PD&G Committee Priorities Report

Cabinet Office, Policy & Delivery September 14, 2017
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Priority	Actions Over the Next Year	Measures of Success	Key Risks

Ontario Fair Hydro Plan	**OFHP**
	• Automatic enrollment of social assistance recipients for the Ontario Electricity Support Program (OESP)
	• Establishment and enrollment of eligible customers into Rural or Remote Rate Protection/Distribution Rate Protection and First Nation Delivery Credit.
	• Ongoing work with agencies, Local Distribution Companies (LDCs) and partners on implementation of Global Adjustment (GA) refinancing . Including:
	  ○ Ontario Power Generation (OPG)/Special Purpose Vehicle (SPV) to produce Financing Plans consistent with the Fair Allocation Amount;
	  ○ Ministry of Finance to work with OPG in defining circumstances under which Provincial Guarantee would be activated;
	  ○ OPG/SPV to begin purchasing of investment asset;
	  ○ OPG/SPV working with lenders and credit rating agencies in establishing the vehicles for selling of investment asset interests.
		OFHP
		• Residential electricity bills reduced on average by 25% and held at the rate of inflation for 4 years.
		• Establishment of a AAA or AA rated investment asset.
		• Achieving appropriate alignment of clean energy costs and benefits
		• Increased OESP enrollment
		• Industrial Conservation Initiative (ICI) expansion contributing to further reductions in peak electricity demand levels.
		• Rural distribution rates in line with those paid in more urban areas of the Province.
		• Continued enrollment of FNDC-eligible customers not currently enrolled in utility systems.
		• Metrics for Affordability Fund under development by Trust.
			OFHP
			• The model assumes GA refinancing does not have a fiscal impact.
			• Higher bill increases following the end of the inflationary cap.
			• Auditor General may issue an adverse opinion.
			• The structure is unique which increases the risk of unknown factors impacting its performance.
			• In principle, refinancing the Global Adjustment to spread Clean Energy costs over their useful life does not raise a constitutional problem so long as current and future consumers pay their fair share. One risk is that the useful life estimates of assets upon which the financing is based turn out to be significantly off the mark. If it becomes clear that future customers are unfairly subsidizing earlier consumers, the risks of a successful challenge would increase.

15.21

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Priority	Actions Over the Next Year	Measures of Success	Key Risks
The 2017 Long-Term Energy Plan	• LGIC approval and publishing of the 2017 LTEP • LGIC approval of IESO and OEB Implementation Directives • IESO and OEB to prepare implementation plans for Minister of Energy approval • Implement 2017 LTEP including introducing legislation for Green Button and Net Metering	• Delivering reliable and affordable electricity while meeting the province's CCAP targets • Approval of IESO and OEB implementation plans on schedule. • Timely implementation of profiled initiatives, including IESO Market Renewal.	• Delivery of 2017LTEP in time for fall release as now planned. • Higher bill increases following the end of the inflationary cap. • Alignment with the province's goals under the Climate Change Action Plan (CCAP) and the OFHP.

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