

Government Affairs Update

Presentation to Management Team

September 11, 2017



What I'll cover today

- Provide an overview of the Government Affairs group, the policy landscape and what it means for the sector and the IESO



Government Affairs at the IESO

- From the IESO's Strategic Plan
 - Goal: Be recognized as a trusted advisor, informed by engagement
 - Objective: Work effectively with government to support policy development and IESO's excellence in implementation
- Government Affairs meets about 20-30 times per month with government to inform, influence, and garner support for IESO initiatives
- Building and maintaining relationships is key
- Internal coordination required to understand organizational perspective on any given topic
- The political environment and what it might mean for the IESO in the months and years ahead is important context

Some recent developments

- Electricity prices was the dominant issue earlier in the year
- Fair Hydro Plan appears to have reduced pressure on the electricity file
- Green Ontario Fund established
- New policies announced, including:
 - a minimum-wage increase,
 - pharmacare expansion,
 - housing affordability package; and,
 - increase in daycare spots

Last time here – talked about the focus on electricity – how prices were the focus and that gov't would look at mitigating options – since then Fair Hydro Plan

Polls show support for government policies, such as increase minimum wage, free tuition, fair hydro plan
Also, eating into NDP territory.

Personal popularity is low, and limited fundraising, and haven't been bringing in high profile candidates

Polls not to be trusted, especially at this juncture – remember Brexit, Trump?

9 months is a long time

Remember Bill Davis, Dalton McGuinty

Electricity Policy

- Pay Less. Own More. (NDP)
 - Buy back Hydro One
 - Eliminate mandatory TOU ✓ Fair Hydro Plan
 - Delivery charges to be more equal geographically ✓ Fair Hydro Plan
 - Full HST rebate ✓ Fair Hydro Plan
 - Expert panels and more public power
- ? (PC)
 - Plan expected to be released after November party convention, likely in the new year
 - Have said they would aim to repeal the Green Energy Act, explore cancelling current power contracts, and replace cap and trade.

Looking ahead

- Fall session of the legislature began today
- Some issues management for government in the near-term
- Long-Term Energy Plan
 - IESO advice and perspectives have been strongly represented within the LTEP
 - Implementation Plan
- Ongoing discussions with Hydro Quebec
- FIT 5
- Green Ontario Fund
- Fair Hydro Plan implementation

Tough start to the Fall, especially this close to election

Document destruction trial

Sudbury by-election trial – Premier Wynne on stand

Has the potential to bring renewed attention not just to the Liberals' ethical issues, but also to their record on energy policy
– the two aspects of their government they least want voters to be thinking about heading into the election.

Opposition parties will jump on ethical issues [see what the Liberals will do to stay in power?] and try and keep this going into the next election

PCs have their own issues with elections and possible split on the right with new Trillium Party

Government expected to downplay LTEP, make electricity file a non-issue.

Looking ahead

- The IESO's business will be impacted by the outcome of the June 2018 election and the political decisions made throughout the campaign leading up to that date – too early to predict the outcome
- Attention on electricity prices has subsided, but government may still keep a close eye on IESO activities – messaging and managing potential issues
- IESO to be considerate of the lenses that will be applied to our initiatives, areas of focus of the government, when we advise and implement our initiatives
- We still have an opportunity to advance IESO initiatives – just need to be aware of the political environment we're operating within.