

Implementation of Ontario's Fair Hydro Plan

Week of October 9, 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 Protection and Assurance Agreement - OFA / OPG / MOF / ENERGY and OPGD working to finalize Agreement. Note: Term Sheet has been approved by TB/CAB - Equity Injection Process - OPG seeking Board approval of Master Subscription Agreement on September 29. - Province to finalize internal mechanisms in October - Commercial Agreement - OPG and IESO working to finalize Agreement - Ongoing discussions regarding the "letter of credit" to backstop smaller LDCs without ratings or using a reserve account. Note: Funding source for carrying costs still TBD - FAA Letter - On September 28, 2016, letter was sent to OPG Board Chair - ENERGY and OPG exchanged modelling data to support FAA and RA amounts in Minister's letter - Management Fees (Regulation) - ENERGY, OPG, OEB and OFA working to finalize proposed amendments to O. Reg. 206/17 (i.e., general regulation) which would determine role of OEB in determining fees OPG charges - Leg Counsel Draft being circulated - Fees and Interest Recovery During the Inflationary Cap Period (Regulation) - ENERGY, OPG, IESO and OFA working to finalize proposed regulatory amendments to O.	- October 16 / 30 – LRC for regulatory amendments package (i.e., to address management fees and interest and fees collection during the Inflationary Cap period) - Late November 2017 – OPG Financing (TBD)

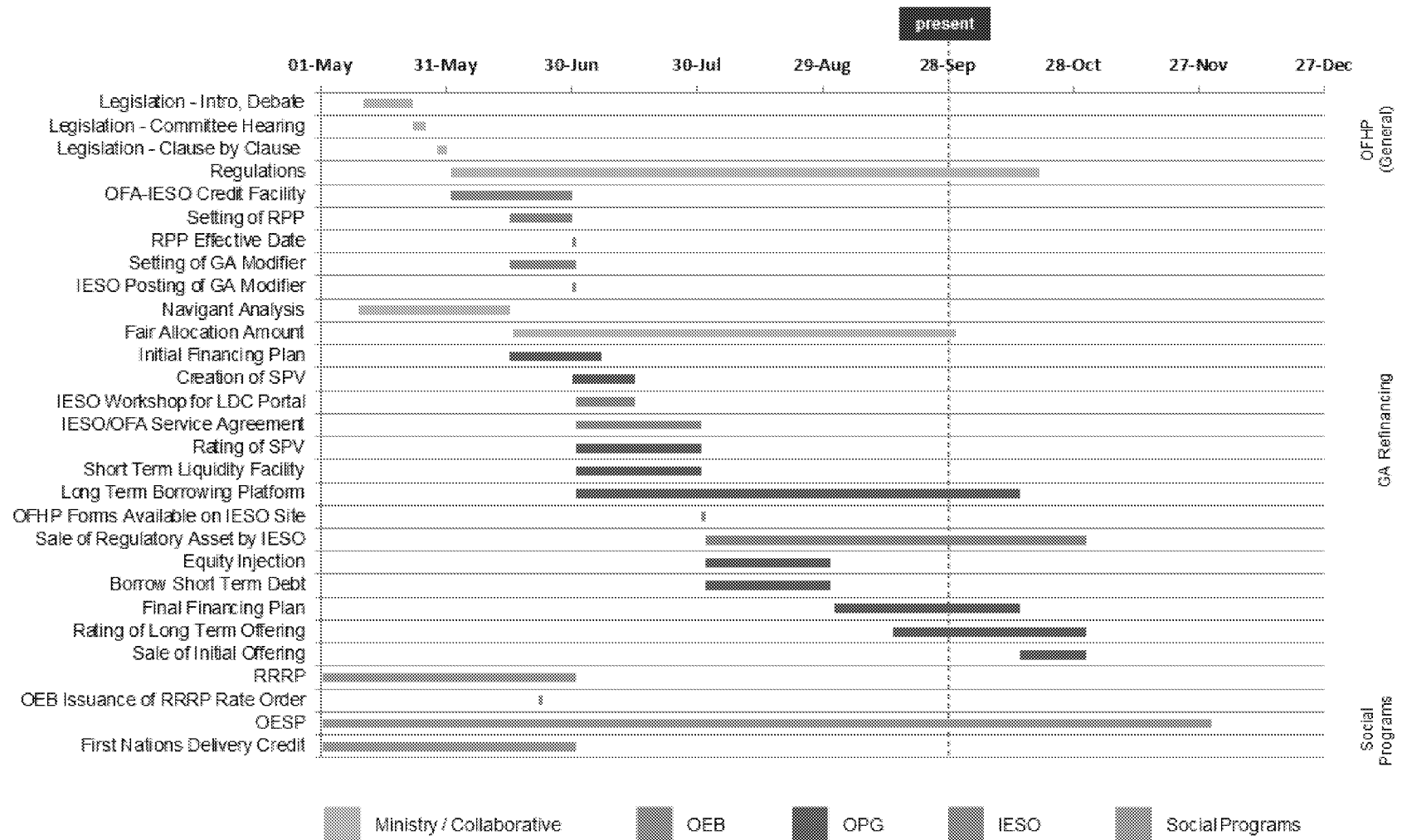
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	Reg. 206/17 (i.e., general regulation) which would enable fees and interest amounts to be recovered during the Inflationary Cap period. Note: No longer proposing to amend GA regulation ▪ Leg Counsel Draft being circulated ○ Subordinate Debt Loan Agreement ○ Payment in Lieu of Taxes Exemption ▪ MOF/Tax Policy working on comfort letter/regulation regarding PILs for OPG • OPG continuing to work with rating agencies	
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 • IESO has begun to submit reimbursement claims to the Ministry	• Will work on updated cost projections for PRRT submission • Discussions have begun with OEB over content of cost forecast report, as contemplated in Regulation
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • July 26 TB/MB approval for MCSS to expand FTEs and create team dedicated to OESP enrolment, using funds approved on March 1, 2017 under FHP. Sought 50 FTEs, but only received 20 – MCSS is considering report-back in the fall to ask for more FTEs • OEB and MCSS completed data exchange to identify SA clients currently not enrolled in OESP. Outreach calls began late August, with direct mail-outs in late September. New call centre to be ready to receive calls in October, and MCSS to continue developing software solution for automation over next several months • CRA approval of proposal for e-signatures on OESP applications.	• Continue to work with OEB to build up the Ministry's knowledge base on administering the OESP

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	OEB is working with service provider to upgrade online application process (November), and CRA will formally accept e-signature process by amending MOU with Ministry of Finance - Ministry is targeting November/December to proclaim OEBA amendments to shift OESP to tax base, along with supporting regulatory amendments - Ministry and OEB have initiated work to transfer OESP to government	
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. - FNDC post card has been distributed to First Nations Band Councils - IESO has begun submitting claims for reimbursement to the Ministry	- Will work on updated cost projection for PRRT - Hydro One to provide update on program enrollment week of October 2
5) Establishing an Affordability Fund (CRED)		
ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Redacted - Commercially Sensitive	
		October 2017: - Soft launch of microsite Oct 12 - Oct. 23 formal announcement involving the Minister Fall 2017: - The Trustees are considering the use of Ontario 211 services for the Affordability Fund - ENERGY is amending the TPA with the Affordability Fund Trust to request use of the Ontario logo in Fund marketing and communications

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	• Preliminary consultations with LDCs were undertaken in July. On August 1, Hydro One hosted a consultation session with LDCs to seek input on program design; over 30 LDCs participated • On August 28, Trustees briefed the Ministry on progress to date, including proposed program design and implementation • Trustees worked through program design concepts and details from mid-August to mid-September in order to launch the program in October. An iterative design process is contemplated, allowing for potential updates to the program on a regular basis • Hydro One convened meetings with a number of LDCs in late September to review program design details • Most recent Board meeting took place on October 5, 2017	• Report back to TB/MBC through the PRRT process 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 an in-year TB submission based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust
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 • 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 • AG has provided a draft special report on Ontario's Fair Hydro Plan (OFHP) for comment	• Fall – Responding to AG Request (Ongoing) • Week of September 25 – Ministry is responding to draft AG special report on OFHP • TBD – Release date of AG special report
7) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• 2017-2018 – Bill redesign
8) Expanding ICI (ESP/COMs)		

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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) - Ministry reviewing a revised proposal from CME	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) <u>Considerations</u> - Signal efficiencies intent in OEB business plan letter - Work with OEB/LDCs on LTEP document and proposed directive to OEB - Mandate Review implementation is an opportunity to reiterate expectations. IESO: - Directive / Letter (TBD) <u>Considerations</u> - IESO's stakeholder engagement re Market Renewal is ongoing.	Continue this work as part of 2017 LTEP

Ontario Fair Hydro Plan Implementation



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