amount to be applied to RPP prices and non-RPP bills.
- The OEB would advise the IESO of the Fair Adjustment Amount that is to be applied by Local Distribution Companies (LDCs) and Retailers to non-RPP bills.
- Under the *Ontario Fair Hydro Plan Act, 2017*, the Ontario Energy Board (OEB) retains its responsibility for setting Regulated Price Plan (RPP) rates.

Motion 16 (NDP)

Schedule 1 to the Bill, Section 19.1

I move that Schedule 1 to the Bill be amended by adding the following section:

Auditor General

19.1 The Financial Services Manager is subject to the authority of the Auditor General under the Auditor General Act, regardless of the person or entity appointed for the purpose.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Financial Services Manager to be subject to the authority of the Auditor General.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks. It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to officers of the legislature under current legislation remains.

Motion 17 (NDP)

Schedule 1 to the Bill, Section 19.2

I move that Schedule 1 to the Bill be amended by adding the following section:

Financial Accountability Officer

19.2 The Financial Services Manager is a public entity for the purposes of the Financial Accountability Officer Act, 2013, regardless of the person or entity appointed for the purpose.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the Financial Services Manager to be a public entity for the purposes of the *Financial Accountability Officer Act, 2013*.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction and financing risks.
- The Financial Accountability Officer may use its the existing authority to report on electricity pricing and electricity policy in the province including matters related to Ontario's Fair Hydro Plan.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to officers of the legislature under current legislation remains.

Motion 18 (NDP)

Schedule 1 to the Bill, Section 19.3

I move that Schedule 1 to the Bill be amended by adding the following section:

Freedom of Information and Protection of Privacy Act

19.3 Regardless of the person or entity appointed for the purpose, the Financial Services Manager is an institution for the purposes of the Freedom of Information and Protection of Privacy Act, and its most senior officer is the head of the institution under that Act.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would set out that the Financial Services Manager is an institution for the purposes of the *Freedom of Information and Protection of Privacy Act, 1990* (FIPPA). This is unnecessary as O. Regulation 460 (General) sets forth that FIPPA would be applied to Ontario Power Generation and each subsidiary of Ontario Power Generation (OPG).

Note that subsidiary of OPG is defined in subsection 2 (1) of the *Electricity Act, 1998*.

Proposed Response and Rational

I recommend voting **AGAINST** this motion because:

- Ontario Power Generation and its subsidiaries are already subject to the *Freedom of Information and Protection of Privacy Act* .

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to FIPPA under current regulation remains.

Motion 19 (Government)

Schedule 1 to the Bill, Section 20

I move that Section 20 of Schedule 1 to the Bill be struck out and the following substituted:

Minister to calculate fair allocation amount

20. (1) Before the first funding obligation is incurred, the Minister shall calculate a fair allocation amount in respect of each reference period as follows:

1. Determine, in accordance with the following steps and the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs to be allocated to specified consumers in respect of the reference period:

   i. Determine the clean energy costs incurred or expected to be incurred in respect of all reference periods.

   ii. Determine the clean energy benefits in respect of,

      A. all reference periods, and

      B. the period of time that preceded the first reference period and during which clean energy costs were incurred.

   iii. Attribute the value of the clean energy benefits determined under subparagraph ii across the reference periods and the period of time described in sub-subparagraph ii B.

   iv. Allocate clean energy costs determined under subparagraph i in proportion to the relative attributions of clean energy benefits determined in subparagraph ii in respect of the reference periods.

2. Subject to subsection (2), determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated financing costs to be prescribed by the regulations in respect of the reference period.

3. Determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs that would have been payable, in the absence of this Act, by specified consumers in respect of the reference period.

4. Determine the amount, if any, by which the sum of the determinations under paragraphs 1 and 2 exceeds the determination under paragraph 3.

5. Calculate the sum of the amount determined under paragraph 4 and such other amounts as may be prescribed in respect of the reference period.

Part II adjustments

(2) If the Board has made a determination under section 9 or 11 in respect of the reference period or in respect of a prior reference period and, as a result of the determination, the prescribed circumstances arise, the Minister shall take the prescribed steps to make the prescribed adjustments to the determination made under paragraph 2 of subsection (1).

Minister's considerations

(3) In calculating a fair allocation amount, the Minister shall have regard to the purposes of this Act and such other matters as may be prescribed.

Minister to inform Financial Services Manager

(4) The Minister shall provide the fair allocation amount in respect of each reference period to the Financial Services Manager.

Recalculation

(5) The calculation of a fair allocation amount under this Part may be changed by such person as may be prescribed, subject to the following requirements:

1. The prescribed person shall comply with such requirements as may be prescribed.

2. Subsections (1), (2) and (3) apply to the new calculation, with necessary modifications, as if that person were the Minister.

Same

(6) No change under subsection (5) shall affect any clean energy adjustment that arises as a result of a funding obligation that has been incurred before the change.

Information

(7) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed in accordance with the regulations for the purposes of facilitating a change under subsection (5).

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment would clarify that the way the Minister is to calculate the fair allocation amount for each reference period is by:

1. Determining the clean energy costs to be allocated to specified consumers and the financing costs in accordance with regulations;
2. Determining clean energy costs that would have been payable in the absence of this Act;
3. Determining the amount by which the allocated clean energy costs and financing costs exceed the amounts determined under paragraph 2; and
4. Calculating the amount determined under paragraph 3 plus or minus any amount prescribed by regulation.

The new subsection 20 (2) would allow for regulations to prescribe how the Minister would account for the Part II “fair adjustment” in the determination of the fair allocation amount for each reference period.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment would clarify the manner by which the Minister is to calculate the fair allocation amount for each reference period.

- The proposed motion is necessary to add further clarity and precision to the Bill

Key Messages

- Recent investments in electricity infrastructure would create benefits for years to come. For example, the majority of the province's electricity generators have 20-year contracts.

- Many of these generators would be able to operate past their contract term, meaning that generating assets are expected to have ongoing useful life and would benefit future ratepayers by reducing the need to finance the development of new generating assets.

- To relieve the current burden on ratepayers and share costs more fairly, a portion of the GA would be refinanced.

- Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over time.

Motion 20 (PC)

Schedule 1 to the Bill, Subsection 20 (5)

I move that subsection 20 (5) of Schedule 1 to the Bill be struck out and the following substituted:

Recalculation

(5) A calculation of the fair allocation amount under this Part may be changed by the Auditor General or by such person as may be prescribed, in accordance with such requirements as may be prescribed.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment provides the Auditor General authority to change the fair allocation amount in accordance with requirements to be set out in regulations. Under the proposed legislation, it is the responsibility of the Minister of Energy to calculate and determine the Fair Allocation Amount in order to achieve the intent of Ontario's Fair Hydro Plan.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with normal commercial financings of this type or kind. It therefore creates transaction and financing risks. It has the potential to add materially to financing costs.

- The proposed legislation strives to strike a balance between financability and accountability.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

Motion 21 (PC)

Schedule 1 to the Bill, Subsection 20 (5)

I move that subsection 20 (7) of Schedule 1 to the Bill be struck out and the following substituted:

Information

(7) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed to each other, the Auditor General and other persons as may be prescribed, in accordance with the regulations for the purposes of facilitating a change to a calculation of the fair allocation amount.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment requires information to be shared with the Auditor General as may be set out in regulations in relation to facilitating a change in the fair allocation amount.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction-related risks and financing risks. It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

Motion 22 (Government)

Schedule 1 to the Bill, subsection 21 (1)

I move that subsection 21 (1) of Schedule 1 to the Bill be amended by striking out “for the purposes of acquiring and financing an investment asset” and substituting “for the purposes of a financing entity acquiring and financing an investment interest”.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion would clarify that the Financing Plan would address the acquisition of an investment interest by a financing entity.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed motion is necessary to add further clarity and precision to the Bill. It would clarify that the Financing Plan would address the acquisition of an investment interest by a financing entity.

Key Messages

- Under the legislation, OPG, as the Financial Services Manager, is required to prepare a Financing Plan and submit it to the Minister of Energy for information purposes.

- The Financing Plan sets out the funding obligations and amounts related to the financing of the under-collected GA amounts.

Motion 23 (Government)

Schedule 1 to the Bill, paragraph 1 of subsection 21 (3)

I move that paragraph 1 of subsection 21 (3) of Schedule 1 to the Bill be amended by striking out “to reflect determinations of the Board under Part II in respect of the reference period” at the end and substituting “by the readjustment amount, if any, in respect of the reference period”.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion would clarify that the Financing Plan would address the acquisition of an investment interest by a financing entity.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed motion would clarify that the Financing Plan would address the acquisition of an investment interest by a financing entity.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- Under the legislation, OPG, as the Financial Services Manager, is required to prepare a Financing Plan and submit it to the Minister of Energy for information purposes.

- The Financing Plan would set out the funding obligations and amounts related to the financing of the under-collected GA amounts.

Motion 24 (Government)

Schedule 1 to the Bill, subsection 21 (4)

I move that subsection 21 (4) of Schedule 1 to the Bill be amended by striking out clauses (a) and (b) and substituting the following:

(a) the amounts are payable in respect of a reference period in respect of which there is no readjustment amount; or

(b) if there is a readjustment amount in respect of the reference period, the amounts payable in respect of the clean energy adjustment in respect of the reference period do not exceed the fair allocation amount in respect of the reference period after subtracting the readjustment amount.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion would clarify that clean energy adjustments are not payable until after April 30, 2021 unless:

(i) they are payable in reference periods that do not involve Part II adjustments that result in a readjustment amount, or

(ii) if the reference period does involve Part II adjustments that result in a readjustment amount, the clean energy adjustment is not more than the fair allocation amount for that reference period minus the readjustment amount for that reference period.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed motion would clarify that clean energy adjustments are not payable until after April 30, 2021 unless certain conditions apply.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- In the early years, a portion of the costs covered by the GA would be refinanced to lower hydro bills for today's electricity ratepayers.

- In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment.

Motion 25 (NDP)

Schedule 1 to the Bill, subsection 21 (4.1) and (4.2)

I move that Section 21 of Schedule 1 to the Bill be amended by adding the following subsections:

Financing Plan subject to Board approval

(4.1) The Financing Plan is subject to the Board's approval.

Same

(4.2) The Board shall not approve the Financing Plan unless it determines that to do so is in the interest of consumers, within the meaning of the *ElectricityAct, 1998,* with respect to the price of electricity service.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendments would require the Financing Plan to be subject to Board approval and that such approval not be granted if it is determined that doing so is not within the interests of consumers under the Electricity Act, 1998.

The Board, under the *Ontario Energy Board Act, 1998*, already has as one of its objectives: “To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service”.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- It would allow for a type of supervisory authority which is different from that which is associated with normal commercial financings of this type or kind. It therefore creates transaction-related risks andfinancing risks.
- It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike an appropriate balance between transparency, expediency and financeability.

Motion 26 (NDP)

Schedule 1 to the Bill, subsection 21 (5.1)

I move that Section 21 of Schedule 1 to the Bill be amended by adding the following subsection:

Plan to be published

(5.1) The Financial Services Manager shall publish the Financing Plan at least 30 days before the incurrence of any funding obligations in respect of that plan.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendments would require the Financing Manager to publish the Financing Plan at least 30 days before incurrence of funding obligations under the plan.

The Financing Plan is intended to be a confidential document describing how OPG Trust would undertake financing – its release prior to the sale of the initial and subsequent offerings could impact financiability.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The Financing Plan is to be used by OPG Trust to govern financing commitments and to inform the Minister of Energy.
- Release of the Financing Plan has the potential to create transaction-related risks and financing risks.
- It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

Motion 27 (Government)

Schedule 1 to the Bill, subsection 21 (6)

I move that subsection 21 (6) of Schedule 1 to the Bill be amended by adding “but no such amendment shall affect any clean energy adjustment that has already been determined under section 15 or any funding obligations that have already been incurred before the amendment” at the end.

RECOMMENDATION: CARRY

Analysis/Summary

This proposed addition would clarify that amendments to the Financing Plan do not affect any clean energy adjustment or funding obligation.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- This proposed addition would clarify that amendments to the Financing Plan would not affect any clean energy adjustment or funding obligation.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- In the early years, a portion of the costs covered by the GA would be refinanced to lower hydro bills for today's electricity ratepayers.

- In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment.

- Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Motion 28 (Government)

Schedule 1 to the Bill, subsection 21 (8)

I move that section 21of Schedule 1 to the Bill be amended by adding the following subsection:

Readjustment Amount

(8) In this section, “readjustment amount” has the meaning set out in the regulations.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion sets out that the term “readjustment amount” would be defined in regulations.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment clarifies that the meaning of the term “readjustment amount” which is referred to in Section 21 would be defined in regulations.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- In the early years, a portion of the costs covered by the GA would be refinanced to lower hydro bills for today's electricity ratepayers.

- In later years, the cost of refinancing would be recovered through adjustments to consumer hydro bills called a Clean Energy Adjustment.

- Clean Energy Adjustments would appear on bills when consumers start to repay the borrowed amount.

Motion 29 (Government)

Schedule 1 to the Bill, subsection 22 (3)

I move that subsection 22 (3) of Schedule 1 to the Bill be amended by striking out "The Financial Services Manager shall not" at the beginning and substituting "Neither the Financial Services Manager nor a financing entity shall".

RECOMMENDATION: CARRY

Analysis/Summary

The proposed motion would clarify that a financing entity, in addition to the Financial Services Manager, may not allow for recourse against the assets of an electricity vendor, the Board, OPG or the Province.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed motion would clarify that a financing entity, in addition to the Financial Services Manager, may not allow for recourse against the assets of an electricity vendor, the Board, OPG or the Province.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- The Financing Plan sets out the funding obligations and amounts related to the financing of the under-collected GA amounts.

Motion 30 (NDP)

Schedule 1 to the Bill, subsection 22.1

I move that Schedule 1 to the Bill be amended by adding the following Section:

Auditor General

(8) Every financing entity is subject to the authority of the Auditor General under the *Auditor General Act*, regardless of whether the entity is a subsidiary of the Financial Services Manager.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require every financing entity under the Act to be subject to the authority of the Auditor General.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction-related risks and financing risks.
- It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.

Motion 31 (NDP)

Schedule 1 to the Bill, Section 22.2

I move that Schedule 1 to the Bill be amended by adding the following Section:

Financial Accountability Officer

22.2 Every financing entity is subject to the authority of the Financial Accountability Officer under the *Financial Accountability Officer Act, 2013*, regardless of whether the entity is a subsidiary of the Financial Services Manager.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require every financing entity under the Act to be subject to the authority of the Financial Accountability Officer.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction-related risks and financing risks.
- It has the potential to add materially to financing costs.

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to officers of the legislature under current legislation remains.

Motion 32 (NDP)

Schedule 1 to the Bill, Section 22.3

I move that Schedule 1 to the Bill be amended by adding the following Section:

Freedom of Information and Protection of Privacy Act

22.3 Every financing entity is an institution for the purposes of the *Freedom of Information and Protection of Privacy Act*, and its most senior officer is the head of the institution under the Act, regardless of whether the entity is a subsidiary of the Financial Services Manager.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment would require the every financing entity under the Act to be subject to the authority of the *Freedom of Information and Protection of Privacy Act*. 1990.

O. Reg. 460/1990 sets forth that FIPPA would be applied to Ontario Power Generation and each subsidiary of Ontario Power Generation (OPG).

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- The motion would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction-related risks and financing risks.
- Ontario Power Generation and its subsidiaries are already subject to the *Freedom of Information and Protection of Privacy Act, 1990.*

Key Messages

- The proposed legislation strives to strike a balance between transparency, expediency and financeability.
- The existing authority related to FIPPA under current regulation remains.

Motion 33 (NDP)

Schedule 1 to the Bill, Subsection 28 (3) and (4)

I move that Schedule 1 to the Bill be amended by adding the following subsections:

Subject to Board Approval

(3) The application of subsections (1) and (2) to a specified portion of the regulatory asset that is transferred under section 26 is subject to the prior approval, obtained by the financing entity, of the Board.

Same

(4) The Board shall not provide approval under subsection (3) unless it determines that to do so is in the interest of consumers, within the meaning of the *Electricity Act, 1998,* with respect to the price of the electricity service.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendments would require the Board approval of the regulatory asset and for the Board to not approve the regulatory asset unless it is in the interest of consumers as defined under the *Electricity Act, 1998*.

The Board, under the *Ontario Electricity Board Act, 1998*, already has as one of its objectives: “To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service”.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- It would allow for a type of supervisory authority which is different from that which is associated with commercial financings of this type or kind. It therefore creates transaction-related risks and financing risks.

- It has the potential to add materially to financing costs.

Key Messages

- Under the *Ontario Fair Hydro Plan Act, 2017*, the Ontario Energy Board (OEB) retains its responsibility for setting Regulated Price Plan (RPP) rates.

- OEB wouldwould determine the Fair Adjustment Amount to be applied to RPP prices and non-RPP bills. Note: The RPP calculation would account for the Fair Adjustment Amount.

- OEB wouldwould advise IESO of the Fair Adjustment Amount that is to be applied by Local Distribution Companies (LDCs) and Retailers to non-RPP bills.

Motion 34 (Government)

Schedule 1 to the Bill, Section 40.1

I move that Schedule 1 to the Bill be amended by adding the following section:

Compliance and restraining orders
Application to court

40.1 (1) On the application of an investment interest owner, the Superior Court of Justice may make an order described in subsection (2) if it is satisfied that an electricity vendor, the IESO or the Financial Services Manager has failed to comply with or contravened this Act or the regulations or that one of those entities will fail to comply with or will contravene this Act or the regulations.

Order

(2) The Superior Court of Justice may, by order,

(a) direct the electricity vendor, the IESO or the Financial Services Manager to comply with this Act or the regulations;

(b) restrain the electricity vendor, the IESO or the Financial Services Manager from contravening this Act or the regulations; or

(c) require compensation to be provided by the electricity vendor, the IESO or the Financial Services Manager to the investment interest owner.

Same

(3) An application under subsection (1) may be made by an investment interest owner in addition to exercising any other right of the investment interest owner.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment would allow investment interest owners to enforce compliance with the Act or the regulations through an application to the Superior Court of Justice.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment would allow investment interest owners to enforce compliance with the Act or the regulations through an application to the Superior Court of Justice.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- It strives to strike a balance between transparency, expediency and financeability.

Motion 35 (Government)

Schedule 1 to the Bill, paragraph 7 of subsection 41 (1)

I move that paragraph 7 of subsection 41 (1) of Schedule 1 to the Bill be amended by striking out “a breach under section 29” and substituting “the failure of any person or entity to give effect to the rights and interests provided for under section 29”.

RECOMMENDATION: CARRY

Analysis/Summary

The proposed amendment would clarify that regulations may allow for a right of compensation for investment interest owners for non-compliance with the Act.

Proposed Response and Rationale

I recommend voting **FOR** this motion because:

- The proposed amendment would clarify that regulations may allow for a right of compensation for investment interest owners for non-compliance with the Act.
- The proposed motion is necessary to add further clarity and precision to the Bill.

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- It strives to strike a balance between transparency, expediency and financeability.

Motion 36 (NDP)

Schedule 1 to the Bill, paragraph 7 of Section 41

I move that Section 41 of Schedule 1 to the Bill be amended by adding the following subsection:

Restriction on partisan invoicing information

(3) Paragraphs 4 and 5 of subsection (1) do not authorize regulations permitting, requiring or authorizing a person or entity to permit or require the inclusion of information on or with invoices that is partisan in nature, as determined by the Auditor General.

RECOMMENDATION: OPPOSE

Analysis/Summary

The proposed amendment requires that no regulations in the paragraphs 4 and 5 of subsection 41 (1) may permit the inclusion of information on or with invoices that is partisan in nature as determined by the Auditor General.

Proposed Response and Rationale

I recommend voting **AGAINST** this motion because:

- Issues related to information and materials that electricity vendors may distribute to their electricity consumers falls under the existing authority of the Board as the independent regulator under the *Ontario Energy Board, 1998*,

Key Messages

- The proposed legislation would deliver on the government's commitment to fairness by reducing electricity rates and making life more affordable for families and businesses across the province.
- It strives to strike a balance between transparency, expediency and financeability.