

Implementation of Ontario's Fair Hydro Plan

Week of September 11, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> - Ongoing Business Items - Provincial Guarantees (i.e., performance / payment, term sheet) - OPG/TBS (OPCD), MOF, OFA and ENERGY met on August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required - OPG proposing to prepare an option for Government to pay outstanding obligation should OPG/Trust no longer be able meet financing obligations - IESO and OPG to continue discussions regarding the letter of credit to backstop smaller LDCs without ratings or using a reserve account – need to determine quantum - IGS/OFA to prepare summary deck for week of September 4, 2017 - Note: Initial focus of OPG financing will be on Canadian market - Management Fees Regulation - Draft received from OPG. LSB to share with OEB and Legislative Counsel. - Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) - Ministry/OPG to look into mechanism to pay interest and expenses through GA after the 4 year moratorium - OPG Equity Injection Process - Subordinate Debt Loan Agreement - Payment in Lieu of Taxes Exemption	Commercially Sensitive - Summer – Prepare Minister's Fair Allocation Amount (TBD) - Summer – LRC/Cabinet Approval Management Fee regulation (TBD) - Summer – LRC/Cabinet Approval Interest Collection During the Inflationary Cap Period regulation (TBD) - Mid-September – Minister's Fair Allocation Amount letter - September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) - Late November 2017 – OPG Financing (TBD)

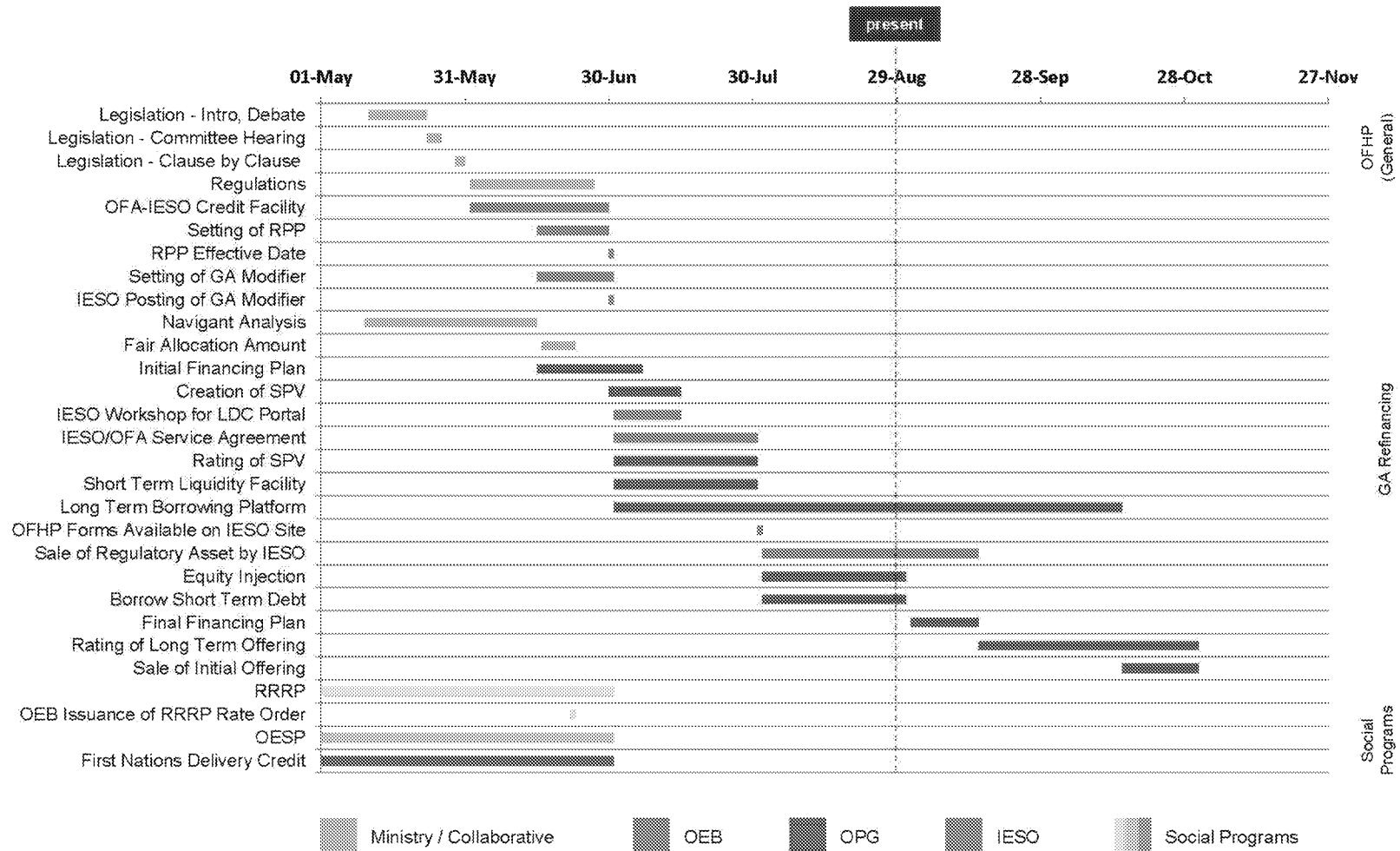
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	- MOF/Tax Policy working on comfort letter re: PILs for OPG - IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • OPG to go to its Board with OFHP financing plan following direction from August 16, 2017 meeting • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value ○ ENERGY has shared draft FAA model with OPG	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • All LDCs have indicated they have implemented the program	• Will hold a wrap-up working group teleconference in August.
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • July 26 TB approval for MCSS to expand FTEs and create team dedicated to OESP enrolment, using funds approved on March 1, 2017 under FHP • OEB and MCSS executed MOU (as per recent OEBA amendments) to share information that will support targeted outreach for social assistance clients potentially eligible but not enrolled in OESP • Targeted outreach and automatic SA client enrolment by MCSS to start late September; MCSS to continue developing software solution for automation over next several months	• Week of August 7 – follow-up with CRA on proposed wet signature solution

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	- Significant progress on wet signature issue – SNAP continues to work with, MOF, OEB and CRA on solution - SNAP to work with TBS to ensure funds flow from fiscal plan when OESP moves to the tax base	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
ENERGY and LSB	<u>Recent Action Items</u> - All LDCs have indicated they have implemented the program. - Ministry working on post card for FNDC	Will hold a wrap-up working group teleconference in August.
5) Establishing an Affordability Fund (CRED)		
ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> Redacted - Commercially Sensitive - Hydro One, in its administrative capacity, is offering back office support and helping coordinate stakeholder engagement on program design for the Board of Trustees (have engaged Accenture to assist) - Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx and in-person meeting seeking feedback from LDCs on program design held August 1 (~70 participants) - Trustees continue to work through program design concepts and details in order to launch the program as soon as possible - Trustees have agreed to Hydro One's role as administrator - Trustees call held August 11, 2017 (recap of LDC feedback and	September 2017: Target for program launch Q2 2017-2018: - Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets Late 2017/early 2018: - ENERGY can apply for additional funds through 2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust

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	discussion on program design) Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
ENERGY, MOF/OFA, Auditor General (AG)	<u>Recent Action Items</u> - ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries - Third-party hired to undertake electronic search of records - TBS advises that AG is tracking for an opinion on Public Accounts (PA) on August 18, which would result in an earliest release by the government of the PA on August 28 (Note: The statutory deadline in September 27) - IESO indicates that Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG - AG attended special meeting of IESO Board on OFHP	Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
ENERGY	<u>Recent Action Items</u> Ongoing Ministry work re bill presentment	Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> - Ongoing OCC outreach campaign to promote ICI - Ongoing outreach with LDCs being undertaken by IESO - CME proposal (TBD)	Quarterly Report Backs re ICI to TBS / MBC
9) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
ENERGY, LSB, OEB and IESO	OEB: Directive / Letter (TBD)	Continue this work as part of LTEP

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	<u>Considerations</u> • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	

Ontario Fair Hydro Plan Implementation



* Note: Preliminary timeline with tentative dates that are subject to change.

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