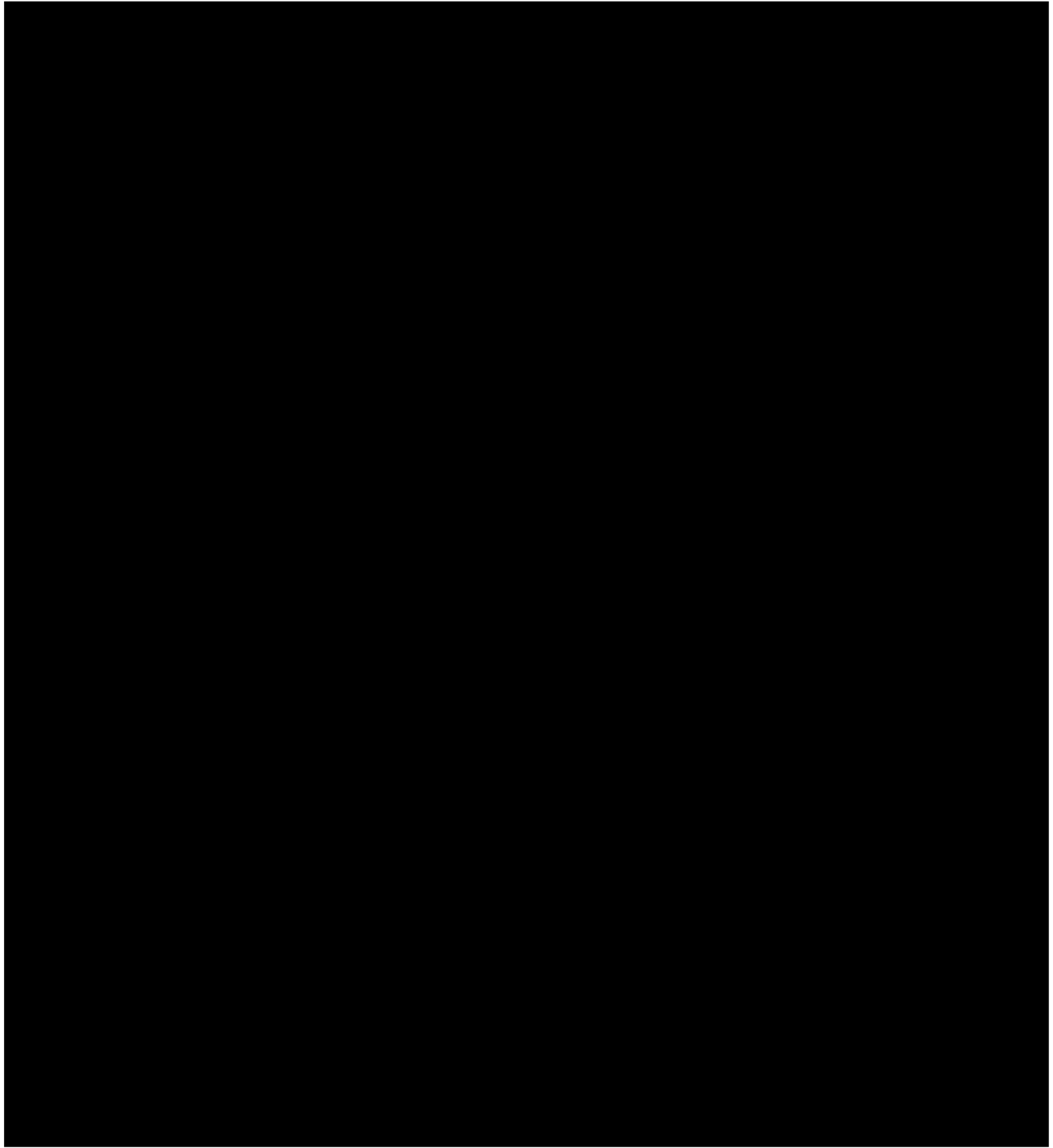
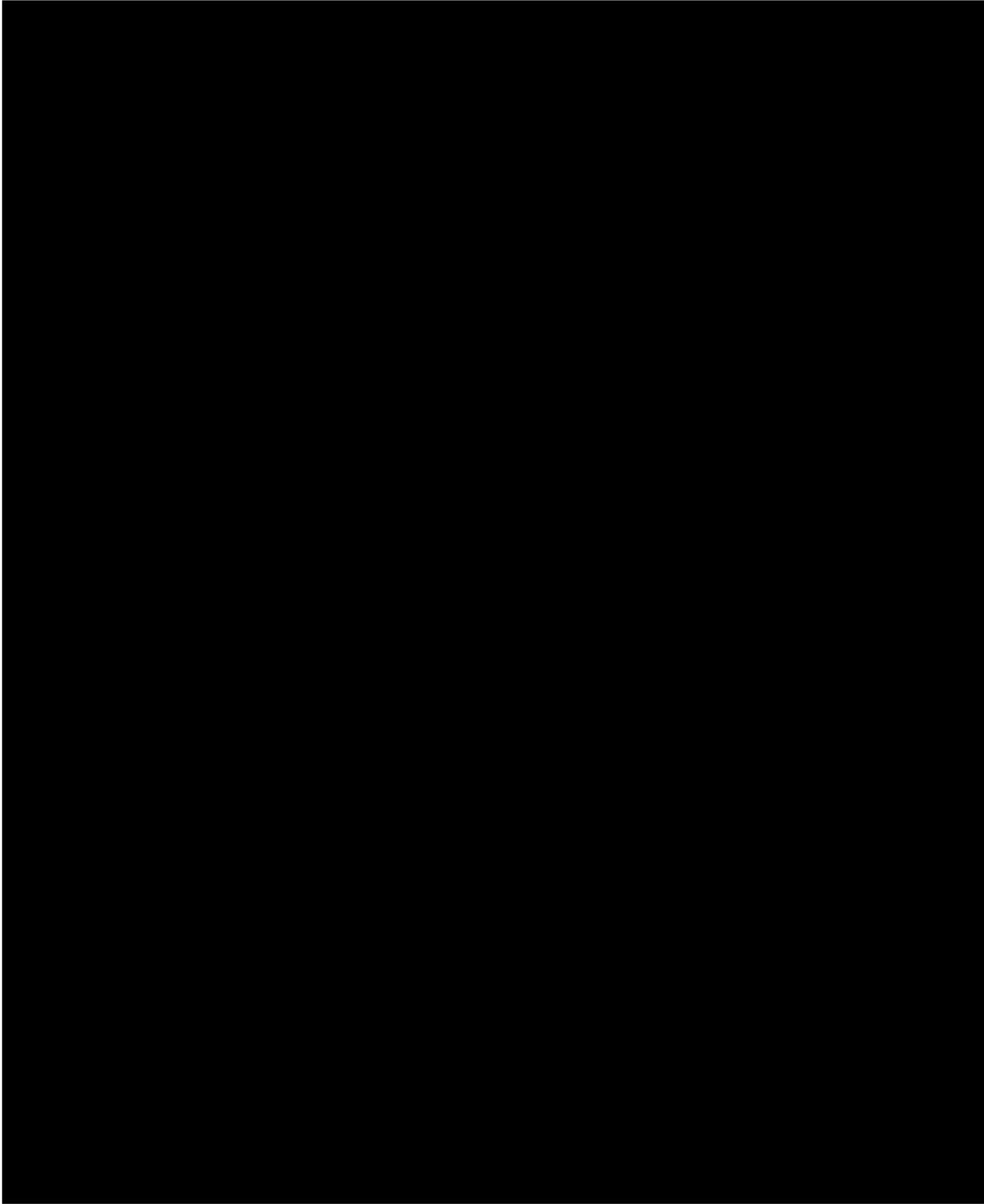


BRIEFING NOTE:
DM Monthly Meeting

March 27, 2017





4. Ontario Fair Hydro Plan

Key Facts

- IESO is working with OPG regarding the purchase and sale of regulated asset
- We are in the process with accounting opinion; meeting with OEB next week and need clarity on their role of setting rates which creates the asset
- We are still planning to reach out to the Auditor General after Easter with 2016 financial statements with regulatory accounting

Please contact Kim Marshall for further detail.

Background:

- The IESO will work with OPG to facilitate the refinancing of global adjustment over a 30-year term.
 - This will involve the IESO collecting less money from LDCs and transferring the outstanding amount to OPG as an “asset” they will manage
 - Current forecasts indicate this will be about \$2.5B per year over the first ten years, with annual interest costs not exceeding \$1.4B
 - Legislation will be introduced that will enable IESO and OPG to refinance GA
 - IESO contract holders will not be affected
- The Industrial Conservation Initiative is being expanded by reducing the threshold from 1MW to 500kW and targeting more small manufacturing and industrial customers
- The Rural or Remote Rate Protection will be broadened to cover more customers and its costs will be now be recovered through the tax base
- Market Renewal was cited by the Minister during this morning’s press conference and in a media backgrounder as another solution to mitigate rates
 - The backgrounder saying it is “estimated to save at least \$200M per year, starting in 2021”

