

Message

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Sent: 2018-01-23 5:01:58 PM
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Subject: Media Call Summary: January 23, 2018
Attachments: 2018-01-22 - Bloomberg story - Ontario's Hydro Trust.docx

Agencies: 2 inquiries

Agency: OPG

Topic: OPG's Fair Hydro bond sale

Reporter & Outlet: Bloomberg

Response Type: OPG spokesperson

Questions:

Bloomberg posted a story last evening about OPG's Fair Hydro bond sale next month.

They asked us for comment.

(See attached for full story)

Response:

The Ontario government asked OPG to participate in the Fair Hydro Plan which aims to reallocate the costs of clean energy initiatives over a longer time period and provides immediate relief to specified consumers through lower electricity rates of 25 per cent for the average residential customer. The

Government has indicated that their commitment is also benefiting as many as half a million small businesses and farms, and holding any rate increase to the rate of inflation for four years.

To implement the financing program, the Fair Hydro Trust was established to finance the shortfall resulting from the rate reductions and other financing costs as mandated by the Fair Hydro legislation. As the policy maker, the government stated its objective to have the costs of the program be supported by the energy sector.

OPG was appointed by the legislation to be the Financial Services Manager of the Fair Hydro Trust, in part, due to our in-depth experience in the Ontario energy market system, capital markets, and fund management. OPG is committed to ensuring that the financing program is executed in the most efficient and cost-effective manner.

Agency: IESO

Topic: Napanee GS/Green Electron GS

Reporter & Outlet: Rob Ferguson, Toronto Star

Response Type: IESO spokesperson

Questions:

1. How were the sites for the Green Electron and Napanee plants chosen?
2. Why is the Napanee plant being built if the Lennox Generating Station is still going to be operating?
3. What was rationale for building them so close together?
4. How many times has Green Electron produced electricity to the grid?

Response:

- The Ontario Power Authority (which merged with the IESO in 2015) identified for the Ontario government the general regions in the province that could benefit from these two plants. Provincial and regional needs, gas supply and electricity infrastructures were considered.
- For the Napanee plant, the site for the relocated facility was chosen for TransCanada.
- For the Greenfield South plant, the developer chose the location from two that were identified as possible sites for the plant.
- We expect a facility like Napanee to help provide a reliable power supply during times of higher demand and to provide needed flexibility during summer months when we reach peak demand.
- We're not just planning to ensure we have enough generators for today, but also to meet system needs in the future.

- Ontario is currently in a stable supply situation. However, we can expect greater use of gas facilities during the nuclear refurbishment period and potential for new supply in the early 2020s.
- Since coming online in March 2017, Green Electron was dispatched on 33 days in 2017, primarily over the summer months, which is when we typically reach peak demand. It was also dispatched to meet peaks during the heat wave Ontario experienced in late September 2017.

Minister's Office: 0 inquiries

Ministry: 0 inquiries