

Implementation of Ontario's Fair Hydro Plan

Week of November 20, 2017

Global Adjustment (GA) Refinancing – Business Issues / Implementation

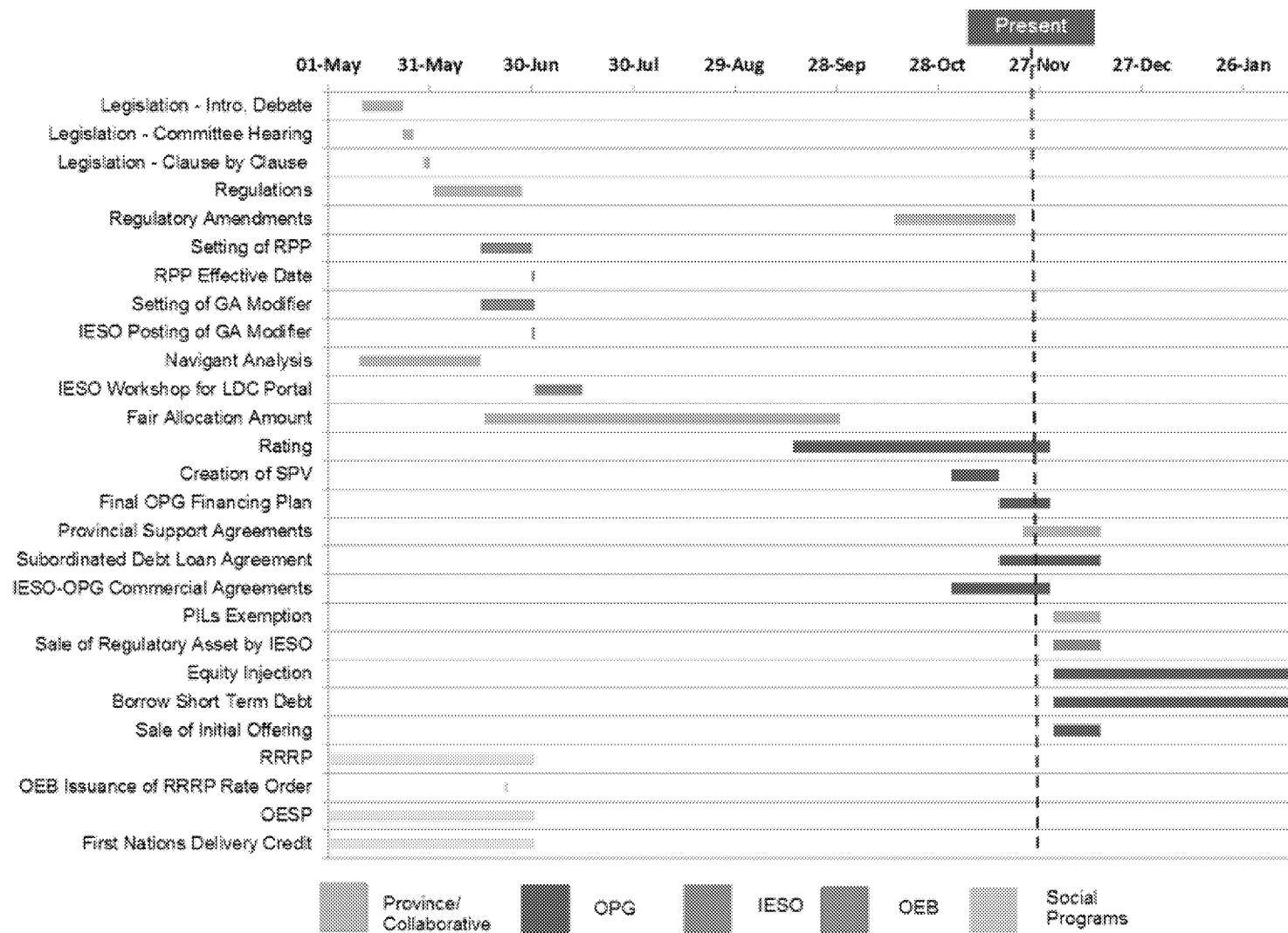
Issue	Overview	Supporting Documentation	Timing / Next Steps
Provincial Support Agreements	Province to provide contingent supports to enable structure	- Term Sheet - Change of Law Protection Agreement - Change of Law Process Agreement	- MOF / OPG / ENE to finalize Protection Agreement and Process Agreement based on Term Sheet approved by TB/CAB Timing / Next Steps: - Briefing of the ENERGY, MOF and TBS Ministers - Agreements to be finalized in late November or early December
OPG's Financing Plan / Market Activity	OPG, as Financial Services Manager (FSM), to provide a Financing Plan in accordance with legislation, to evaluate the incurrence of funding obligations consistent with the FAA	Minister's FAA letter to OPG	- OPG has provided a draft of the Financing Plan to ENERGY Timing / Next Steps: - OPG Board committee review and approval by the OPG Board (TBD) - OPG initial debt issuance is currently planned to proceed in December (TBD)
Equity Injection	Province to purchase shares of OPG on a monthly basis	- Master Subscription Agreement /MOU between OFA and Energy - Notice of Subscription - Amendment to Articles	- OPG to request Minister's signature on the Shareholder resolution. - OPG/ENE to sign Master Share Subscription Agreement - OFA / ENE to finalize monthly process and sign-off mechanism Timing / Next Steps: - Agreements to be signed by end of November
Subordinated Debt Loan Agreement	OPG will lend the equity injection from the Province to the Trust by	- Draft Term Sheet - Debt Loan	- OFA to provide comments - OPG to draft Debt Loan Arrangement

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	way of subordinated debt	Arrangement	Timing / Next Steps: - Fall (TBD) - OPG to provide additional details
PILs Exemption	- The beneficiary of the OFHP Trust would be subject to tax under the payments in lieu of taxes (PILs) regime under the <i>Electricity Act, 1998</i> (EA), and would pay PILs to the Ontario Electricity Financial Corporation (OEFC) - Province to mitigate cost to ratepayers by minimizing PILs payable by the Trust beneficiary - A regulation under the EA is required to exempt the beneficiary from PILs - OPG has advised that a comfort letter signed by the Minister is required	- Comfort Letter - Tax Regulation	- MOF is working to complete comfort letter to OPG and to finalize the regulation Timing / Nexts Steps: - Regulation expected to proceed to LRC in December 2017 (TBD)
OPG / IESO Commercial Agreement	OPG and IESO to enter in to commercial agreements governing the Financing Entity purchase of the regulatory assets (i.e., the Master Transfer and Servicing Agreement, Security Agreement and Acknowledgement and Indemnity Agreement)		- OPG and IESO working to finalize Agreement Timing / Next Steps: - The draft commercial agreements to be reviewed by IESO Board on November 22 - Further changes may be required pending the completion of the rating process

Item	Key Deliverables / Considerations	Timing / Next Steps
1) 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	Discussions have begun with OEB over content of cost forecast report, as contemplated in Regulation
2) 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. 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	- LRC package being developed for proclaiming OEBA provisions and amending OESP regulation; scheduled for December 11 - Continue to work with OEB to build up the Ministry's knowledge base on administering the OESP
3) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
ENERGY and LSB	<u>Recent Action Items</u>	Receiving regular updates from

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	• 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	H1 on enrollment
4) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • October 12 – Soft launch of microsite and 1-800 number • October 24 – Formal announcement in Hamilton involving the Minister of Energy • As of Oct. 23 – 66 applications from 6 LDCs processed through the AFT program • On Oct. 24 – the Trustees held a webinar with 200 participants to overview program design, walk-through the web site, and answer distributor questions • Next Trustees meetings are scheduled for November 30 and December 14, 2017 • The Trust expects to enter into agreements with interested electricity distributors starting mid to late December 2017 (Hydro One will deliver the program in service areas of those distributors who do not apply)	Fall 2017: • The Trustees are considering the use of Ontario 211 services for the Affordability Fund • The Fund will have an iterative design process to support continuous improvement, and will revisit design elements every 6 months and measures every 3 months • ENERGY has amended the TPA with the Affordability Fund Trust to require use of the Ontario logo in Fund marketing and communications and is waiting for the Trustees to sign • Report back to TB/MBC through the PRRT process with final program details and a performance management framework including outcome measures and targets 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

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		amended/new TPA if agreed by Trust
5) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> Ongoing Ministry work re bill presentment	2017-2018 – Bill redesign
6) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> - Ongoing OCC outreach campaign to promote ICI - Ministry review OCC proposal to expand ICI outreach program - Ongoing outreach with LDCs being undertaken by IESO - CME proposal (TBD)	Quarterly Report Backs re ICI to TBS / MBC
7) 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 implementation



Note: Timeline for illustrative purposes. Dates are approximate and subject to change.