Message

From: William Tan [William.Tan@ofina.on.ca]
Sent: 2017-08-04 9:39:17 AM
To: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: RE: FHP subcategories

Thank you Anthony.

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Friday, August 04, 2017 9:37 AM
To: William Tan <William.Tan@ofina.on.ca>
Cc: Victor Buza <Victor.Buza@ieso.ca>
Subject: RE: FHP subcategories

William,

Yes the list below are current examples of programs under/part of the FHP.
I would caution that there may be more too such as "Funding Rebates", and there are current discussions about potential new regulations under FH Act still being contemplated/discussed by gov't lawyers.
I would prefer that we keep the language in our debt agreement to reference activities under the FH Act....since there may be new regulations, amendments to FH regulations, or new programs that may be set up.

Regards.

From: William Tan [mailto:William.Tan@ofina.on.ca]
Sent: August 03, 2017 4:51 PM
To: Anthony Martinello
Subject: FHP subcategories

Hi Anthony,

Is the list below a basic list of programs that would be a part of FHP Permitted Liens (k)? if yes, is there a more exhaustive list?

Broadening Distribution Rate Protection

- RRRP program provides a rate subsidy to rural and remote residential customers who face higher distribution costs.
- About 800,000 customers would benefit from the new broadened distribution rate protection program. Customers of LDCs benefitting from this include: Hydro One R2 and R1 customers, and residential customers of Northern Ontario Wires, Lakeland Parry Sound, Chapleau, Sioux Lookout, InnPower, Atikokan and Algoma. The benefits would differ from LDC to LDC.

Expanding the OESP

- The OESP[na01.safelinks.protection.outlook.com] is an income-tested, application based program that lowers electricity costs for the most vulnerable consumers, providing a rebate directly on bills. There are two scales: one with basic credits, and an enhanced credit for Indigenous people or those who use electric heat or certain electrically intensive medical devices.
- Effective May 1, 2017, Ontario increased the OESP by 50 per cent, meaning that single, low-income consumers who receive the lowest credit amount would get an increase from $30 to $45 per month ($540 per year, an increase of $180), and single, low-income consumers who qualify for the enhanced scale would see an increase from $45 to $68 ($816 per year, an increase of $276).

Providing a First Nations On-Reserve Delivery Credit

- In 2016, the Ontario Energy Board (OEB) engaged with First Nations, including remote communities, the distributors serving them, and consumer groups such as the Low Income Energy Network.
- As a result of recommendations from the OEB, the government plans to eliminate the delivery charge for all on-reserve First Nations residential customers and remove the monthly service charge for customers of licensed distributors which charge a bundled rate.

The Fair Hydro Act, 2017 would, if passed, enable the above initiatives. In addition, an Affordability Fund has been established. No legislative amendments were required for this fund.

Establishing an Affordability Fund

- Ontario has established an Affordability Fund that will provide energy efficiency measures to Ontarians who are not eligible for low-income conservation programs, and who are otherwise unable to make energy efficiency improvements without financial assistance.
- The Province is paying for the Affordability Fund through provincial revenues.

Energy Sector Efficiencies

- The Ontario government has commenced work on the next Long-Term Energy Plan (LTEP).
- Ontario is in a strong electricity supply situation and well-positioned to meet demand at this time. The LTEP process is designed to be iterative and flexible and only commit resources as demand needs become clearer. The Province is committed to continuing to put conservation first in its energy planning decisions, where cost-effective.
- When new electricity supply is needed, the next LTEP would ensure that future procurements are focused on outcomes, rather than contracting with specific technologies. This technology-neutral approach would foster innovation and create competition. This approach is expected to lower the cost of electricity supply.
- The OEB will identify opportunities for cost efficiencies by:
  - Encouraging shared partnerships on services between utilities, which would help reduce costs and encourage further innovation for small to medium-sized utilities.
  - Reviewing business cases behind its regulatory requirements to reduce red tape and eliminate costs that LDCs indicate are creating pressures on operating expenses.
  - Looking at opportunities to further drive transmitter and LDC efficiencies and productivity improvements, including the use of innovative technologies and business processes.
- The IESO and partners have begun a market renewal project to enhance efficiency and performance of the wholesale electricity market.
- Changes related to the IESO's market renewal initiatives are estimated to save at least $200 million per year, starting in 2021.

Best regards,

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