

**TREASURY BOARD / MANAGEMENT BOARD OF CABINET
REQUEST ASSESSMENT NOTE**



Ministry:	Energy
Meeting Date:	April 10, 2018
Agenda Class:	Discussion (In Camera)
Last reviewed by: TB/MBC (May 9, 2017)	Tracking to: Cabinet (April 18, 2018)

SUBMISSION TITLE: 2018-2021 Business Plan for Ontario Power Generation

I. DECISION BEFORE THE BOARD

- Receive Ontario Power Generation's (OPG) 2018-2021 Business Plan

II. RECOMMENDATIONS:

- | | |
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| • Receive the 2018-2021 business plan for Ontario Power Generation | Receive |
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Ontario's Fair Hydro Plan (OFHP) is reflected in OPG's latest Business Plan.

- As part of supporting the financing and administration of the global adjustment refinancing, OPG's Special Purpose Vehicle (OPG Trust) uses 100 per cent debt financing to purchase the right to future cash flows from IESO. The OPG Trust raises 51% of required funding directly from capital markets while OPG lends the Trust 49% of the financing requirements. The latter is raised by OPG borrowing up to 5% from capital markets, with the remaining 44% from share issuances (an equity injection from the Province, which is debt-financed through the OFA. (Printed Estimates provides for a Ministry of Energy operating asset to make the equity injection).
 - As Provincial borrowing for an equity injection is offset by an increase in an investment asset in OPG, the Province's net debt position remains unchanged.
 - Provincial borrowing is not expected to have a negative fiscal impact as the increase in Provincial interest on debt is expected to be offset by increases in OPG net income from the interest charged to the OPG Trust.

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