

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)

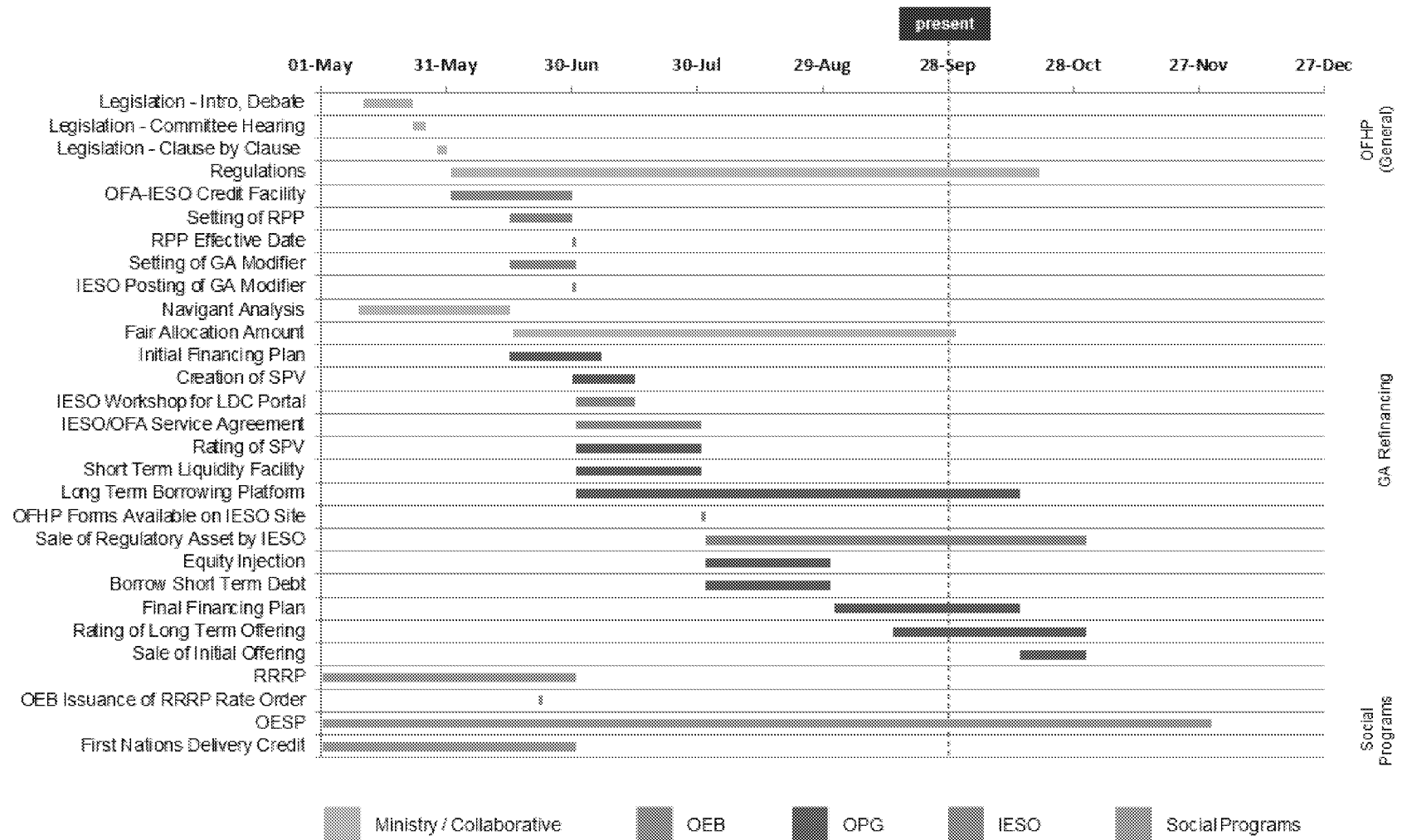
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	Reg. 206/17 (i.e., general regulation) which would enable fees and interest amounts to be recovered during the Inflationary Cap period. Note: No longer proposing to amend GA regulation ▪ Leg Counsel Draft being circulated ○ Subordinate Debt Loan Agreement ○ 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)	<u>Recent Action Items</u> Commercially Sensitive Hydro One, in its administrative capacity, is providing administrative support, including coordinating stakeholder engagement and developing program principles and details for review and approval by the Board of Trustees (have engaged Accenture to assist)	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.