

BRIEFING NOTE:

Ontario Election 2018 Outlook

March 26, 2018

Under Ontario's fixed 4-year election cycle, the next Ontario provincial election is scheduled for June 7, 2018. This note outlines the key party platform areas relevant to the Ontario electricity sector. To date (March 26) the opposition parties have committed to releasing their detailed platforms in the coming weeks. This note will be updated as new information is available.

This note also includes a summary of IESO external communications planning during the Writ period.

Liberal Party

Premier Kathleen Wynne announced the prorogation of the legislature on March 15 and the government delivered a speech from the throne on March 19. The provincial budget was due on March 28. The throne speech focused on these priorities:

- Health Care including hospital wait times, access to home care, mental health and addictions services and increasing access to prescription drugs and dental care
- Child Care, Education and Training
- Economic Growth in struggling regions and Public infrastructure investments
- References to energy were in a climate change context, i.e. use of cap and trade money to lower energy bills through reduced energy consumption.

Progressive Conservative Party

The PC Party committed to release much shorter and targeted platform under new party leader Doug Ford that the party platform released in November 2017. Few details are available at this time, but the priorities announced so far include:

- Eliminating all forms of carbon pricing. This is a departure from the prior platform that committed to exit Cap and Trade to opt in to the Federal carbon price backstop. This would result in cancelling the Climate Change Action Plan. Previously the party estimated \$1.5B in 2018/19 to wind-down CCAP obligations.
- Lower residential and commercial/industrial hydro rates. The party previously committed to keep Fair Hydro Plan and to find additional ways to reduce rates such as through shifting costs from ratebase to taxbase.

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- Reducing hospital wait times
- Reduced size of government
- Prioritize the Ring of Fire development. This could affect demand profile in Northern Ontario and affect planned transmission upgrade projects like the East West Tie.

The previous platform included these priorities; it's not known if these will be in the platform or indicate future policy direction if elected:

- Support shift away from out-of-market capacity acquisition and Market Renewal
- Enhance energy planning to make it expert led and transparent and restore local planning authority
- Pledge to enforce Green Energy Act contracts and use breaches as leverage to renegotiate or exit contracts where feasible
- Commitment to Pickering Nuclear Generating Station open until 2024 and to nuclear refurbishment
- Reform the Ontario Energy Board to reduce regulatory burden, to embrace innovation and increase adaptability to emerging technologies
- Examine options for simplified industrial rates and alternative pricing models to take advantage of surplus generation
- Support Conservation First Framework

New Democratic Party

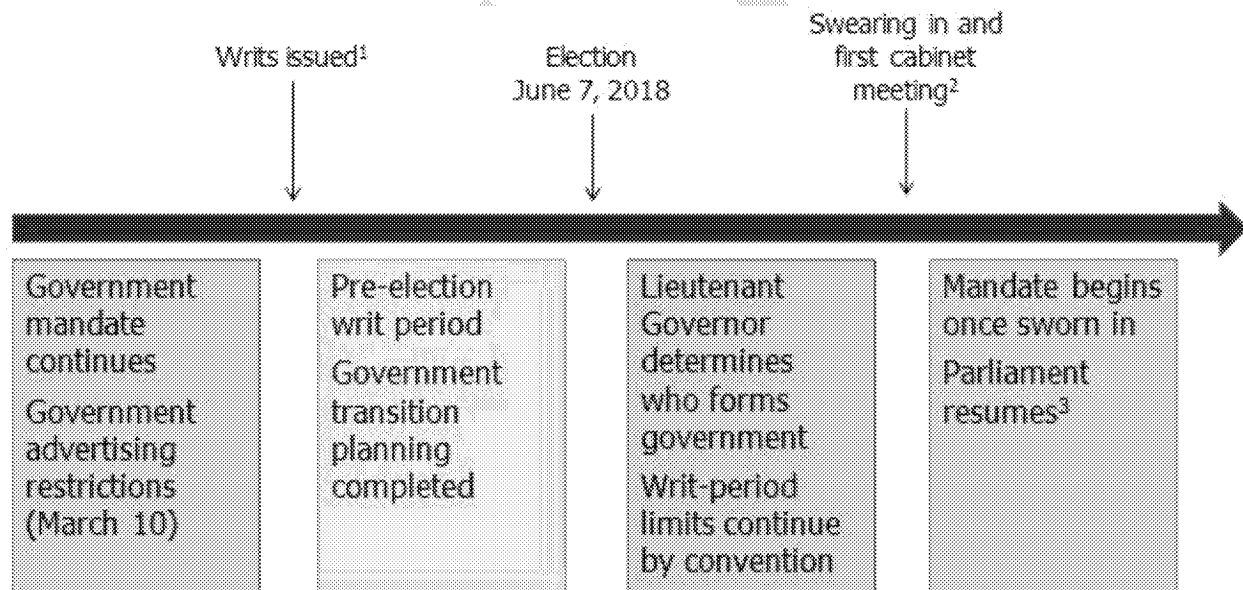
The NDP are planning to release their election platform by early April. Based on recent pronouncements and a policy document released in February 2017, these are expected to be among the party's priorities:

- Pursue sector structural changes including establishing an independent panel of energy experts to develop proposed systemic changes, buy back Hydro One shares and return Hydro One to public ownership, and capping private profit margins
- Import affordable renewable electricity when needed
- Support for Market Renewal and question effectiveness of capacity auctions
- Not renewing and renegotiating or cancelling bad Green Energy Act contracts
- Favour a form of carbon pricing and have been critical of Cap and Trade

- Lower electricity rates by 30% (from pre-Fair Hydro Plan rates) but oppose FHP. The party also favours a fixed delivery charge for urban and rural customers, will end Mandatory Time of Use, and increase oversight over electricity prices
- Is not in favour of the current nuclear refurbishment plans but plan is unclear
- Renew the OEB's mandate to expand its role and to increase ratepayer and consumer advocate participation in decision making

IESO Activities during the Writ period

- The election process starts when the Premier visits the Lieutenant Governor and advises that they would like to call an election.
- The Writs of Election, which are formal legal documents prepared for each electoral district, are put together by the Chief Electoral Officer and signed by the Lieutenant Governor. They are the official notice that the election process is under-way.
- Once the Writs of Election are issued (by May 9), the campaign period begins and lasts about 28 days.
- Consistent with government protocols, external communications and engagements will become increasingly restrictive as the writ period approaches.
- During the Writ period, external communications will generally be restricted to urgent and time-sensitive messages, statutory or regulatory requirements, or mandatory communications to comply with the Market Rules.



¹ The writ period must be between 28 and 35 days and so the election can start anytime between May 2 and 9

² Estimated June 28 to July 12 and depends on election result

³ Date uncertain but could be as early as July 2018