2017-07-11 Consolidated - OFHP Matrix - Week of...(1).pdf

From: Cox, Hilary (ENERGY)
To: Hume, Steen (ENERGY)
Subject: 2017-07-11 Consolidated - OFHP Matrix - Week of August 28
Date: August 25, 2017 10:51:00 AM
Attachments: 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

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Hi Steen –
Attached is the updated OFHP matrix with this week's action items.

HC

2017-07-11 Consolidated - OFHP Matrix - Week .pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OPG proposing to build in Government option to pay outstanding obligation should Trust no longer be able to pay in future – ~~OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting~~ – IESO and OPG to continue discussions about LOC to backstop smaller LDCs without ratings or OPG using a reserve account – need to determine quantum – IGS/OFA to produce summary deck for week of Sept 4 – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement	• July 1 – 25% takes effect • 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) • September 2~~6~~7 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

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Item	Key Deliverables / Considerations	Timing / Next Steps
	o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG o 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 • Ministry tracking Fair Allocation letter for week of September 11, but further conversations with OPG are needed	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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 • 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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)	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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 discussion on program design). • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

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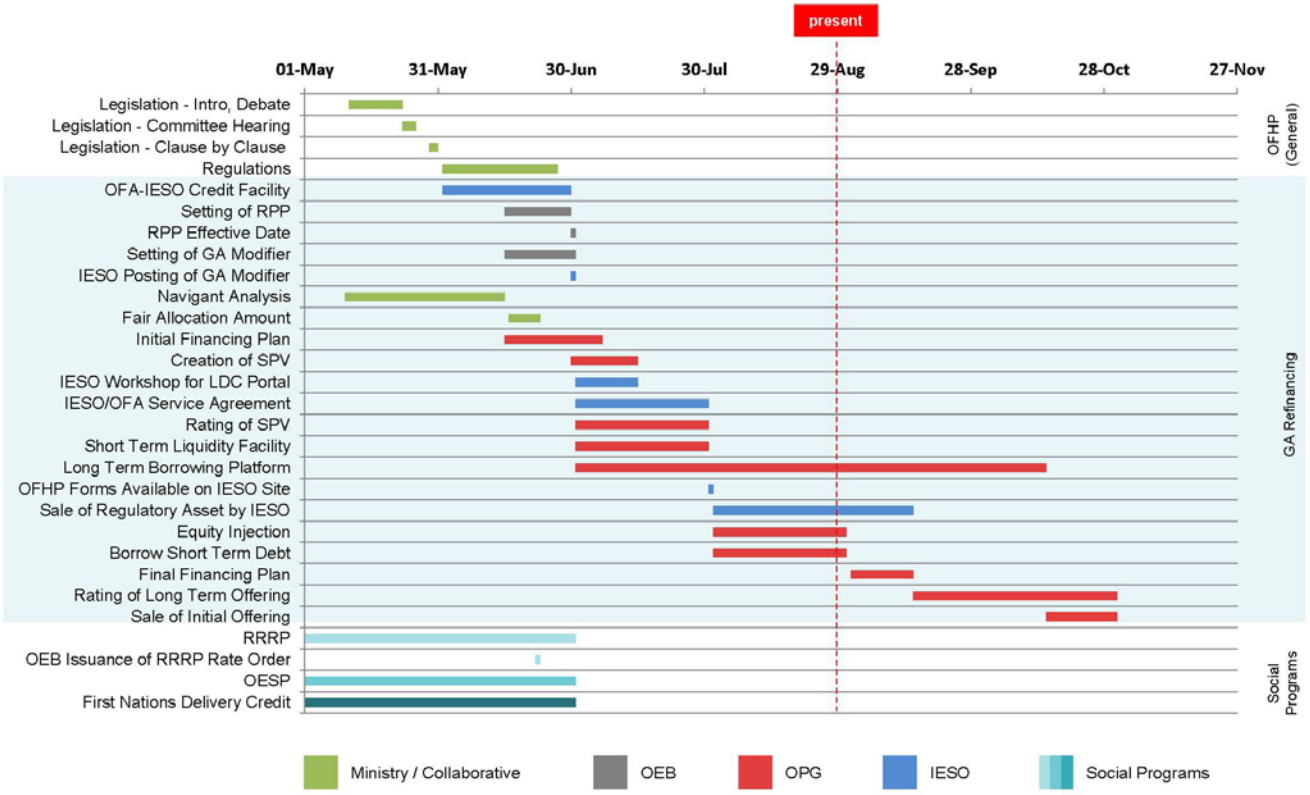
Item	Key Deliverables / Considerations	Timing / Next Steps
9) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u> • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017-07-11 Consolidated - OFHP Matrix - Week of....pdf

From: Cox, Hilary (ENERGY)
To: Hume, Steen (ENERGY)
Subject: 2017-07-11 Consolidated - OFHP Matrix - Week of August 21
Date: August 23, 2017 1:34:00 PM
Attachments: 2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx

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Revised pic and date in OFHP matrix.

2017-07-11 Consolidated - OFHP Matrix - Week _1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

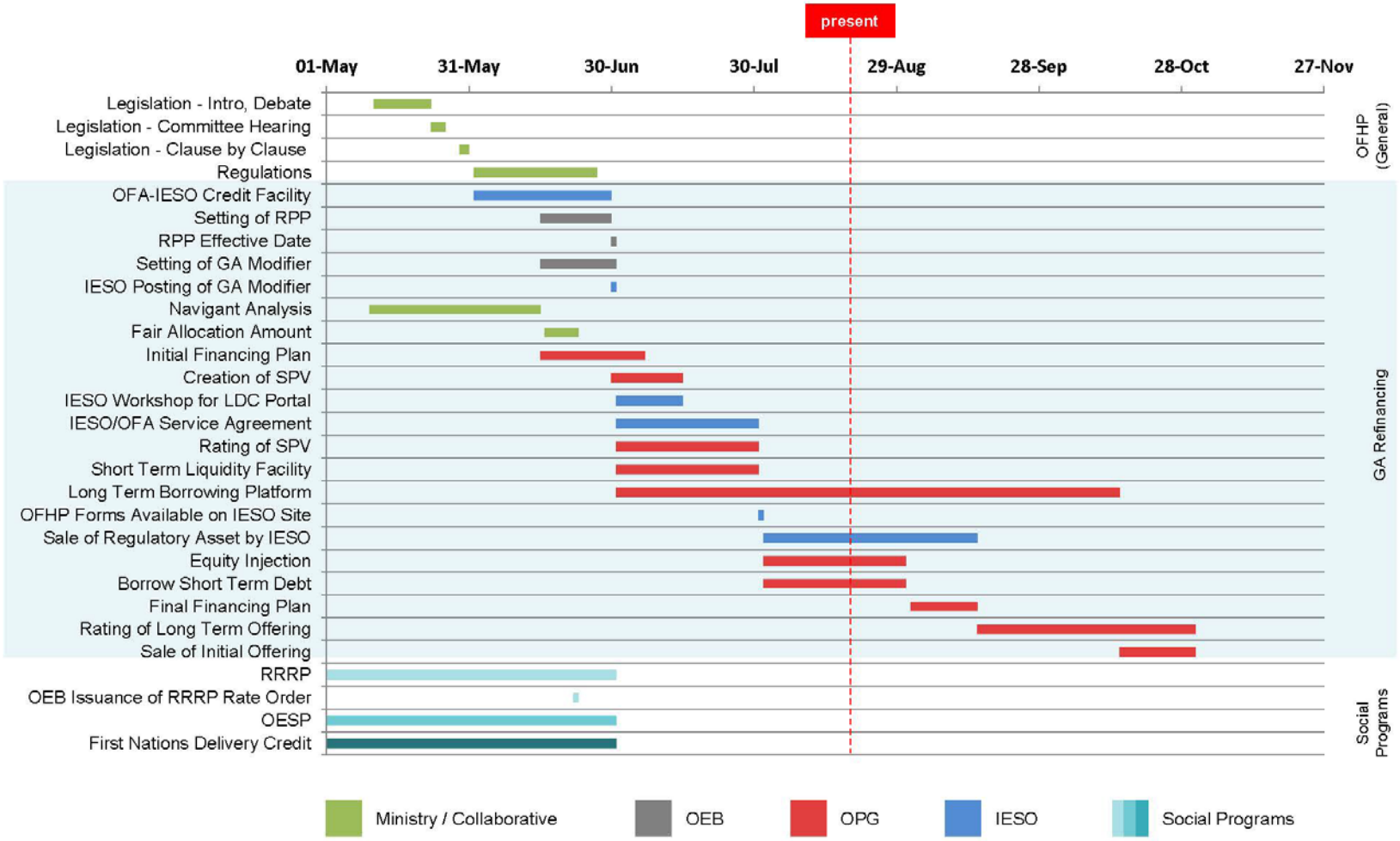
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Action Item - June 1.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY); Chander, Sunita (ENERGY)
Subject:	Action Item - June 1
Date:	June 1, 2017 9:30:00 AM
Attachments:	Action Items_June 1.docx

Hi everyone,

Attached are today's action items.

Please let me know if you have any updates or changes.

Thanks,
Martin

Action Items_June 1.pdf

Action Items – June 1

1) GA Refinancing
    - Ministry to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to set up call with Energy on TB report back expectations and timelines
    - Agencies (OPG/IESO/OEB) to develop and circulate more granular work plans
    - IESO provided AG all requested documents yesterday
    - OEB has AG request due tomorrow
    - OFA is also working on response to AG
    - OEB circulated timeline and is working to finalize work by June 22
    - OFA circulated a document comparing of Clean Energy Adj with DRC, which when finalized would be shared with AG
        - Ministry to review and provide comments early next week
    - IGS to connect with Tax policy on indirect taxes implication
    - Ministry to include standing item on future agendas for AG request
    - AG meeting with IESO board on the 14th with KPMG to attend
    - TBS to follow up on whether AG met with large audit firms and outcome

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory committee still trying to determine social service agency rep

Action Items - Aug 10.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Katona, Keley (MOF); Smith, Mike (ENERGY)
Subject:	Action Items - Aug 10
Date:	August 10, 2017 9:32:00 AM
Attachments:	Action Items_Aug 10.docx

Hi Everyone,

Attached are the action items for today's meeting. Please let me know if you have any updates/changes.

Thanks,
Martin

Action Items_Aug 10.pdf

Action Items – August 10, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG will go to their Board with financing plan following direction from the August 16th meeting
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG has discussion with MOF later this afternoon, but is confident that we are close to finalizing
        - Initial focus will be on the Canadian market

2) August 16th Meeting (Provincial Guarantee Update)
    - OFA will develop proposal summary for August 13 meeting
    - PG submission will track to TB on September 12/13
    - TBS would like to see a broader submission providing an overall OFHP status update to contextualize the PG request

3) AG Update
    - TBS expects a separate report by AG will be issued on OFHP
    - IESO had a special Board meeting on the OFHP on July 25 that the AG attended
    - Updating KPMG opinion will need to be updated in the future (probably at the time of finalization of the commercial agreements)
    - TBS to explore whether letter from KPMG to AG can be released publically

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - MCSS has expressed concerns about a potential clawback by social assistance workers of OESP from support payments
    - Affordability Fund (CRED)
        - Trustees have a call tomorrow

Action Items - July 27.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	Action Items - July 27
Date:	July 27, 2017 4:16:00 PM
Attachments:	Action Items_July 27.docx

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

Action Items_July 27_1.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work by end of September
        - OPG, IESO and ENERGY to work through an approach to address interest payments during the moratorium period
        - ENERGY working through the details related to the Minister's Fair Allocation Amount
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - 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 dealine 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

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)
        - Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1

- 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

Action Items - June 1.pdf

From: Schlaepfer, Martin (ENERGY)
To: Imbrogno, Serge (ENERGY)
Subject: Action Items - June 1
Date: June 1, 2017 7:45:00 PM
Attachments: Action Items_June 1.docx

Hi Deputy,

Attached are the action items from today today's weekly.

Ok to share with broader group?

Thanks,
Martin

Action Items_June 1_1.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

Action Items - June 22.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Imbrogno, Serge (ENERGY)
Subject:	Action Items - June 22
Date:	June 23, 2017 10:24:00 AM
Attachments:	Action Items_June 22.docx

Hi Deputy,

Attached are the action items from yesterday's RMI meeting.

Ok to share with broader group?

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

Action Items_June 22_1.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – Communication product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Next turn going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs

    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back
        - OPG legal agreements in progress
            - OPG to provide a detailed list of legal agreements to Ministry
        - OEB releasing RPP prices June 22, 2017 / Noon, as well as RRRP amounts

    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief its Minister on Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with equity injection process, but OFA would coordinate on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG
        - AG to provide opinion on August 18, 2017
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to its Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review

Action Items - May 4(1).pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Calwell, Carolyn (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Sermat-Harding, Kaili (ENERGY)
Subject:	Action Items - May 4
Date:	May 4, 2017 4:58:18 PM
Attachments:	Action Items - May 4.docx

Hi. building on Carolyn's, please see suggestions in the attached.

Action Items - May 4_1.pdf

Action Items – May 4

1) GA Refinancing
    - Leg Counsel finalizing legislation
    - LSB working on:
        - Committee motions
        - Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation
        - Indemnities for OPG and IESO Board members to be in place around Royal Assent
    - Ministry working on approval documents for Minister signature for end of week:
        - LRC / Cabinet Submission on OFH Legislation
        - TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
        - Ministry to share drafts by end of week
    - OPG and IESO's independent accounting work is complete:
        - OPG is finalizing E&Y's work
        - IESO has finalized KPMG's work
        - Agencies are each working a one page summary that could be released publically
    - OPG to meet with OAG next Thursday (TBC); OAG request to IESO for emails has been expanded
    - OPG on track with Board meeting on May 12 to approve recommendation
    - OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry received final legislation, which includes information sharing provision with MCSS
        - Ministry working with LDCs to finalize program design
    - Affordability Fund:
        - Ministry reaching out to social agencies
    - ICI:
        - Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting)
        - Ministry discussing with CME ongoing

3) Other Items
    - OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations
    - Regulation tracking for direct to Cabinet on June 14th (TBC)
    - Ministry to follow up with stakeholder on rate cap

Action Items - May 4.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Sermat-Harding, Kaili (ENERGY)
Subject:	Action Items - May 4
Date:	May 4, 2017 9:25:00 AM
Attachments:	Action Items - May 4.docx

Action items are attached for review. Please let me know if you have any updates/edits. There were a couple of updates I missed so if folks have those details that would be much appreciated.

Thanks,
Martin

Action Items - May 4_1_1.pdf

Action Items – May 4

1) GA Refinancing
    - Leg Council finalizing legislation
    - LSB working on addressing motions for committee
    - LSB working on regulations – 2 parts (May and June)
    - LSB to work on indemnities for OPG and IESO Board members for Royal Assent
    - OPG on track with Board meeting on May 12 to approve recommendation
    - OPG has sketched out what is required in regulation
    - Torys will issue an opinion on transaction for OPG
    - OPG to meet with OAG next Thursday (TBC)
    - OPG to determine whether or not E&Y opinion (summary) can be released
    - IESO accounting opinion from KPMG is final and will be shared and one page summary
        - IESO to determine if one page summary can be released publically
    - IESO has been requested to provide emails to OAG
    - Ministry working on Cab Sub for end of week with Minister signature
    - Ministry also working on TB report back – GA refinancing, Social programs ICI for end of week with Minister signature
        - TB looking for variability risk analysis for Social programs
    - Ministry working on LRC package as well
    - Ministry to share drafts by end of week
    - OPG guarantees won't happen, but market disruption element is still in play

2) Other OFHP Initiatives
    - RRRP, OESP, and FN
        - Ministry received final legislation, which includes information sharing provision with MCSS
        - Ministry working with LDCs to finalize program design
    - Affordability Fund
        - Ministry reaching out…
    - ICI
        - Ministry promoting value of ICI to…
        - Ministry discussing with Canadian Manufacturing

3) Other Items
    - OEB's cannot reset prices until regulation is public, but work will happen in the background with common understanding of regulations
    - MO needs to consider walk around for regulation (week of 14th) to post on the 22nd (TBC)
    - Ministry to follow up with stakeholder on rate cap

Action Items July 27.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); McKinlay, Tom (ENERGY); Cox, Hilary (ENERGY)
Subject:	Action Items July 27
Date:	July 27, 2017 10:45:07 AM
Attachments:	Action Items_July 27.docx

Hi Martin: attached are my proposed edits to the action items.

If you have any questions, happy to chat.

Steen

Action Items_July 27_1_1.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work ~~with rating agencies~~ by end of September
        - OPG, IESO and ENERGY ~~and needs~~ to work through an approach to address ~~the~~interest payments during the ~~process/accounting of the~~ moratorium period
        - ~~OPG working to finalize work with rating agencies by end of September~~
        - ENERGY ~~Ministry~~ working through the details related to the ~~fair~~ Minister's Fair ~~allocation~~ Allocation Amount~~curve, including a looking at potential options for ranges~~
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA ~~Ministry~~ to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY ~~Ministry~~ legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - TBS advises ~~indicates~~ 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 s~~s~~tatutory dealine in September 27)
    - IESO indicates that ~~KPMG got a second opinion from~~ Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)

- WebEx meeting with Utilities is set up August 1
- Trustees continue to work through program details before launching but is working toward launching as soon as possible
- Hydro One has been chosen to deliver the program

Action Items(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject:	Action Items
Date:	May 25, 2017 10:34:00 AM
Attachments:	Action Items_May 25.docx

Hi Folks,

Attached are the action items from today's meeting. This time I have tried to make them less like minutes and more focused on the deliverables, but please let me know if I have missed anything.

Thanks,
Martin

Action Items_May 25.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to call OPG/OEB/ISEO on regulation feedback
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process
    - All parties to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Ministry reaching out to another candidate

Action Items.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Calwell, Carolyn (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc:	Nelms, Scott (MOF)
Subject:	Action Items
Date:	May 18, 2017 9:40:00 AM
Attachments:	Action Items_May 18.docx

Hi everyone,

Please see attached the Action Items from today's meeting. Let me know if you have any edits/concerns before I distribute.

Thanks,
Martin

Action Items_May 18.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions to be distributed to group next week, which need to be filled a week from today
    - Ministry also working on regulations for end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - OPG to have term sheet ready in next couple of days
    - IESO needs to get purchase of sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
        - IESO has separate agreement with KPMG indicating that it will be delivered to Ministry and can be released publically
    - OPG memo and E&Y accounting opinion has been delivered to Ministry and can also be released publically
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - TBS/Ministry provided advice to FAO to remove accounting sections from OFHP report
        - Offer was made to review next turn
        - FAO will likely share report 48 hours before release
        - IESO to offer separate meeting with KPMG
        - FAO report to be provided to MO on Tuesday and be released on Wednesday
    - OPG met with AG last week with focus on IESO regulatory assets as opposed to OPG accounting issues
    - OEB also met with AG this week, focus on rate/price setting and rate regulating of IESO
    - OFA to work on analysis of comparison of Debt Retirement Charge
    - Indemnities are tracking forward in June and are expected to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with transaction (Summer/Fall)
        - OPG has been working with OFA on term sheet for guarantees to be signed by Ministers of Finance and Energy
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream

    - Products for both June 14 and 27
    - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
    - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
    - OEB needs certainty on what regulations will say (drafts/letter) prior to June 14 day to determine calculations
        - Calculation needs to be completed 15 business days from Royal Assent
- Affordability Fund:
    - Waiting for social service agencies to respond
- ICI:
    - No update

3) A Plan for Monitoring / Oversight
    - Need to ensure that there is alignment of different work streams

Action Items_July 27.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Nelms, Scott (MOF); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); McKinlay, Tom (ENERGY)
Subject:	Action Items_July 27
Date:	July 27, 2017 9:11:00 AM
Attachments:	Action Items_July 27.docx

Hi Everyone,

Attached are today's action items. Please let me know if you have any edits by EOD.

Thanks,
Martin

Action Items_July 27_2.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies and needs to work through the process/accounting of the moratorium period
        - OPG working to finalize work with rating agencies by end of September
        - Ministry working through fair allocation curve, including a looking at potential options for ranges
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would to settle the guarantee by early August to begin the rating process, pending final approval at a later date
            - Ministry to bring this forward to CO/PO on August 16, with a TB meeting to follow
    - Business Item (OPG/IGS)
        - MOF is working on confort letter regarding PILs for OPG
        - Ministry legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - TBS indicates that AG is tracking for an opinion on PA on August 18, which would result in an earliest release on August 28 (statutory dealine in September 27)
    - IESO indicates that KPMG got a second opinion from Deloitte that is supportive, which was provided to the AG

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)
        - WebEx meeting with Utilities is set up August 1
        - Trustees continue to work through program details before launching but is working toward launching as soon as possible
        - Hydro One has been chosen to deliver the program

Action Items_June 22.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY); Evans, Karen (ENERGY)
Subject:	Action Items_June 22
Date:	June 22, 2017 9:45:00 AM
Attachments:	Action Items_June 22.docx

Hi Folks,

Attached are the action items for today. Please let me know if you have any edits.

Thanks,
Martin

Action Items_June 22_1_1.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – comms product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Ministry turning going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs
    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the obligation for interest
            - OPG/IESO to report back (could require a future regulation)
        - OPG legal agreements in progress
        - OEB releasing RPP prices today at noon, as well as RRRP amounts
    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief their Minister on Tuesday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit going to LRC on June 27th
        - Ministry to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with Equity injection process, but OFA would administer on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG who inidicated something is on the way
        - AG to provide opinion on August 18
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to their Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)

- OESP regs are tracking to Cabinet on the 27th
- MCSS - OESP automatic enrolment TB submission to track in July
- One LDC may not be able to implement RRRP for

o Affordability Fund (CRED)
- Trustees to sign appointment document
- Appointment of HydroOne as administrator to occur after call
- HyrdroOne to develop strawman of program design elements
- Next meeting at the end of July

Action Items_June 8.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Cc:	Christie, Tim (ENERGY); Chander, Sunita (ENERGY)
Subject:	Action Items_June 8
Date:	June 8, 2017 9:54:00 AM
Attachments:	Action Items_June 8.docx

Hi everyone,

Attached are today's action items. Please let me know if you have any updates.

Thanks,
Martin

Action Items_June 8_1.pdf

Action Items – June 8

1) GA Refinancing
    - Ministry tracking 8 regs for next week
    - Ministry moved OESP reg to June 27
        - Ministry continues to work with MCSS on OESP automatic enrolment, which is tracking for Sept at the earliest
    - Ministry continues to work on general reg and requires input from IESO to ensure they have what they need
    - TBS would like a road map to facilitate for the presentation at TB
    - OPG to provide language to Ministry for regulation drafting
    - OPG to draft a deck for Minister's OFHP implementation briefing with input from IGSs
    - IESO expecting AG coming to their Board on June 14 and will report back
    - IESO is working with KPMG to review the interest cost coming back to IESO from OPG during moratorium period
    - OEB drafting supplementary report to go out with revised pricing on June 22
        - OEB to consider announcing pricing earlier in the day rather than afternoon
    - OEB refining answer and key messages to how HydroOne rate application impacts OFHP and will share with Ministry to review
    - Ministry to provide comments back to OPG on Provincial Support Agreement Term Sheet by next week
    - MOF, not TBS, to provide S. 28 approval
    - OPG/IESO to confirm timing of when they need Board indemnities (potentially required before IESO Board meeting on the 14th of June)
    - MOF/TBS to look into whether appropriation from TB is required to facilitate the S.28 approval
    - Ministry reviewing CEB/DRC comparison document and will provide comments next week.

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working with Chiefs on First Nations Delivery credit with Chiefs expecting to table and pass a resolution next week on who receives credit
    - Affordability Fund:
        - Formal agreement being drafted for final trustee who has agreed verbally

Consolidated - OFHP Matrix - March 17.pdf

From:	Hume, Steen (ENERGY)
To:	Katona, Keley (ENERGY)
Cc:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY); Cox, Hilary (ENERGY)
Subject:	Consolidated - OFHP Matrix - March 17
Date:	March 17, 2017 7:48:25 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Consolidated - OFHP Matrix - March 27.pdf

From:	Hume, Steen (ENERGY)
To:	Katona, Keley (ENERGY)
Cc:	Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Johnson, Paul (ENERGY); Cox, Hilary (ENERGY)
Subject:	Consolidated - OFHP Matrix - March 27
Date:	March 24, 2017 6:24:07 PM
Attachments:	Consolidated - OFHP Matrix - March 27.docx

Hi Keley: attached is the updated OFHP matrix for next week, includes the action items from Thursday's meeting.

Thanks everyone.

Have a good weekend. Steen

Consolidated - OFHP Matrix - March 27_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 30, 2017

Consolidated - OFHP Matrix - Week of April 10 (1).pdf

From: Feather, Adam (ENERGY)
To: Reid, Michael (ENERGY)
Subject: Consolidated - OFHP Matrix - Week of April 10 (3)
Date: April 7, 2017 4:33:00 PM
Attachments: Consolidated - OFHP Matrix - Week of April 10 (3).docx

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Updates on OESP stuff for the OFHP matrix.

Consolidated - OFHP Matrix - Week of April 10_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging. •	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • ~~SNAP/LSB working on~~ LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • ~~Board decision this week on removing OESP from bill as of May 1.~~ • SNAP to work with TBS to ~~ensure funds flow from fiscal plan as soon as legislation passes~~map out how funds will flow from fiscal plan after legislation passes Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• As part of legislation / regulatory amendment work, investigating steps required to transition from ~~use~~ using OESP variance (approx. $100M) to ~~reduce current OESP charge to zero and continue funding existing~~finance the program ~~until tax changes in place~~to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
		performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u>	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of April 10 .pdf

From: Chander, Sunita (ENERGY)
To: Feather, Adam (ENERGY)
Subject: Consolidated - OFHP Matrix - Week of April 10 (3)
Date: April 7, 2017 4:29:41 PM
Attachments: Consolidated - OFHP Matrix - Week of April 10 (3).docx

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Updates on OESP stuff

Consolidated - OFHP Matrix - Week of April 10_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging. •	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • ~~SNAP/LSB working on~~ LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • ~~Board decision this week on removing OESP from bill as of May 1.~~ • SNAP to work with TBS to ~~ensure funds flow from fiscal plan as soon as legislation passes~~map out how funds will flow from fiscal plan after legislation passes Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• As part of legislation / regulatory amendment work, investigating steps required to transition from ~~use~~ using OESP variance (approx. $100M) to ~~reduce current OESP charge to zero and continue funding existing~~finance the program ~~until tax changes in place~~to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
		performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u>	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of April 10.pdf

From:	Hume, Steen (ENERGY)
To:	Katona, Keley (ENERGY)
Cc:	Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY)
Subject:	Consolidated - OFHP Matrix - Week of April 10
Date:	April 7, 2017 6:02:28 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 10.docx

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Hi Keley: attached is an updated OFHP Matrix for next week. Updated and new items are highlighted in yellow.

Thanks, Steen

Consolidated - OFHP Matrix - Week of April 10_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of April 18 .pdf

From:	Hume, Steen (ENERGY)
To:	Katona, Keley (ENERGY)
Cc:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY)
Subject:	Consolidated - OFHP Matrix - Week of April 18 (3)
Date:	April 13, 2017 6:03:13 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (3).docx

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Hi Keley: attached is the updated OFHP Matrix for next week. New and updated content is noted in yellow.

Have a great weekend. Steen

Consolidated - OFHP Matrix - Week of April 18.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• AG briefing on April 19, 2017 (TBD) • April 21, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB **OEB:** • OEB working to finalize RPP rates and release by May 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is scheduled for April 18, 2017 **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive

Item	Key Deliverables / Considerations	Timing / Next Steps
		materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of April 24.pdf

From: Hume, Steen (ENERGY)
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - Week of April 24
Date: April 21, 2017 6:52:00 PM
Attachments: Consolidated - OFHP Matrix - Week of April 24.docx

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Hi Keley: attached is the updated OFHP Matrix for next week (updates in yellow).

Have a great weekend. Steen

Consolidated - OFHP Matrix - Week of April 24_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of July 10.pdf

From:	Feather, Adam (ENERGY)
To:	Reid, Michael (ENERGY)
Subject:	Consolidated - OFHP Matrix - Week of July 10
Date:	July 7, 2017 5:24:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of July 10.docx

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Good to share with ESP? Minor edits re: MCSS/OESP and TB on page 1.

From: Hume, Steen (ENERGY)
Sent: July 7, 2017 9:52 AM
To: Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Syed, Usman (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: OFHP Tracking Documents

Good morning all. Next week we have a couple of meeting re OFHP. I've attached our usual tracking documents.

Can I ask that folks take a quick look at the attached and provide any edits for later this afternoon. And for the sake of ease, I prose we take a light touch in our reviews (it is summer after all).

Thanks everyone. Steen

Consolidated - OFHP Matrix - Week of July 10_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

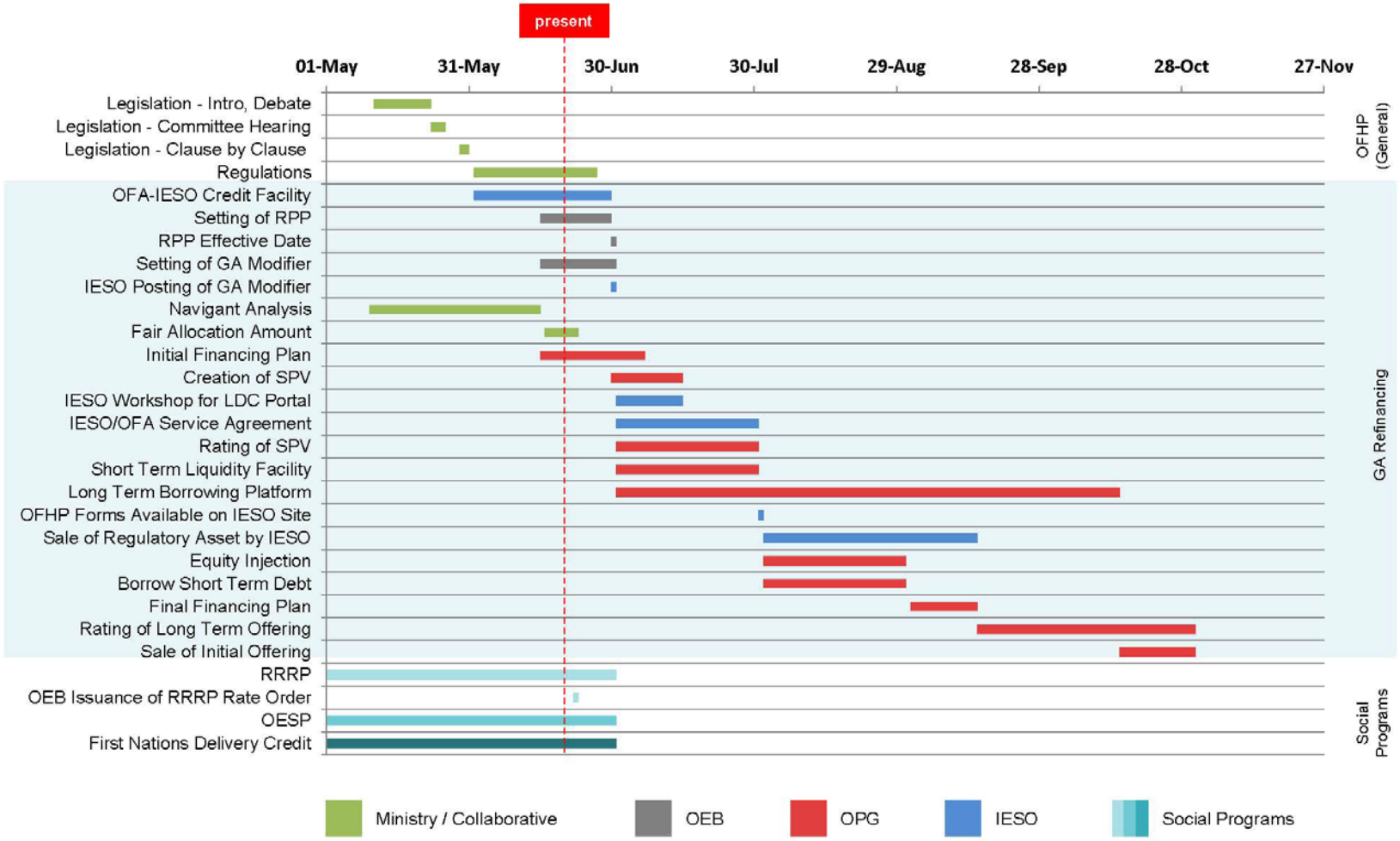
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	MCSS going to TB on July 26

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds

Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of June 5 Tra...(1).pdf

From:	Feather, Adam (ENERGY)
To:	Chander, Sunita (ENERGY); Nakahara, Ken (ENERGY); Talwar, Shruti (ENERGY)
Cc:	Sud, Manu (ENERGY)
Subject:	Consolidated - OFHP Matrix - Week of June 5 Tracked
Date:	June 2, 2017 10:55:00 AM
Attachments:	Action Items_June 1.docx Consolidated - OFHP Matrix - Week of June 5 Tracked.docx

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List of action items from yesterday's rate mitigation implementation meeting has been incorporated into the attached OFHP matrix. Please review and let me know if there's anything else you'd like to add or anything that's not properly represented. Please send over edits by 1pm today, after which I will assume that you have nothing to change. Thanks!

Shahrokh

Action Items_June 1_2.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

Consolidated - OFHP Matrix - Week of June 5 T.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps

	• TBS to connect with OFA to determine if it ready to share with IESO
	• IGS to follow-up with MOF/Tax Policy on indirect taxes imlications
	
	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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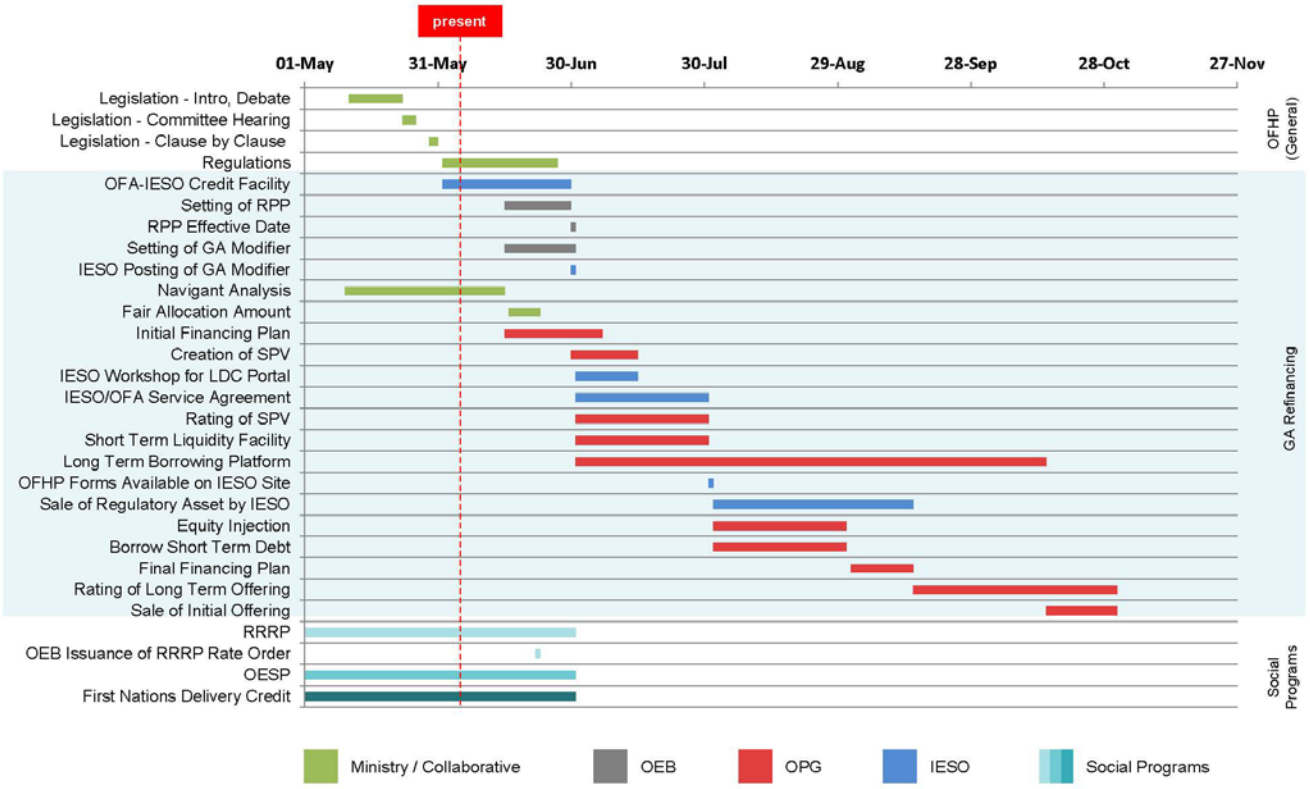
Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of June 5 Tra...(2).pdf

From:	Kitchen, Matthew (ENERGY)
To:	Syed, Usman (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY); Kolodziej, Monika (ENERGY)
Subject:	Consolidated - OFHP Matrix - Week of June 5 Tracked
Date:	June 2, 2017 11:01:21 AM
Attachments:	Consolidated - OFHP Matrix - Week of June 5 Tracked.docx Action Items_June 1.docx

Please see action items (as well as updated OFHP matrix) from yesterday's rate mitigation implementation meeting.

No action at this time (I believe) but let me know if there is anything you would like to flag.

Matt

From: Cox, Hilary (ENERGY)
Sent: June-02-17 10:51 AM
To: Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Please review and return by 3 pm - Consolidated - OFHP Matrix - Week of June 5 Tracked

Hi SNAP, CRED and IGS –
I've incorporated the list of action items from yesterday's rate mitigation implementation meeting into the attached OFHP matrix. Please review and let me know if there's anything else you'd like to add or anything that's not properly represented.

Really aiming to get this back by 3 pm please.

HC

Consolidated - OFHP Matrix - Week of June 5 T_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps

	• TBS to connect with OFA to determine if it ready to share with IESO
	• IGS to follow-up with MOF/Tax Policy on indirect taxes imlications
	
	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
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8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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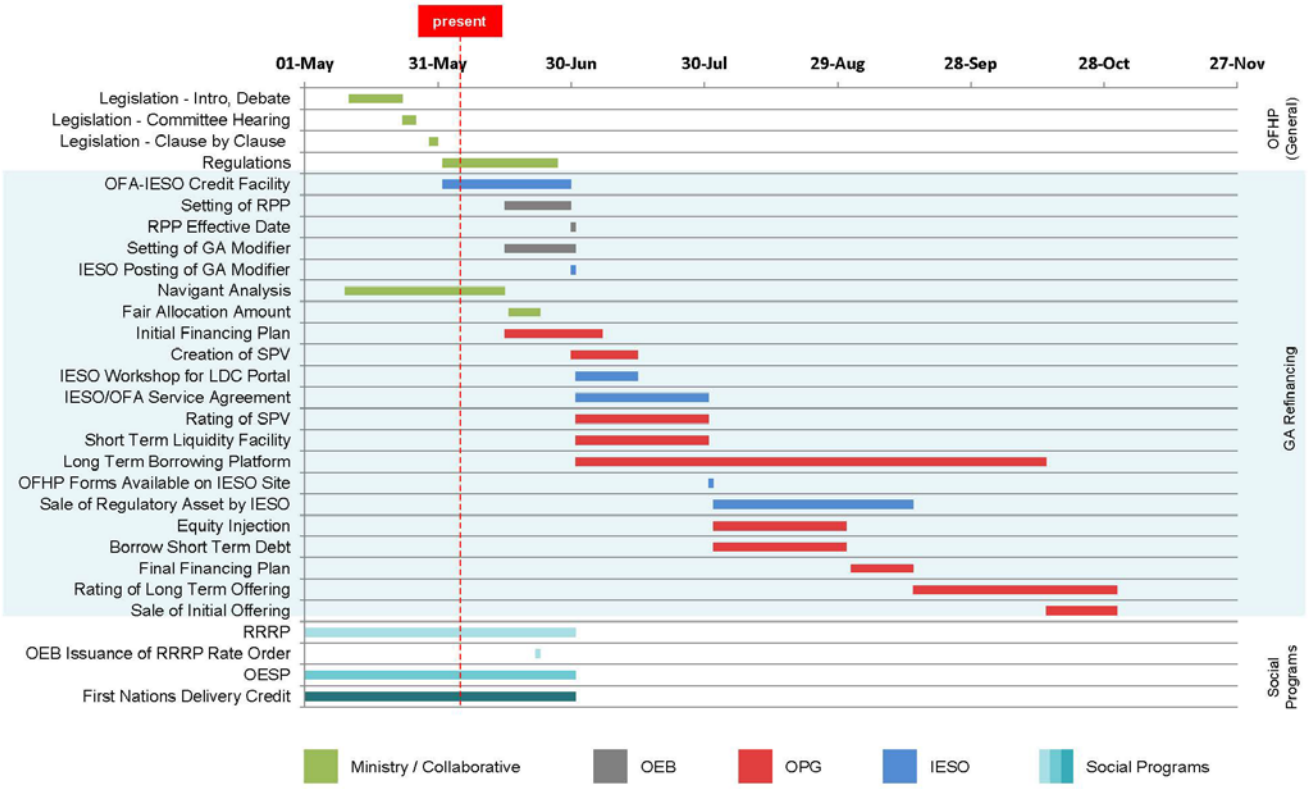
Ontario Fair Hydro Plan Implementation



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

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Action Items_June 1_3.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

Consolidated - OFHP Matrix - Week of June 5 Tra....pdf

From: Cox, Hilary (ENERGY)
To: Hume, Steen (ENERGY)
Subject: Consolidated - OFHP Matrix - Week of June 5 Tracked
Date: June 2, 2017 9:43:00 AM
Attachments: Consolidated - OFHP Matrix - Week of June 5 Tracked.docx

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Hi Steen –
Attached is consolidated matrix for next week. Almost all action items were ours, so I completed on behalf of all divisions.

HC

Consolidated - OFHP Matrix - Week of June 5 T_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
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	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
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	• OPG and IESO's independent accounting work is complete:
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	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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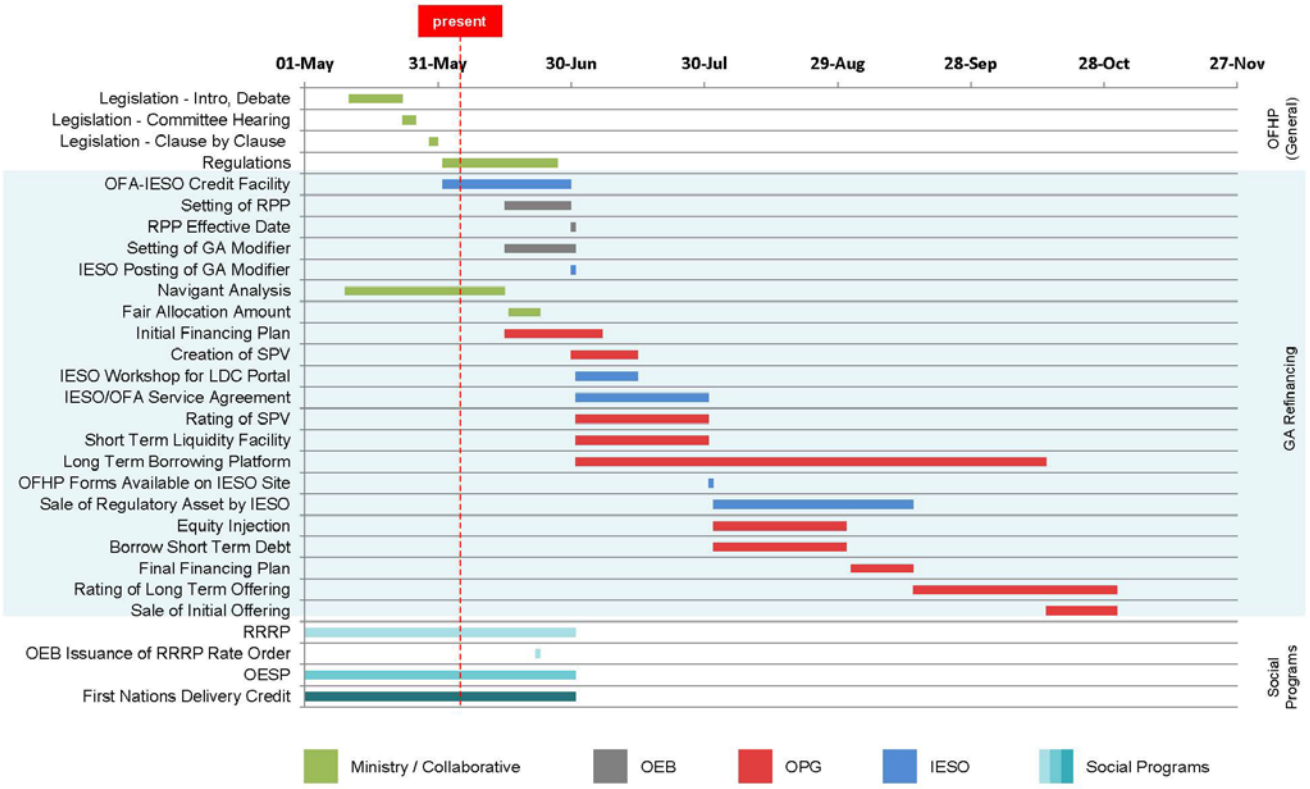
Ontario Fair Hydro Plan Implementation



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

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FW_ 2017 Outstanding Business Issues - Week of....pdf

From:	Cox, Hilary (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Hume, Steen (ENERGY); Martin, Eric (ENERGY)
Subject:	FW: 2017 Outstanding Business Issues - Week of Aug 8 - igs
Date:	August 17, 2017 2:41:16 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 8 - igs.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

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Hello Martin,

Attached are the business issues and OFHP Matrix for tomorrow's meeting. Please let me know if there are any concerns.

Thank you,
Ava

2017 Outstanding Business Issues - Week of A.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-11 Consolidated - OFHP Matrix - Week _2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

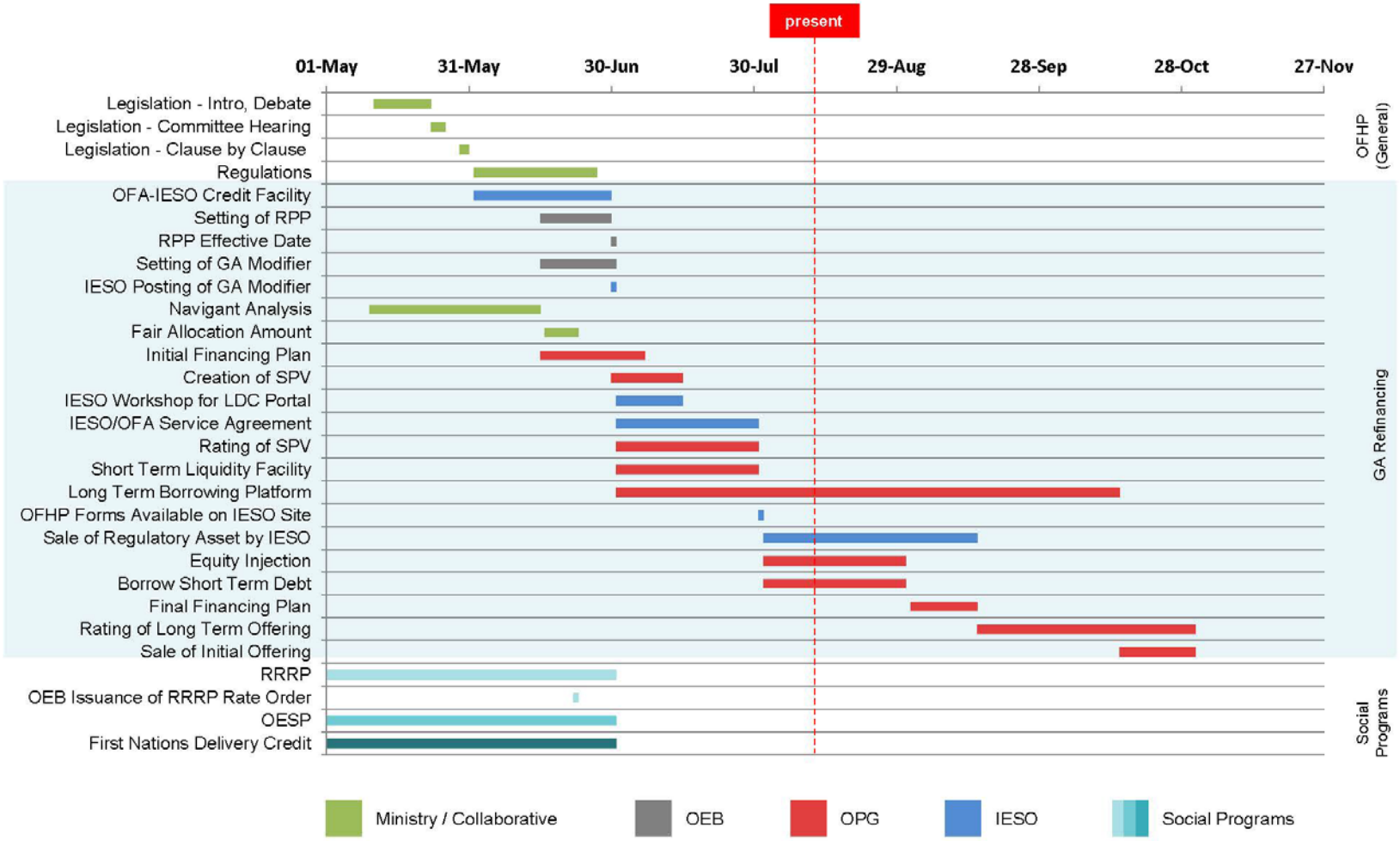
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ 2017-07-07 Consolidated - OFHP Matrix - Wee...(1).pdf

From:	Edwards, Matthew (ENERGY)
To:	Syed, Usman (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY)
Subject:	FW: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31
Date:	July 27, 2017 11:55:00 AM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31.docx Action Items_July 27.docx

Hi – can you please check this matrix and update if necessary?

Can this be done quickly today?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: July 27, 2017 11:47 AM
To: Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31

Hi Shahrokh and Matt –
I've updated the OFHP matrix for the action items coming out of yesterday's group meeting (also attached for information). Please review and ensure your items have been properly represented. Please also strip out any stale information.

HC

2017-07-07 Consolidated - OFHP Matrix - Week .pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) ▪ OPG to set meeting with OFA and IFS to discuss dealers' questions on guarantee o▪ OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption ▪ MOF/Tax Policy working on comfort letter re: PILs for OPG • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value	• July 1 – 25% takes effect • August 16 - ENERGY and OFA to bring forward proposed approach to Provincial Guarantee to CO/PO, with a TB meeting/approval to follow • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)

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Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation • Ministry working on post card for FNDC	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

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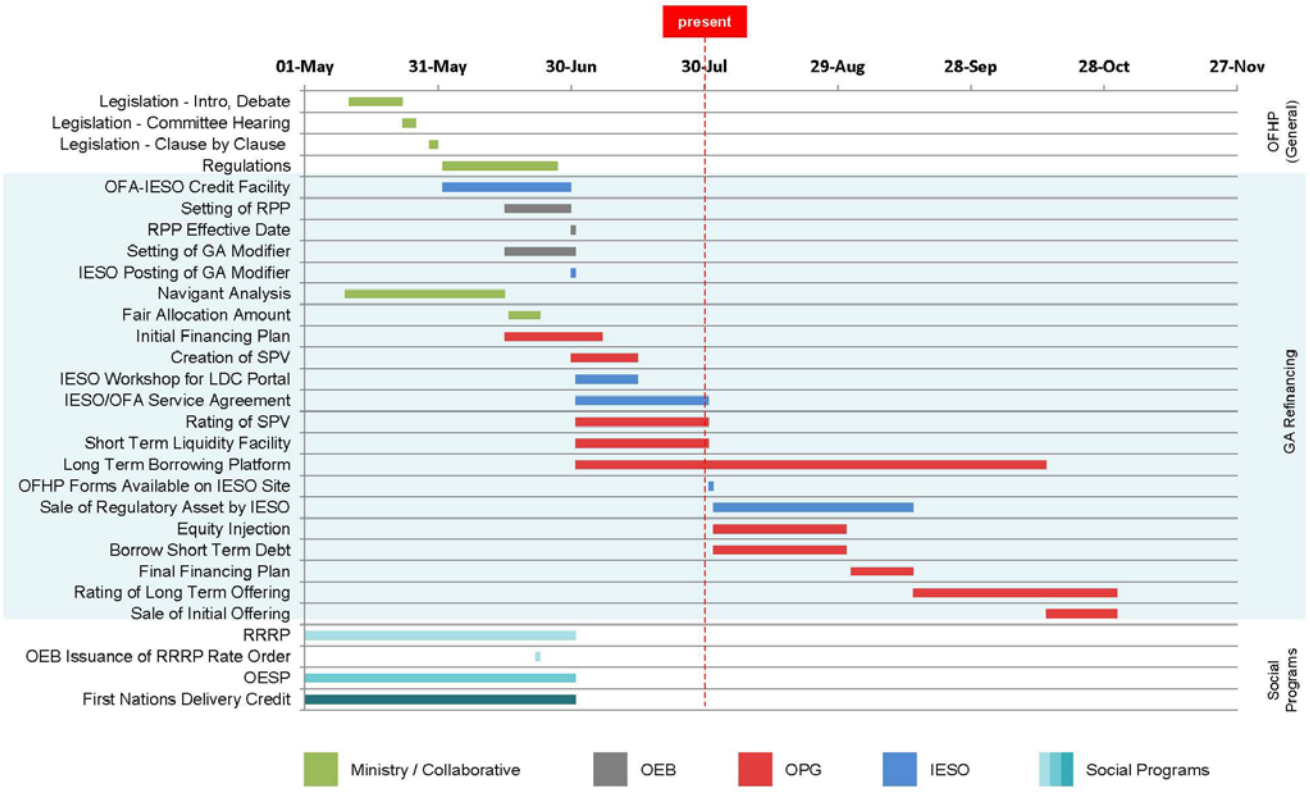
Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC outreach campaign 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Action Items_July 27_3.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work ~~with rating agencies~~ by end of September
        - OPG, IESO and ENERGY ~~and needs~~ to work through an approach to address ~~the~~interest payments during the ~~process/accounting of the~~ moratorium period
        - ~~OPG working to finalize work with rating agencies by end of September~~
        - ENERGY ~~Ministry~~ working through the details related to the ~~fair~~ Minister's Fair ~~allocation~~ Allocation Amount~~curve, including a looking at potential options for ranges~~
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA ~~Ministry~~ to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY ~~Ministry~~ legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - TBS advises ~~indicates~~ 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 s~~s~~tatutory dealine in September 27)
    - IESO indicates that ~~KPMG got a second opinion from~~ Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)

- Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities ~~with Utilities~~ is scheduled for ~~et up~~ August 1
- Trustees continue to work through program design concepts and details in order to launch the program ~~tails before launching but is working toward launching~~ as soon as possible
- Trustees have agreed to Hydro One's role as administrator ~~has been chosen to deliver the program~~

FW_ 2017-07-07 Consolidated - OFHP Matrix - Wee...(2).pdf

From: Cox, Hilary (ENERGY)
To: Edwards, Matthew (ENERGY)
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date: August 11, 2017 11:21:39 AM
Attachments: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14.docx

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Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-07 Consolidated - OFHP Matrix - Week _1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

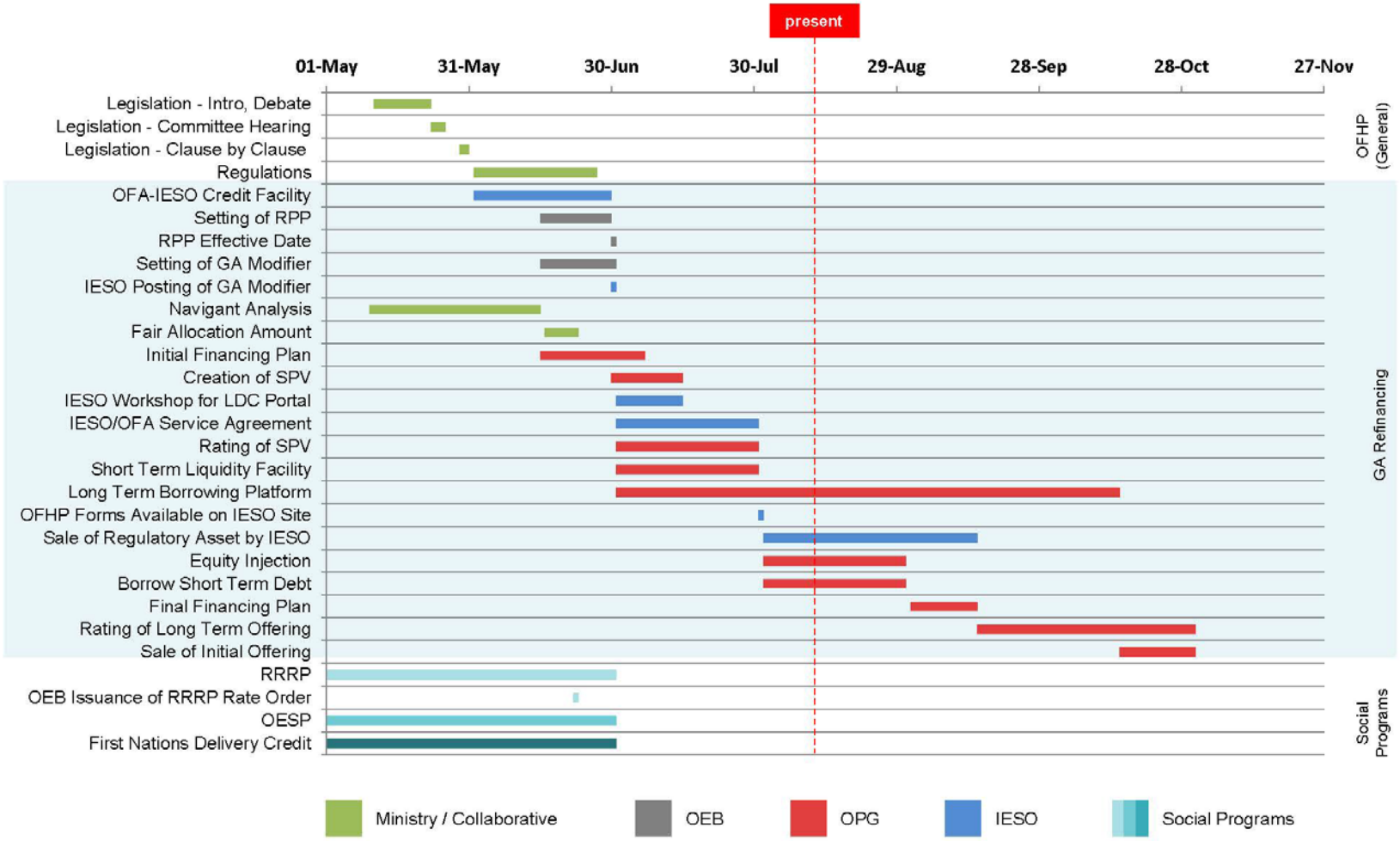
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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 scheduled for August 11, 2016	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ 2017-07-07 Consolidated - OFHP Matrix - Wee...(3).pdf

From:	Edwards, Matthew (ENERGY)
To:	Schwab-Pflug, Emma (ENERGY)
Subject:	FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date:	August 11, 2017 11:23:00 AM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of August 14.docx

Can you update as necessary?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: August 11, 2017 11:22 AM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-07 Consolidated - OFHP Matrix - Week _2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

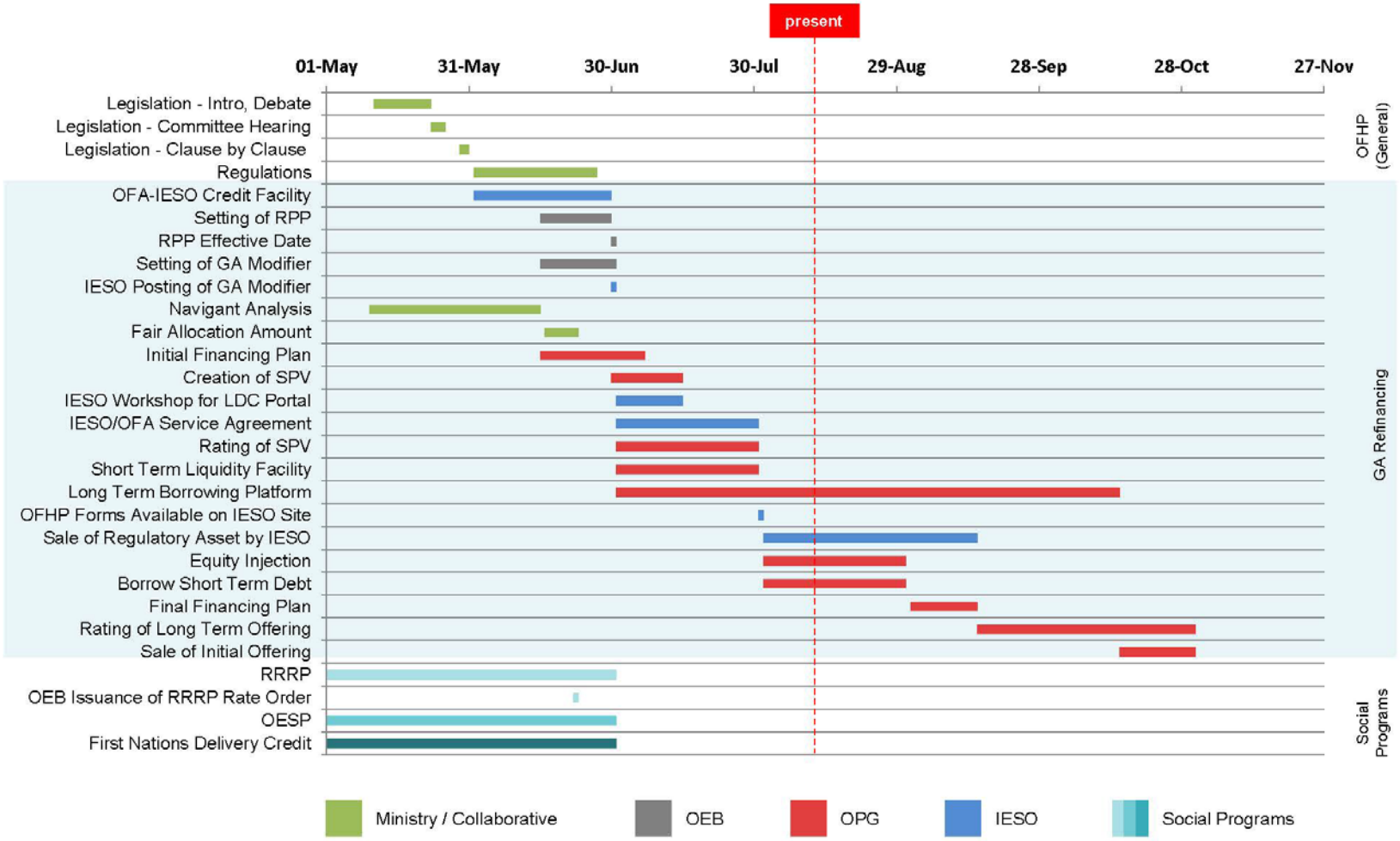
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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 scheduled for August 11, 2016	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ 2017-07-07 Consolidated - OFHP Matrix - Wee....pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	FW: 2017-07-07 Consolidated - OFHP Matrix - Week of July 26
Date:	July 24, 2017 10:33:05 AM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 26.docx 2017 07 07 Business Issues v01.docx

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Good morning Martin. Attached are updated materials to support the OFHP implementation discussion this afternoon.

We've updated the OFHP Matrix (new additions note in bold yellow) and attached IGS's business items chart (no changes to that document).

Happy to discuss if you have any questions.

Thanks, Steen

2017-07-07 Consolidated - OFHP Matrix - Week _3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

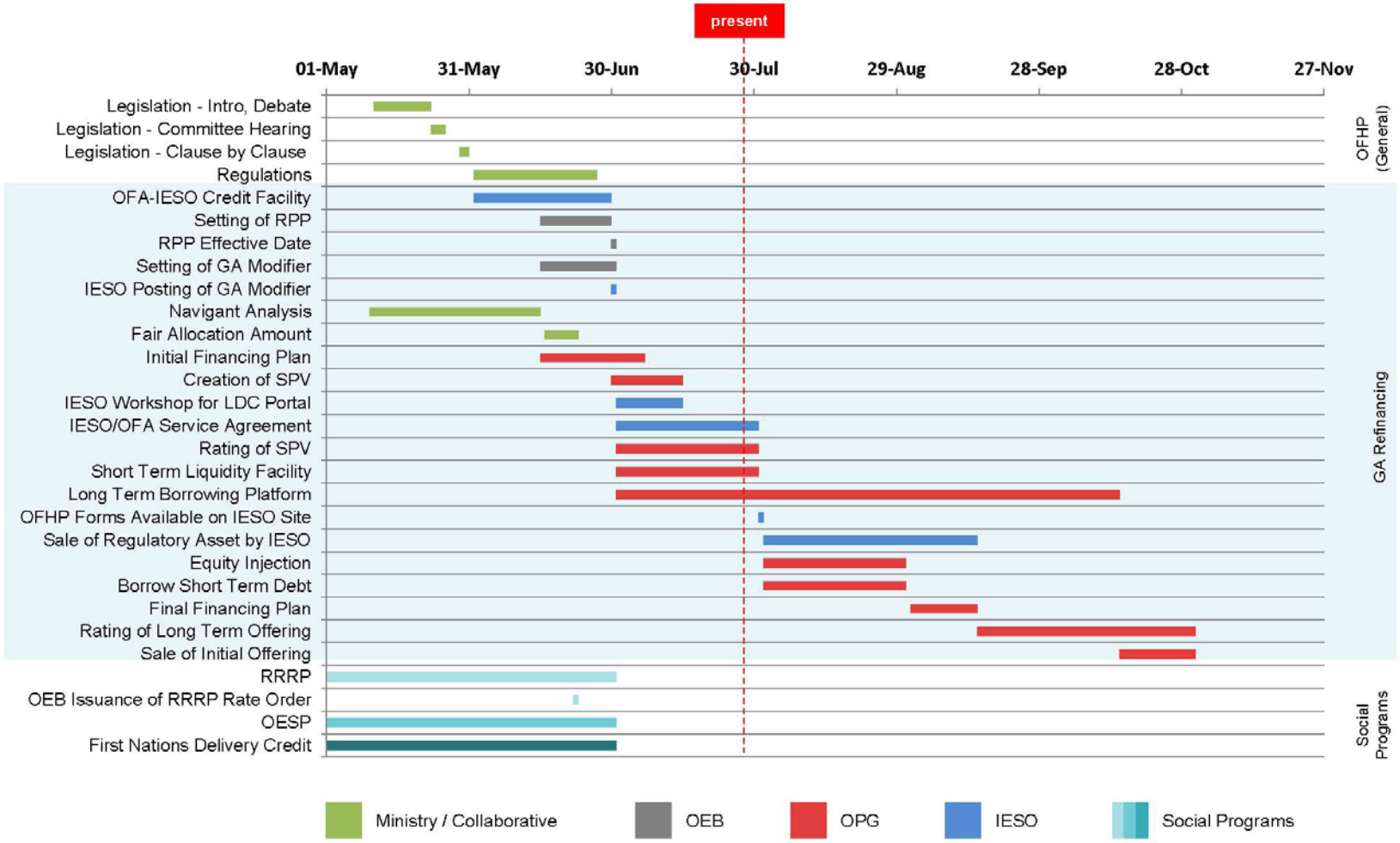
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Consolidated - OFHP Matrix - April 3-ESP SN...(1).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY)
Cc:	Johnson, Paul (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - April 3-ESP SNAP CRED LSB IGS (2)
Date:	April 3, 2017 3:28:36 PM
Attachments:	Consolidated - OFHP Matrix - April 3-ESP SNAP CRED LSB IGS (2).docx Action Items_March 30.docx

Hi Carolyn,

Please see the attached OFHP Matrix. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 3, 2017 8:45 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - April 3-ESP SNAP CRED LSB IGS (2)

HI all –
Materials for rate mitigation implementation.

HC

Consolidated - OFHP Matrix - April 3-ESP SNAP.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD)	• Report back to TB/MBC by Spring 2017 with final

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. Considerations • Legislative changes not required. •	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding

Item	Key Deliverables / Considerations	Timing / Next Steps
		criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	(TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u>	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive

Item	Key Deliverables / Considerations	Timing / Next Steps
		materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Action Items_March 30.pdf

Action Items – Thursday March 30, 2017

1) GA Refinancing
   - ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation
   - LSB / Blakes to brief OPCD on legislation
   - KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions
   - Blakes / OPG to work through financing issues related to 10% cap
   - Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg
   - TD being engaged through OFA to provide financial advice
   - ESP to make presentation on GA financing at upcoming IESO Board meeting
   - OEB to continue to work with Ministry LSB on comfort letter / OEB doesn't need letter until mid-April
2) Affordability Fund
   - Briefing being scheduled for advisory committee
   - Trust will establish process for accessing funds by Summer
3) RRRP / OESP / FN Rate
   - SNAP working on LRC materials for OESP tracking to April 10 LRC
   - SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes
   - SNAP meeting with OEB / MCSS on options for automatic enrolment
   - SNAP to sit down with COO next week on FN Rate
   - SNAP to review Toronto Hydro issues
4) ICI
   - ESP working on LRC approval package tracking to April 10 LRC
   - Outreach with OCC / CME ongoing
5) Other items
   - LSB to draft memo to LDCs letting them know about legislative issue related to advertising

FW_ Consolidated - OFHP Matrix - April 3-ESP SN....pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject:	FW: Consolidated - OFHP Matrix - April 3-ESP SNAP CRED LSB IGS (2)
Date:	April 3, 2017 8:45:15 AM
Attachments:	Consolidated - OFHP Matrix - April 3-ESP SNAP CRED LSB IGS (2).docx Action Items_March 30.docx

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HI all –

Materials for rate mitigation implementation.

HC

Consolidated - OFHP Matrix - April 3-ESP SNAP_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD)	• Report back to TB/MBC by Spring 2017 with final

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. Considerations • Legislative changes not required. •	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding

Item	Key Deliverables / Considerations	Timing / Next Steps
		criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	(TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u>	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive

Item	Key Deliverables / Considerations	Timing / Next Steps
		materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Action Items_March 30_1.pdf

Action Items – Thursday March 30, 2017

1) GA Refinancing
   - ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation
   - LSB / Blakes to brief OPCD on legislation
   - KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions
   - Blakes / OPG to work through financing issues related to 10% cap
   - Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg
   - TD being engaged through OFA to provide financial advice
   - ESP to make presentation on GA financing at upcoming IESO Board meeting
   - OEB to continue to work with Ministry LSB on comfort letter / OEB doesn't need letter until mid-April
2) Affordability Fund
   - Briefing being scheduled for advisory committee
   - Trust will establish process for accessing funds by Summer
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   - SNAP working on LRC materials for OESP tracking to April 10 LRC
   - SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes
   - SNAP meeting with OEB / MCSS on options for automatic enrolment
   - SNAP to sit down with COO next week on FN Rate
   - SNAP to review Toronto Hydro issues
4) ICI
   - ESP working on LRC approval package tracking to April 10 LRC
   - Outreach with OCC / CME ongoing
5) Other items
   - LSB to draft memo to LDCs letting them know about legislative issue related to advertising

FW_ Consolidated - OFHP Matrix - March 17(1).pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - March 17
Date:	March 21, 2017 12:50:09 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Hi All –

Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

FW_ Consolidated - OFHP Matrix - March 17(2).pdf

From:	Feather, Adam (ENERGY)
To:	Chander, Sunita (ENERGY)
Cc:	Smith, Mike (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - March 17
Date:	March 21, 2017 12:59:00 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Sunita:

Do we have anything to add to this in terms on reporting back on action items?

A.

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

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Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
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Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

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		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

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	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
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FW_ Consolidated - OFHP Matrix - March 17(3).pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject:	FW: Consolidated - OFHP Matrix - March 17
Date:	March 23, 2017 1:09:11 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

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Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

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Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
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Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

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FW_ Consolidated - OFHP Matrix - March 17(4).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Johnson, Paul (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - March 17
Date:	March 24, 2017 3:12:15 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Hi Paul,

Please let me know if there are any edits for the OFHP Matrix.

Thanks,

Joseph Pau

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Week of March 20, 2017

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	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

FW_ Consolidated - OFHP Matrix - March 17.pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject:	FW: Consolidated - OFHP Matrix - March 17
Date:	March 20, 2017 9:05:31 AM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Can't remember if I forwarded this on Friday evening. I'll have paper copies.

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

FW_ Consolidated - OFHP Matrix - March 27.pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject:	FW: Consolidated - OFHP Matrix - March 27
Date:	March 27, 2017 9:10:30 AM
Attachments:	Consolidated - OFHP Matrix - March 27.docx

From: Hume, Steen (ENERGY)
Sent: March 24, 2017 6:24 PM
To: Katona, Keley (ENERGY)
Cc: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 27

Hi Keley: attached is the updated OFHP matrix for next week, includes the action items from Thursday's meeting.

Thanks everyone.

Have a good weekend. Steen

Consolidated - OFHP Matrix - March 27_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 30, 2017

FW_ Consolidated - OFHP Matrix - Week of April 10(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc:	Kolodziej, Monika (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - Week of April 10
Date:	April 6, 2017 4:20:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 10.docx

Don't think we have any updates to the attached OFHP matrix, right? Let me know by noon tomorrow.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: April-06-17 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

Consolidated - OFHP Matrix - Week of April 10_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
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12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 10(2).pdf

From:	Syed, Usman (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY); Kolodziej, Monika (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - Week of April 10
Date:	April 7, 2017 10:06:07 AM
Attachments:	2017-04-06 Consolidated - OFHP Matrix - Week of April 10v2.docx

Hi Erin – here is the updated OFHP matrix, thanks…

- Usman

From: Thompson, Erin (ENERGY)
Sent: April-06-17 4:20 PM
To: Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc: Kolodziej, Monika (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Don't think we have any updates to the attached OFHP matrix, right? Let me know by noon tomorrow.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: April-06-17 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

2017-04-06 Consolidated - OFHP Matrix - Week .pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
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• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 10(3).pdf

From:	Cox, Hilary (ENERGY)
To:	Feather, Adam (ENERGY); Pau, Joseph (MEDG/MRIS); Leung, Thomas (MOF)
Cc:	Thompson, Erin (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - Week of April 10
Date:	April 7, 2017 1:53:57 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 10.docx

Apologies – also looping in IGS and Legal, whose updates we will also need. By 5:00 if possible (recognizing that Legal and many others are at an all day legislation drafting meeting and so will need to update later).

HC

From: Cox, Hilary (ENERGY)
Sent: April 6, 2017 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

Consolidated - OFHP Matrix - Week of April 10_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 10(4).pdf

From: Pau, Joseph (MEDG/MRIS)
To: Kacaba, Jennifer (ENERGY)
Cc: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10
Date: April 7, 2017 2:21:05 PM
Attachments: Consolidated - OFHP Matrix - Week of April 10.docx

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Hi Jennifer,

I am passing the OFHP Matrix along to you for your review and edit, as Paul usually does this for our branch. Please let me know if it is possible or if there are any issues. Hilary understands that Legal is at the all-day OFHP meeting so our deadline is not as stringent.

Thanks,

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 7, 2017 1:54 PM
To: Feather, Adam (ENERGY); Pau, Joseph (MEDG/MRIS); Leung, Thomas (MOF)
Cc: Thompson, Erin (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Apologies – also looping in IGS and Legal, whose updates we will also need. By 5:00 if possible (recognizing that Legal and many others are at an all day legislation drafting meeting and so will need to update later).

HC

From: Cox, Hilary (ENERGY)
Sent: April 6, 2017 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

Consolidated - OFHP Matrix - Week of April 10_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

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	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

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• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
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• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 10.pdf

From: Cox, Hilary (ENERGY)
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10
Date: April 6, 2017 3:54:47 PM
Attachments: Consolidated - OFHP Matrix - Week of April 10.docx

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Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

Consolidated - OFHP Matrix - Week of April 10_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
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Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 24(1).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY)
Cc:	Johnson, Paul (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - Week of April 24
Date:	April 24, 2017 8:59:31 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 24.docx

Hi Carolyn and Paul,

Please see the attached for the OFHP Matrix for today`s meeting at 10:30am.

Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 24, 2017 8:57 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - Week of April 24

Here's this week's matrix for this morning's meeting.

HC

Consolidated - OFHP Matrix - Week of April 24_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 24(2).pdf

From:	Feather, Adam (ENERGY)
To:	Thompson, Erin (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix - Week of April 24
Date:	April 24, 2017 10:23:58 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 24.docx

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From: Cox, Hilary (ENERGY)
Sent: April-24-17 8:57 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - Week of April 24

Here's this week's matrix for this morning's meeting.

HC

Consolidated - OFHP Matrix - Week of April 24_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix - Week of April 24.pdf

From: Cox, Hilary (ENERGY)
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - Week of April 24
Date: April 24, 2017 8:57:28 AM
Attachments: Consolidated - OFHP Matrix - Week of April 24.docx

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Here's this week's matrix for this morning's meeting.

HC

Consolidated - OFHP Matrix - Week of April 24_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ Consolidated - OFHP Matrix -Week March 13(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Syed, Usman (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY); Qureshi, Musab (ENERGY); Desouza, Charlotte (ENERGY)
Subject:	FW: Consolidated - OFHP Matrix -Week March 13
Date:	March 16, 2017 12:02:00 PM
Attachments:	Consolidated - OFHP Matrix -Week March 13.docx Action Items_March 15.docx

Hi Usman – please update the attached OFHP matrix for tomorrow morning.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-16-17 11:03 AM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –
Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

Consolidated - OFHP Matrix -Week March 13.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

Item	Key Deliverables / Considerations	Timing / Next Steps
		final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

Action Items_March 15.pdf

Rate Mitigation Implementation Follow Ups / Next Steps: Wednesday March 15, 2017

1) **GA Financing**

a) OPG
   a. OPG to continue to work with lead banks / rating agencies / OFA on financing issues
   b. OPG to confirm accounting if OFA were to act as lead on borrowing
   c. ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
   d. OPG special Board committee to meet on March 17, 2017
   e. OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board members

b) IESO
   a. IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
   b. IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available

c) OEB
   a. OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP
   b. OEB to draft RPP communique to be released publicly by April 20, 2017
   c. OEB to issue OESP orders in early April

d) Legislative drafting
   a. LSB / Blakes will continue to work through legislative drafting issues
   b. LSB to consider contempt of legislature issue

2) **Affordability Fund**

   a. Blakes to review draft TPA and Trust deed
   b. Tracking to have TPA / other documents finalized by end of next week
   c. CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation

3) RRRP / OESP / FN

a. SNAP to continue to work through OESP automatic qualification with MCSS / OEB
b. SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF
c. SNAP to convene first RRRP sub-committee meeting next week
d. SNAP to continue to monitor rate hearings for RRRP LDCs
e. SNAP to move forward with including COO in FN rate implementation / work through implementation issues

4) ICI

a. ESP working to finalize materials for LRC on April 11, 2017
b. Communications to finalize TPA with OCC / ESP to consider providing support to CME
c. ESP to work with other ministries regarding other measures that can be considered for SMEs
d. ESP to consider implications of dropping below 500kw threshold due to investments in conservation

5) Other items

a. ENERGY to participate in briefing of OAGO

FW_ Consolidated - OFHP Matrix -Week March 13(2).pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject:	FW: Consolidated - OFHP Matrix -Week March 13
Date:	March 17, 2017 3:41:18 PM
Attachments:	Action Items_March 15 ESP.docx Consolidated - OFHP Matrix -Week March 13.docx

Hi All –

How are your edits tracking for attached OFHP Matrix? Will also be used for Minister's briefing on Monday.

HC

From: Cox, Hilary (ENERGY)
Sent: March-16-17 11:03 AM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –

Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

Action Items_March 15 ESP.pdf

Rate Mitigation Implementation Follow Ups / Next Steps: Wednesday March 15, 2017

1) **GA Financing**

a) OPG
   a. OPG to continue to work with lead banks / rating agencies / OFA on financing issues
   b. OPG to confirm accounting if OFA were to act as lead on borrowing
   c. ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
   d. OPG special Board committee to meet on March 17, 2017
   e. OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board members

b) IESO
   a. IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
   b. IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available

c) OEB
   ~~a. OEB to draft comfort letter for ENERGY to send regarding May 1 Regulated Price Plan (RPP) and OESP~~
   ~~b.~~a. OEB to draft RPP communique to be released publicly by April 20, 2017
   ~~c.~~b. OEB to issue OESP orders in early April

d) Legislative drafting
   a. LSB / Blakes will continue to work through legislative drafting issues
   b. LSB to consider contempt of legislature issue

e) ENERGY
   ~~b.~~a. ENERGY to send comfort letter to OEB regarding ~~reflecting~~ GA financing in the ~~May 1 –~~ Regulated Price Plan (RPP) rates effective May 1 ~~and OESP~~

2) **Affordability Fund**

   a. Blakes to review draft TPA and Trust deed
   b. Tracking to have TPA / other documents finalized by end of next week
   c. CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation

3) RRRP / OESP / FN

a. SNAP to continue to work through OESP automatic qualification with MCSS / OEB
b. SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF
c. SNAP to convene first RRRP sub-committee meeting next week
d. SNAP to continue to monitor rate hearings for RRRP LDCs
e. SNAP to move forward with including COO in FN rate implementation / work through implementation issues

4) ICI

a. ESP working to finalize materials for LRC on April 101, 2017
b. Communications to finalize TPA with OCC / ESP to consider providing support to CME
c. ESP to work with other ministries regarding other measures that can be considered for SMEs
d. ESP to consider implications of dropping below 500 kWw threshold due to investments in conservation

5) Other items

a. ENERGY to participate in briefing of OAGO

Consolidated - OFHP Matrix -Week March 13_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) Considerations • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Ministry to ~~review and~~ send comfort letter ~~drafted~~ to OEB~~Provide comfort level~~ to allow OEB to include GA refinancing in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

Item	Key Deliverables / Considerations	Timing / Next Steps
		final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10~~March 11~~, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Commented [ESP1]: Does comms have status on this outreach?

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • ~~Awaiting formal letter requesting additional information~~March: 14: Letter received requesting additional information by March 24. • Ministry preparing responsive materials.
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

FW_ Consolidated - OFHP Matrix -Week March 13.pdf

From:	Cox, Hilary (ENERGY)
To:	Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject:	FW: Consolidated - OFHP Matrix -Week March 13
Date:	March 16, 2017 11:03:17 AM
Attachments:	Consolidated - OFHP Matrix -Week March 13.docx Action Items_March 15.docx

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Hi All –

Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

Consolidated - OFHP Matrix -Week March 13_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

Item	Key Deliverables / Considerations	Timing / Next Steps
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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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

Action Items_March 15_1.pdf

Rate Mitigation Implementation Follow Ups / Next Steps: Wednesday March 15, 2017

1) **GA Financing**

a) OPG
   a. OPG to continue to work with lead banks / rating agencies / OFA on financing issues
   b. OPG to confirm accounting if OFA were to act as lead on borrowing
   c. ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
   d. OPG special Board committee to meet on March 17, 2017
   e. OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board members

b) IESO
   a. IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
   b. IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available

c) OEB
   a. OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP
   b. OEB to draft RPP communique to be released publicly by April 20, 2017
   c. OEB to issue OESP orders in early April

d) Legislative drafting
   a. LSB / Blakes will continue to work through legislative drafting issues
   b. LSB to consider contempt of legislature issue

2) **Affordability Fund**

   a. Blakes to review draft TPA and Trust deed
   b. Tracking to have TPA / other documents finalized by end of next week
   c. CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation

3) RRRP / OESP / FN

a. SNAP to continue to work through OESP automatic qualification with MCSS / OEB
b. SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF
c. SNAP to convene first RRRP sub-committee meeting next week
d. SNAP to continue to monitor rate hearings for RRRP LDCs
e. SNAP to move forward with including COO in FN rate implementation / work through implementation issues

4) ICI

a. ESP working to finalize materials for LRC on April 11, 2017
b. Communications to finalize TPA with OCC / ESP to consider providing support to CME
c. ESP to work with other ministries regarding other measures that can be considered for SMEs
d. ESP to consider implications of dropping below 500kw threshold due to investments in conservation

5) Other items

a. ENERGY to participate in briefing of OAGO

FW_ Deck for 2_30 pm meeting today.pdf

From:	Evans, Karen (ENERGY)
To:	Nutter, George (ENERGY); Barbaro, Rachel (ENERGY)
Subject:	FW: Deck for 2:30 pm meeting today
Date:	June 13, 2017 3:31:00 PM
Attachments:	OFHP Update for Minister 20170608 - SNAP and ESP_CLEAN.PPTX OPG-Fair Hydro.Implementn and Next Steps.bfg to mstr.17june13.pdf

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The attached might come in handy if you are asked about the debt financing for the GA under Fair Hydro.

From: Bungaro-Yemec, Francesca (ENERGY)
Sent: June-13-17 12:56 PM
To: Evans, Karen (ENERGY); Lyon, Sam (ENERGY)
Subject: RE: Deck for 2:30 pm meeting today

FYI attached

From: Evans, Karen (ENERGY)
Sent: June 13, 2017 12:52 PM
To: Bungaro-Yemec, Francesca (ENERGY)
Subject: Deck for 2:30 pm meeting today

Hi Francesca
Do you know if there's a deck for the FHP meeting today at 2:30?
If you have it, would you mind sending me a copy?

Tx
Karen

Karen Evans
Director, Communications Branch
Ontario Ministry of Energy
4th Floor, Hearst Block, Queen's Park
900 Bay Street, Toronto, ON M7A 2E1
O: 416-327-6541 C:416-705-9637

OFHP Update for Minister 20170608 - SNAP and .pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Fair Hydro Plan – Minister's Update

June 13, 2017

CONFIDENTIAL DRAFT

Context

- On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (OFHP), which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy worked with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs) on the development of legislation, regulations and ongoing implementation.
  - On April 10, Ontario expanded the Industrial Conservation Initiative (ICI) to include manufacturers and greenhouses with peak demand from 1 MW to 500 kW.
  - On June 1, the *Fair Hydro Act, 2017* (FHA) received Royal Assent.

- Through the Rate Mitigation Implementation Group and subcommittees, the Ministry of Energy continues to work through implementation of the following OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit); and
  - Establishing an Affordability Fund.

1) Global Adjustment (GA) Refinancing

- Ongoing work with energy agencies (i.e., OPG, OEB and IESO), ministries (i.e., MOF and TBS/OPCD) and external advisors.

- Key deliverables include:
  - Supporting regulations such as:
    - A new regulation under Part II of the FHA to set out the methodology that the OEB would use to make determinations related to OFHP;
    - Amendments to O. Reg. 280/14 to provide IESO with the necessary authority related to its OFHP activities including the funding, borrowing and contemplated financial agreements; and
    - A new general regulation under the FHA to provide for the implementation of the roles and responsibilities of OPG and IESO;
  - Financing (e.g., creation of a OFA-IESO line of credit; equity injection structures; OPG Special Purpose Vehicle (SPV)/Trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc).
  - Accounting opinions from E&Y (OPG) and KPMG (IESO); and
  - Third-party technical report regarding Long Lived Assets.

Status / Next Steps

- Legislation was passed on June 1; regulations have been developed for Treasury Board on June 13 / 27 and Cabinet on June 14 / 27.
- Full reduction related to OFHP for regulated consumers would be determined by the OEB for rates that come into effect on July 1.
- Third-party technical report is expected to be completed in June 2017.
- Continue with implementing necessary financing elements to achieve milestones such as the sale of the Regulatory Asset by IESO to OPG SPV/Trust by mid-September and sale of the Investment Asset by OPG SPV/Trust on the market to investors by the end of October 2017.

2) Social Programs – Regulations

- On June 1, 2017, Bill 132, Fair Hydro Act, 2017, (FHA) received Royal Assent. In order to support the social programs under the FHA The Ministry of Energy is bringing forward proposed amendments and new regulations that are needed to implement the Fair Hydro Plan, as enacted under the FHA.

    1. **Creating a new Regulation** (**First Nation Delivery Credit**) made under the Ontario Energy Board Act, 1998 to enable the provision of a First Nations Delivery Credit.

    2. **Creating a new Regulation** (**Distribution Rate Protection**) made under the Ontario Energy Board Act, 1998 to enable the provision of enhanced distribution rate protection to full-time residential customers of prescribed LDCs.

    3. **Amending O. Reg. 442/01(Rural or Remote Electricity Rate Protection)** made under the Ontario Energy Board Act, 1998 to enable tax-based funds to support the provision of RRRP to Hydro One's low-density residential classified customers (R2).

    4. **Creating a new Invoicing Regulation** made under the Ontario Fair Hydro Plan Act, 2017 to communicate Ontario's Fair Hydro Plan (OFHP), and its associated bill impacts, to consumers.

    5. **Amending O. Reg. 275/04 (Information on Invoices to Certain Classes of Consumers of Electricity)** made under the Ontario Energy Board Act, 1998 to remove the requirement for electricity vendors and USMPs to include informational messaging about the Debt Retirement Charge (DRC) in order to create more space on invoices for new OFHP messaging.

    6. **Amending the O. Reg 363/16 (General)** under the Ontario Rebate for Electricity Consumers Act, 2016 (ORECA) to provide clarity on how the proposed First Nations Delivery Credit should be treated with respect to the calculation of the 8% provincial rebate.

- A regulation to enable MCSS staff to sign up social assistance clients for the Ontario Electricity Support Program will track at a later date.

2) First Nations Delivery Credit Regulation – Identification of Eligible Customers

- The central piece of the FNDC regulation surrounds the eligibility criteria.
- The regulation limits eligibility to all First Nations residential on-reserve customers, regardless of whether the customer is seasonal or permanent.
- The definition of key terms, such as, “reserve”, “member of a band” are taken directly from the traditional meaning provided in the Indian Act.
- The 11 affected LDCs already have set processes in place to identify First Nations customers living on reserve based on their HST exemption status. All LDCs have indicated that these customers will automatically begin receiving FNDC as of July 1st.
- However, based on information provided to ENERGY, different LDCs rely upon different processes to recognize First Nation’s status, these include;
  - Hydro One, Cat Lake and Hydro One Remotes all require customers to fill out a Declaration Form which includes a requirement to include their status ID number,
  - James Bay First Nations LDCs work with band councils to identify customers who are HST exempt,
  - Algoma, Thunder Bay and PUC all require customers to show their status ID cards in order to receive the HST exemption, and
  - Cornwall automatically enrolls all of their on-reserve customers as HST exempt.

2) First Nations Delivery Credit (Cont'd)

Status / Next Steps

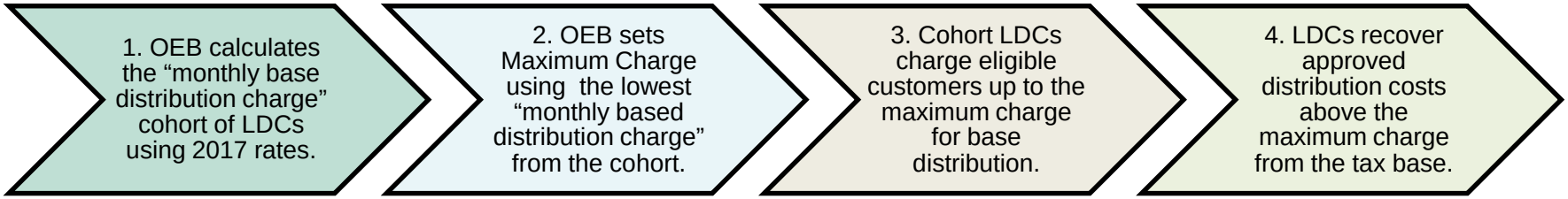
- The Ministry of Energy, in collaboration with the Chiefs of Ontario, have crafted the policy in a manner which best reflects the needs and wishes of Ontario's many varied indigenous communities.

Communications Strategy

- FNDC Postcard
  - COO has reviewed draft Postcard
  - Ministry targeting end of June for production of the Postcard and distribution soon thereafter
- Chiefs of Ontario Communiqué
  - COO has developed a Communiqué to send out to all First Nation Chiefs to encourage them to make sure their members are receiving the HST exemption from their LDC
  - COO will finalize the Communiqué and release in June.
- Hydro One
  - Hydro One is undertaking approaches to inform its First Nation customer base about the FNDC and prepare for the increased activity of signing First Nation customers up for the HST exemption.

2) Distribution Rate Protection – Implementation

- All eligible LDCs have indicated they will be in position to begin providing distribution rate protection as of July 1st, 2017 so long as they receive the maximum monthly base distribution charge from the OEB at least a week in advance.
- The OEB determines the maximum monthly base distribution charge using criteria outlined in the new regulation, as outlined in the chevrons below.



- The current projection for the initial maximum charge is $36.43/month**.**
- Following the approval of the regulation by Cabinet, the OEB would release this decision on June 22, 2017. The maximum charge would be updated at least once annually going forward.
  - The regulation stipulates that each year the floor would be no lower than the previous year's maximum charge.
- At the same time, the OEB will revise the RRRP regulatory charge to reflect the shift of legacy Hydro One R2 customer costs from the rate-base to the tax-base. It is expected that the RRRP charge will drop from ~$1.60/month for the average customer to ~$0.30

2) Ontario Electricity Support Program Regulation (OESP)

- As part of the FHP, recent amendments to Section 79.2.2 of the OEBA gave the Ministry of Community and Social Services (MCSS) and the OEB authority to share personal information. This authority is required to align OESP delivery with other social assistance programs and automate OESP enrolment, in a way that meets privacy requirements under the *Freedom of Information and Protection of Privacy Act, 1990*.

- **Amendments to the OESP regulation are now needed to:**

  - Ensure that all persons that receive an electricity bill and are deemed eligible for social assistance under Ontario Works (OW) or the Ontario Disability Support Program (ODSP) are also eligible for the OESP; and
  - Include new definitions in the regulation that will allow for MCSS social assistance case workers help complete OESP applications on behalf of social assistance clients.
  - The amendments specify that the provisions will apply pursuant to an agreement between ENERGY and MCSS.

- **Update: Increasing social assistance client uptake of OESP**

  - MCSS, in collaboration with ENERGY and the OEB are working together to implement the delivery of OESP to social assistance clients.
  - MCSS has commenced the prep-work for Phase 1 to raise awareness of OESP to current social assistance clients by hiring staff for outreach.
  - MCSS and OEB have initiated discussions to integrate their systems to enable a data exchange to automatically enroll eligible social assistance clients into OESP.
  - ENERGY has started the preliminary groundwork to take over the operations of the OESP from the OEB.

Status / Next Steps

- ENERGY continues to work with MCSS and OEB to agree on appropriate language. Key dates:

  - **LRC** – June 27; **Regulation Effective Date** – July 1; **MCSS Implementation Begins** – August / September.

3) Affordability Fund

- The new Affordability Fund is intended to provide energy efficiency measures to electricity customers who are not eligible for low-income conservation programs and who otherwise would be unable to make energy efficiency improvements without financial assistance.
- The Fund, established through the tax base, will be administered by an independent Trust and accessible to electricity distributors.
- Eligible customers will be identified by electricity distributors. It is expected that priority will be given to homes primarily heated by electricity.
  - The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake.
  - It is expected that the program will assist eligible electricity customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.
- Distributor-led, highly targeted marketing of the Fund is recommended, as opposed to broad-based marketing, to enable distributors to target customers who are in need of assistance.

Status / Next Steps

- On March 24, 2017, ENERGY entered into a Transfer Payment Agreement with Computershare, who will act as the Original Trustee, to flow $100M to the Affordability Fund Trust.
- The Original Trustee will be replaced with a Board of Trustees, who will be responsible for distributing funds to electricity distributors across the province based on an application process and targeted eligibility criteria established by the Trust. It is expected that the Trust will include representation from three electricity distributors, two social service agencies and one (non-voting) government representative.
- Through the Declaration of the Trust, an Advisory Committee of senior executives was established to provide recommendations to the Original Trustee on the Board of Trustees. Advisory Committee members include Brian Bentz (Alectra Utilities), Bryce Conrad (Hydro Ottawa), Robert Mace (Thunder Bay Hydro), Ferio Pugliese (Hydro One) and Terry Young (IESO).

3) Affordability Fund (cont'd)

Status / Next Steps

- **June 2017:** Advisory Committee has developed recommendations for the Board of Trustees (awaiting formal confirmation from one Trustee). Advisory Committee to submit recommendations to the Original Trustee; Original Trustee to appoint Board of Trustees. First meeting of the Board of Trustees has been proposed for June 21st.

- **Summer 2017:** Funding criteria and processes to be designed and finalized, including engagement with distributors.

- **Late Summer 2017:** Estimated timeline for electricity distributors to begin applying to the Trust for funds

- **Fall 2017 (TBC):** ENERGY to report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

4) Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- On April 10, 2017, Ontario amended O. Reg. 429/04 to allow eligible electricity consumers/market participants in the manufacturing sector and greenhouses with an average monthly peak demand of greater than 500 kW and less than 1 MW to participate.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal to expand ICI on the Regulatory Registry. Comments were due April 8, 2017.

- The regulatory amendments were approved by LRC on April 10, 2017.

- Newly eligible consumers must opt-in with their LDC by June 15 to participate in ICI for the billing cycle beginning July 1.

5) OFHP Billing Requirements

- The Ministry is proposing to amend existing regulations and introduce new ones related to electricity invoicing to help explain OFHP initiatives and savings to consumers.
- Under the *Ontario Fair Hydro Plan Act*, 2017, the Ministry is proposing to create new regulations that would require electricity vendors and unit sub-meter providers (USMPs) to:
    - include standardized informational messaging related to OFHP on all invoices;
    - accompany paper invoices with a descriptive OFHP bill insert once per quarter, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
    - include a "First Nations Delivery Credit" as a visible line item on the invoices of on-reserve customers and demonstrate the associated savings, as applicable.
- Note, some vendors may petition the Minister for minor adjustments to these requirements due to technical and/or operational limitations, however the July 1st deadline should not be at risk.
- The Ministry is also proposing amendments to O. Reg. 275/04 that would no longer require electricity vendors and USMPs to include on-bill informational messaging about the Debt Retirement Charge (DRC), however the requirement to include a DRC line item would remain (even for charges of $00.00).
- The proposed amendments would also exempt Hydro One from the application of O. Reg. 275/04 , allowing them to proceed with their planned bill redesign in Fall 2017. For clarity, Hydro One would be required to issue quarterly OFHP bill inserts to its customers.
- In anticipation of these new invoicing requirements, the Ministry has amended O. Reg. 364/16 (Minister’s order) to revoke the “8% Provincial Rebate” messaging requirements from invoices and envelopes in order to free-up space and avoid confusion amongst consumers. Note, the requirement to include an 8% rebate line item remains.

5) Bill Redesign Action Plan

- The Ministry believes there is also an opportunity to revise the regulatory framework on bill presentment to improve the value of electricity bills to all consumers in Ontario.
- As part of a proposed Bill Redesign Action Plan, the Ministry plans to convene with Local Distribution Companies (LDCs) in July 2017, once OFHP initiatives have been implemented, to seek feedback on changes to bill presentment.
- The intention is to form a Working Group that would meet several times throughout this redesign process and include LDCs, as well as consumer advocates, IT representatives, industry representatives and other interested stakeholders.
- As noted, the Ministry is proposing to exempt Hydro One from current invoicing regulations and requirements as of July 1, 2017. This exemption will allow Hydro One to introduce their planned bill redesign in Fall 2017, unconstrained by regulation.
    - Hydro One anticipates approximately 1.1 million customers will receive the redesigned bill by the end of the second quarter of 2018.
    - As a condition of this exemption, Hydro One has agreed to share their findings and lessons learned in undertaking this redesign process, as well as participating in the Ministry's planned Working Group.
- Based on these consultation and research efforts, the Ministry aims to prepare and introduce regulatory amendments in late Fall 2017.
- These regulatory amendments would become effective as of January 1, 2018, but include a transition period for LDCs and USMPs to incorporate the new invoicing requirements.

5) Billing Requirements – Proposed Timeline

- The Ministry recommends introducing OFHP messaging requirements, and undertaking the Bill Redesign Action Plan (BRAP) in the following stages:

Pre-July 1, 2017 – OFHP Bill Inserts

- Minister sent LDCs a letter in May indicating the requirement to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging would be repealed.
- ENERGY provided LDCs with printed and translated bill inserts in late May.
- LDCs to voluntarily issue OFHP bill inserts in June ahead of finalized OFHP regulations.

July 1, 2017 – OFHP Required Messaging

- OFHP legislation and regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include an FNDC line item, as applicable; and
  4. Remove outdated messaging (e.g., DRC).
- Hydro One exempted from specified OFHP invoicing requirements and O. Reg. 275/04.

July-Sept. 2017 – BRAP Consultations

- ENERGY to convene a BRAP Working Group in July once OFHP initiatives have been implemented.
- ENERGY to seek feedback from LDCs on the changes they would like to see to bill presentment, as well as possible dynamic OFHP messaging.

Fall/Winter 2017 – BRAP Regulatory Amendments

- Following consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in Fall 2017.
- Hydro One to begin rolling out redesigned electricity bills in the fourth quarter of 2017.

Fall/Winter 2017 – Implementation

- Regulatory amendments to invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills by the end of the first quarter of 2018.
- New regulations to include a transition period for LDCs/USMPs to adopt new regulatory invoicing requirements.

6) Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in OFHP.

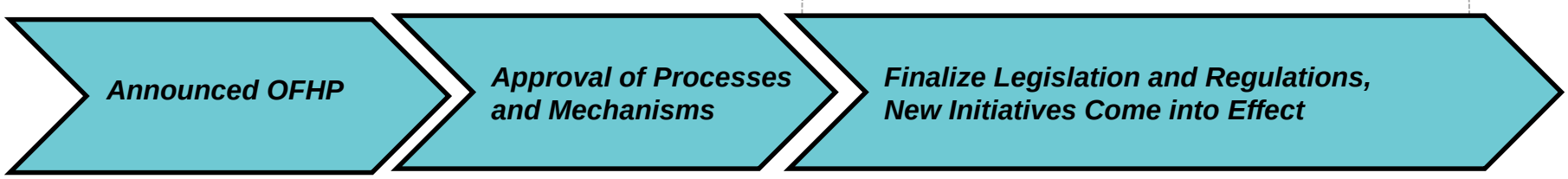
FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP.
- On May 24, 2017, the FAO released “An Assessment of the Fiscal Impact of the Province’s Fair Hydro Plan”.

AG

- On April 19, 2017, ENERGY met with AG staff.
- ENERGY has received request from the AG for records relating to OFHP accounting and financing. Tranche 1 of these records has been submitted. Tranche 2 of records search will require the support of external resources to conduct record search and assess relevance of responsive records. Tranche 2 records are due to the AG at the end of the month.
- Staff to work with AG staff regarding requests for additional information.

Timing and Critical Milestones



- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Partial reduction related to OFHP in May 2017 RPP rates.
- Report back to TBC/MBC, LRC and Cabinet on select initiative.
- Appointment of Board of Trustees for the Affordability Fund
- Royal Asset of legislation.

- Report back to TBC/MBC and Cabinet on new regulations and amendments to existing regulations (June 13 and 14).
- Full implementation of GA refinancing for RPP eligible effective July 1.
- New consumers begin ICI participation on July 1.
- Electricity Distributors expected to apply to Affordability Fund

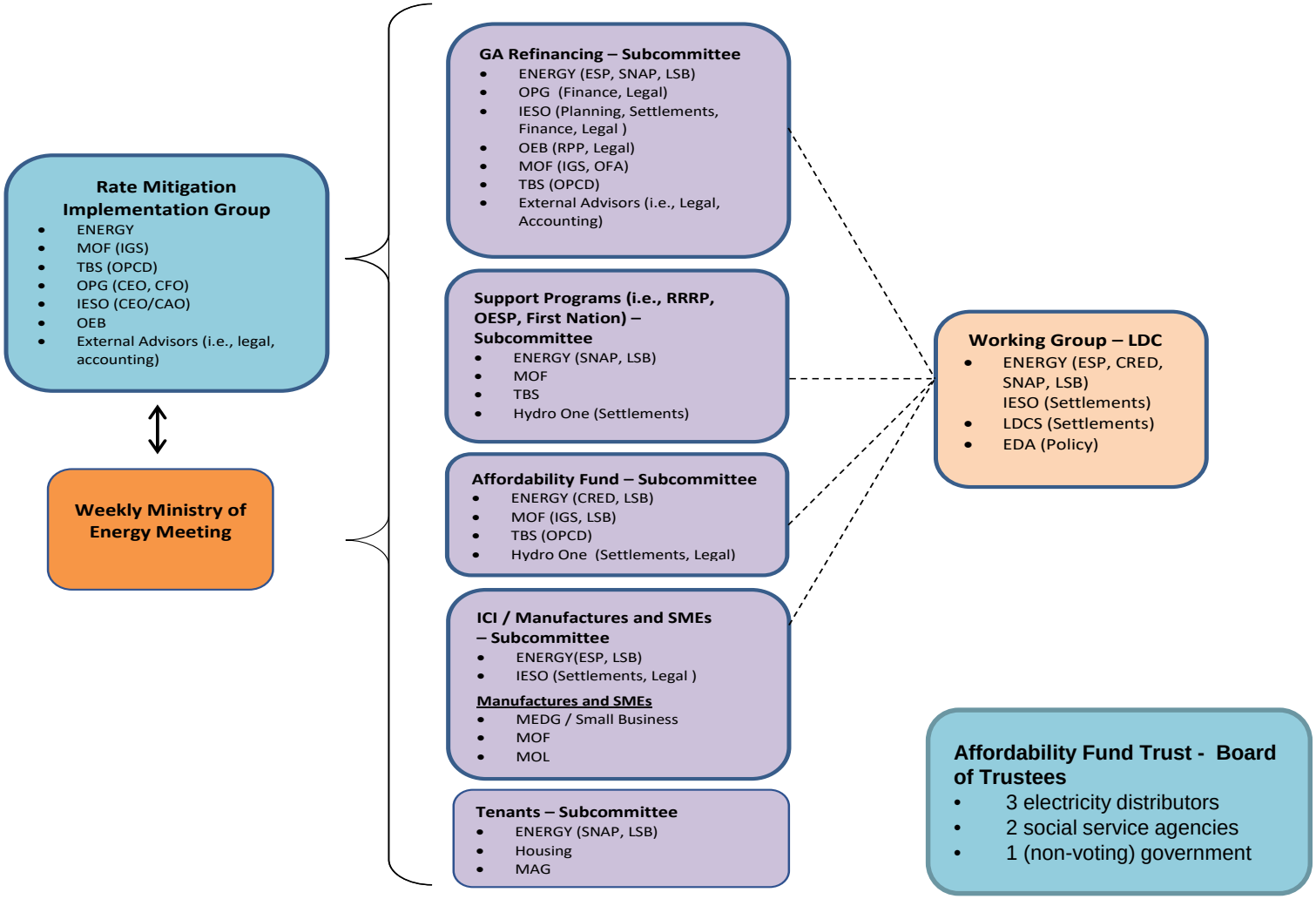
- Implementation of the broadening of RRRP, First Nations On-Reserve Delivery Credit and Distribution Rate Protection begins July 1.
- OESP begins August / September 2017.
- Report back to TBC/MBC, LRC and Cabinet on Affordability Fund in Fall 2017.

Next Steps

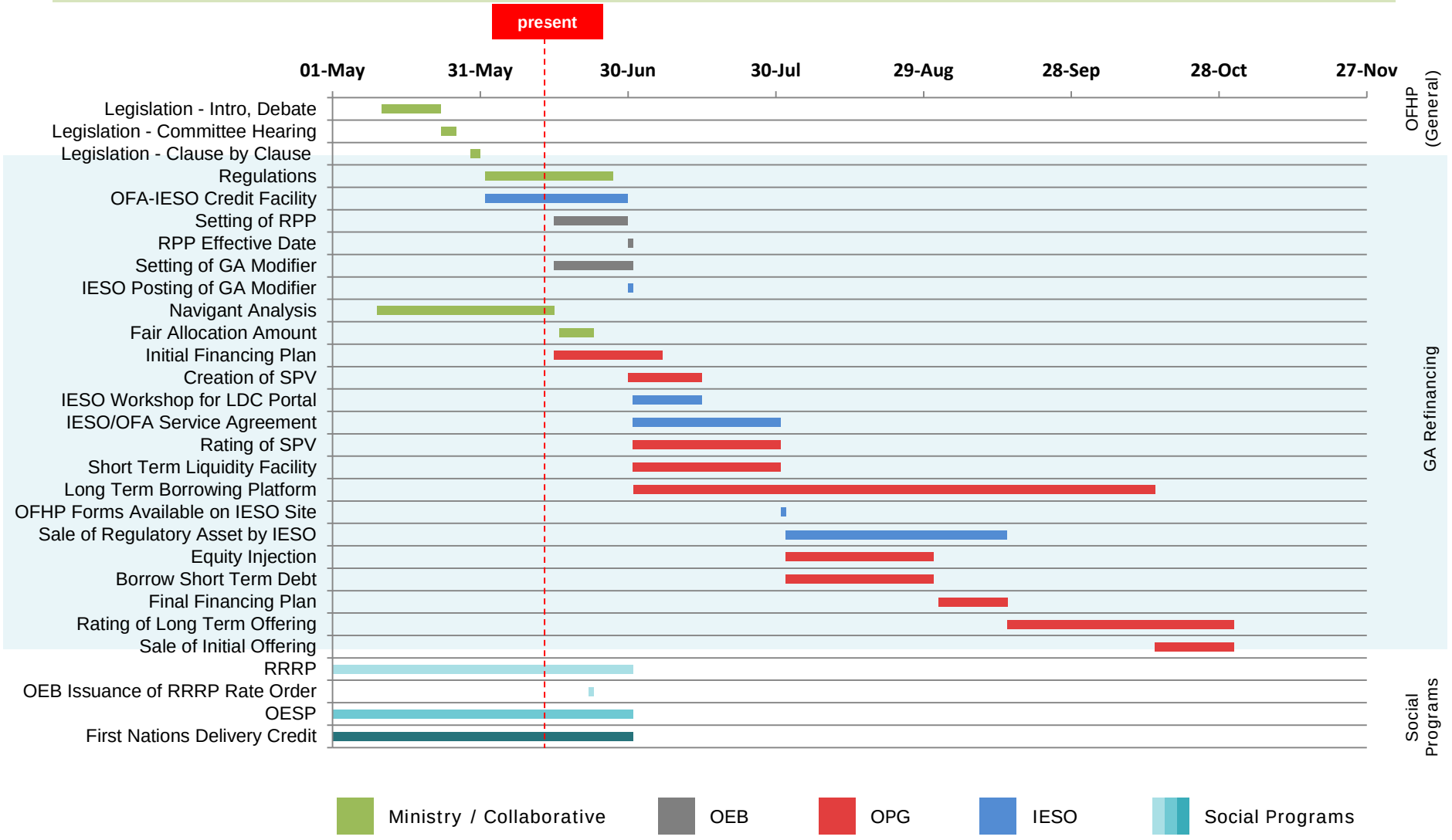
- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- ENERGY to report back to TBC/MBC, LRC and Cabinet on June 13 and June 14.
- OEB is expected to communicate the RPP rates effective July 1 that achieve the full impact of GA refinancing.

Appendix

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Ontario's Fair Hydro Plan Implementation



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

OPG-Fair Hydro.Implementn and Next Steps.bfg t.pdf

Fair Hydro Trust Implementation

OPG Briefing to Minister of Energy

June 13, 2017

ONTARIO POWER GENERATION

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Overview

- The Fair Hydro Plan (FHP) legislation has been passed and regulations are moving towards completion.
- Once complete, the next step in implementing the FHP is preparing the Trust to obtain funding and providing OPG with ability to fund its portion of the Trust.
- The purpose of this briefing is to provide an overview of OPG's accelerated workplan for funding the Trust, including:
  1. Developing the contracts and structure for the Trust
  2. Securing a credit rating for the Trust's debt
  3. Access to Debt Markets
     A. Short-term debt
     B. Long-term debt

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1. Financing Entity Contracts & Structure

- Contractual arrangements and structural documents will be key for ensuring that investors are offered the protections expected for highly rated debt.
- These agreements will involve discussions between the OFA, ENERGY, MOF, IESO, Dealers, Trust, OPG, Third party service providers, Trustee, etc.
- Key agreements include:
  - Share subscription agreements to fund equity injection into OPG
  - Purchase and Sale agreements between IESO and the Trust
  - Indemnity for OPG Directors and Officers
  - Financial Services agreement between OPG and Trust
  - Management fee and OEB participation
  - Additional investor protections such as a form of Provincial guarantee
  - Payments in Lieu of Taxes exemption to minimize PILs payable by the Trust, as those costs will be recovered from ratepayers

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2. Rating Process

- Before the Trust can access debt markets, it must engage with ratings agencies to have its debt rated.
- In order to commence the credit rating process, the following must be completed:
  1. Fair Hydro Act & Regulations and the form of the Provincial Guarantee
     - Critical to the credit rating of the Trust's debt
  2. Fair Hydro Allocation Calculation and Plan
     - Required to determine the maturity profile and capacity of the financing program that will be rated
  3. Trust Financing Plan
     - Important to the rating agencies in assessing the merits of the financing approach

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3. Access to Debt Markets

- The Trust is expected to be in a position to access the short-term debt markets by the end of August 2017. The debt platform must be finalized at this time which would include a master trust indenture, short term debt facility and an intercreditor agreement.
- Access to long term debt markets is expected to be established by the end of October 2017.
- To maintain maximum flexibility for the financing program, deal documentation will be developed concurrently to access both the Canadian and U.S. term debt markets.
- The timeline for accessing debt markets is detailed on subsequent slides.

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3.A Critical Path Flow Chart – Short Term Debt

Week of:	March			April				May					June				July					August				September			
	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25

Legislation

Regulations

Form of Provincial Guarantee

Fair Hydro Allocation Plan

A — Completion of key Provincial documents

Financing Strategy & Structure

Trust and Contribution Documents

Trust Financing Plan

(Requires A to be largely completed) — A

(a) Rating Agency Process (b)

Key Financing Documents

Short Term Debt Execution

- Short term funding
- Equity injection

Legend

- A. Legislative & Regulatory Framework
- B. Financing Strategy & Structure
- C. Execution
- D. Incremental Time Anticipated[1]

Master Timeline Item	Comments
A. Legislative & Regulatory Framework	• Fair Hydro Act, regulations and form of Provincial Guarantee are critical to the overall financing strategy, structure and proceeding to engage the rating agencies in any meaningful discussions • Fair Hydro Allocation Plan is required to determine the target amortization profile and Past-Over-Charges which will establish an effective cap on the program
B. Financing Strategy & Structure	• Determining the optimal financing strategy involves several key elements including determining the Trust structure and the structure of OPG's sub debt; initial rating agency feedback will taken into consideration • The Trust Financing Plan will be very important to the rating agencies in assessing the merits of the financing approach
C. Execution	• Preliminary rating agencies meetings are beginning in June as critical path items in "A " are finalized or sufficiently advanced with a degree of certainty (a) • Formal rating agencies meetings will occur mid-July once critical path items in "A" and "B" are complete and the key commercial/transaction agreements are well advanced (b)
D. Incremental Time Anticipated	• A typical securitization transaction on a known asset class with one counterparty that has previous experience in securitizations can be completed in 6-8 weeks • A longer timeline is anticipated for this transaction given the unique nature of the assets being securitized and the multiple stakeholders (including their counsel) who will likely review and comment on the documentation

[1] Delay could be longer than indicated

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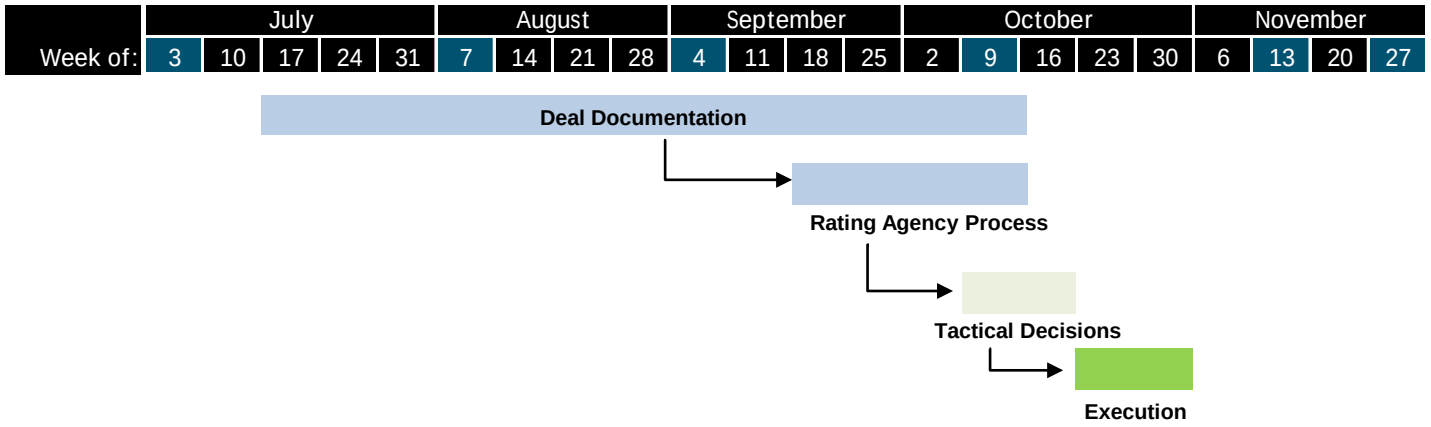
ONTARIO POWER GENERATION

3.B Critical Path Flow Chart –Long Term Debt



Legend

- E. Deal Documentation
- F. Tactical Decisions
- G. Execution

Master Timeline Item[1]	Comments
E. Deal Documentation	• To maintain maximum flexibility for the financing program, deal documentation will concurrently be developed to access the Canadian and U.S. term debt market (e.g. supplemental indenture, hedging documentation, offering memorandum/marketing documents, etc.) • To obtain long term debt ratings, an incremental ratings process will be undertaken by the rating agencies (even if the same agencies rate the short term debt); rating agencies will be approached in early/mid October once the deal documentation (item E) is well advanced
F. Tactical Decisions	• Prior to launching the inaugural term debt offering, tactical decisions will be made with respect to choice of market (Canadian or the U.S.), product, tenor etc. • Tactical decisions will take into consideration current market tone and overall cost considerations (including currency swaps)
G. Execution	• To attract the broadest base of investors and provide the tightest pricing, a full roadshow will be undertaken, regardless of whether the term debt is completed in Canada or the U.S. • To the extent that a U.S. offering is completed, currency swaps will be required as part of the deal execution

[1] Timelines are indicative only and could be subject to delay

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ONTARIO POWER GENERATION

Challenges to Timeline

- Extremely compressed time frame to develop structures.
- Concurrent/parallel activities establishing legal (legislation and regulation) and contract structures.
- Interrelationship between different elements of the structure and the need to involve many of the same individuals from government, legal counsel, OPG, IESO, OEB and dealers to ensure appropriate issues identified and resolved in a consistent manner.
- Ratings process requires structure and all key agreements to be finalized.

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FW_ Marterials for Thursday Morning.pdf

From:	Cox, Hilary (ENERGY)
To:	Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject:	FW: Marterials for Thursday Morning
Date:	April 5, 2017 3:52:03 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_Mar 6.docx FHP Policy Foundations 04 04 2017 v.3.docx Consolidated - OFHP Matrix - Week of April 3.docx

Materials for tomorrow's rate mitigation implementation.

From: Katona, Keley (ENERGY)
Sent: April 5, 2017 3:51 PM
To: Hume, Steen (ENERGY)
Cc: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: RE: Marterials for Thursday Morning

I made a minor change to the agenda (renamed item 2). This is the complete set of material we will be circulating.

Agenda_Weekly Rate Mitig Implmentation Group_.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 6, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - Affordability Fund (CRED)
    - RRRP, OESP and FN (SNAP)
    - ICI (ESPD)

3) Bill Presentment (SNAP)

4) Update on Action Items / Policy Matrix

Notes:

FHP Policy Foundations 04 04 2017 v.3.pdf

Policy and Legal Foundations for the Proposed Ontario Fair Hydro Plan Act
April 4, 2017

Creating the Regulatory Framework

- Principles will link the benefit of the "Green Generation Initiative" with the regulatory cost that future rate payers will pay
- Need to name and articulate "Green Generation Initiative"

Fair Allocation Plan

- Policy direction around intergenerational funding will be established by the Minister of Energy
- The Fair Allocation Plan has been determined for the 1st four years, as set out in the March 2nd announcement
- Should there be a process around the Fair Allocation Plan [or as necessary]?
- [Role for the OEB?]

Treasury Plan

- Created by OPG to implement the Fair Allocation Plan
- Will pass through actual costs and expenses of funding obligations incurred
- 3 components:
    - Treasury Plan must be compliant with principles and parameters of the Fair Allocation Plan;
    - The Plan must match maturities to allocations under the Fair Allocation Plan, as well as achieve funding efficiencies and cost management articulated in the Fair Allocation Plan; and
    - Implementation
- Should [Minister?] [OEB?] review [and approve?] the Treasury Plan? At what point in process?

Establishment of the Regulatory Asset

- Right to recover from rate payers, through collection by LDCs and IESO, the regulatory charge, late fees, interest established by legislation
- IESO may dispose of (by assignment, transfer, sale, etc.) its right, title and interest in the Regulatory Asset
- Legislation will create property rights and allow for security interests in the Regulatory Asset
- [Role of the OEB in establishing the Regulatory Asset?]
- Role of OPG in acquiring the asset?

Ensuring Collectability

- Clearly defined class of rate payers that receive and pay for the benefit
- Charges are irrevocable
- LDCs have duty to invoice rate payers for the charge
- IESO and LDCs have duty to collect charges as agent and pay remittances to IESO
- IESO has duty to pay remittances to the Regulatory Asset Owner
- Non-by-passability – subject rate payers who opt to go off grid to a penalty (prepayment)?
- True up mechanism to reconcile collections with incurrences
- Province shall not take steps to reduce, alter, impair or terminate the Regulatory Asset or collection

OEB Role

- [Inspect books and records?]

DRAFT

- [Approve administrative costs?]
- [Prudence review of financing costs?]
- [Consequences of OEB review?]
    - Ability to review
    - Ability to review and make recommendations (non-binding)
    - Review and approve or refer back for reconsideration (binding)

Provincial Guarantee

- Scope / Triggers / Consequences / Form

DRAFT

Consolidated - OFHP Matrix - Week of April 3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Materials for tomorrow’s Rate Mitigation me....pdf

From:	Cox, Hilary (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Lightbody, Ava (ENERGY); Cox, Hilary (ENERGY)
Subject:	FW: Materials for tomorrow"s Rate Mitigation meeting
Date:	June 21, 2017 12:21:33 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 22.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx

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Hi Martin -
Attached are the agenda and OFHP matrix for tomorrow's rate mitigation implementation meeting. If it's no imposition, once approved, can you please print?

HC

Agenda_Weekly Rate Mitig Implmentation Group__1.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 22, 2017

Agenda

1) OFHP ADs

2) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (OFA / IGS)

3) AG
    - Recent Activities / Requests (All)

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 19_.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

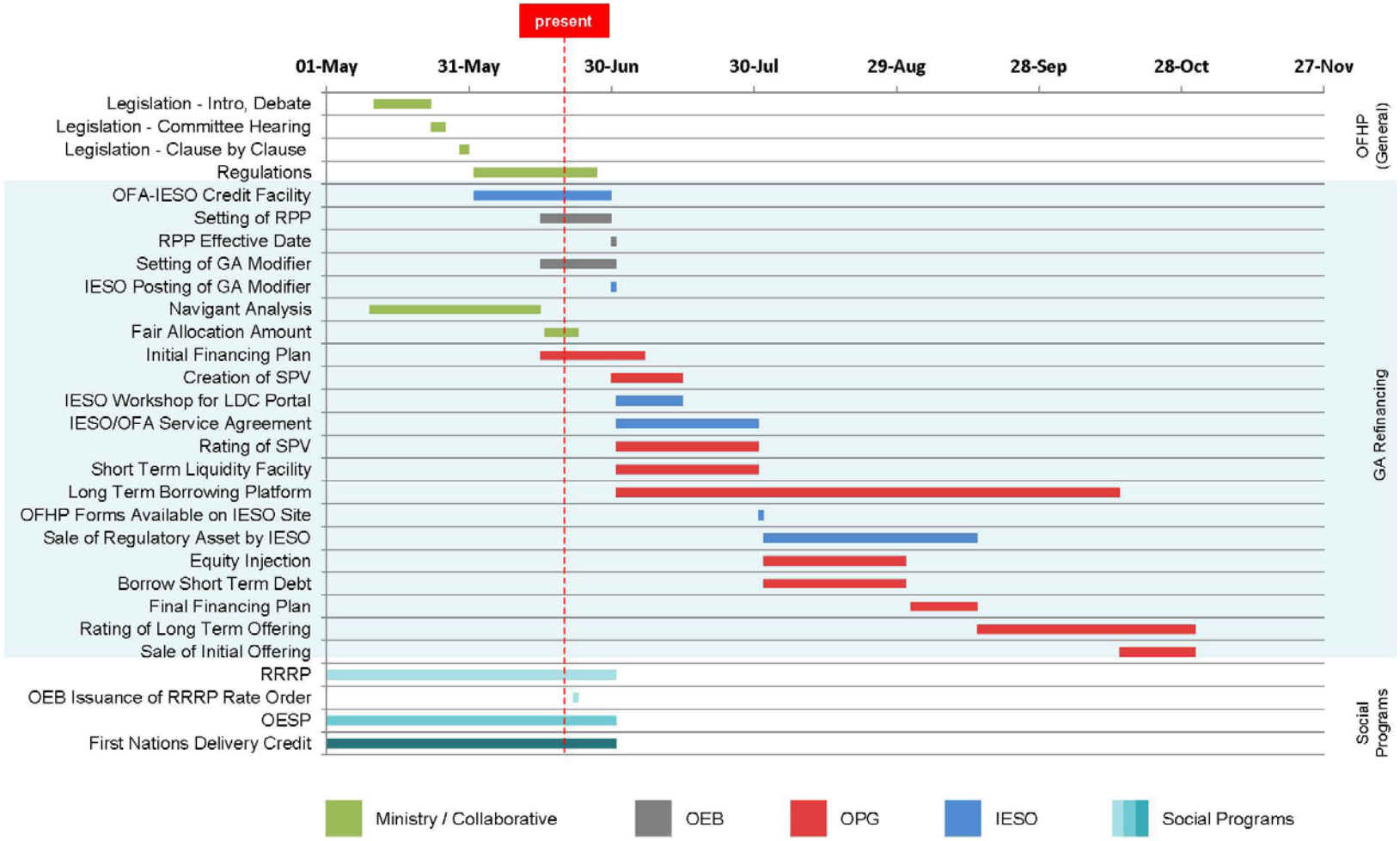
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to

Item	Key Deliverables / Considerations	Timing / Next Steps
	accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	AG • June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	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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FW_ Minister’s Briefing OFHP(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Nelms, Scott (MOF); Calwell, Carolyn (ENERGY); Talwar, Shruti (ENERGY); Hume, Steen (ENERGY); Syed, Usman (ENERGY); Evans, Karen (ENERGY); Lyon, Sam (ENERGY)
Cc:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY); Armstrong, Hillary (ENERGY)
Subject:	FW: Minister"s Briefing OFHP
Date:	July 17, 2017 4:49:00 PM
Attachments:	OFHP Update for Minister 20170707_Clean.pptx 2017 07 07 Business Issues v01.docx

Hi everyone,

Attached are the materials for tomorrow's briefing on OFHP.

Thanks,
Martin

From: Armstrong, Hillary (ENERGY)
Sent: July-14-17 5:44 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Whittington, Matt (ENERGY); Ruttan, Craig (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY); Berry, James (ENERGY); Baker, Carys (ENERGY)
Subject: Minister's Briefing OFHP

Hi Andrew,

Attached are products for next week's Minister's briefing on OFHP.

Thanks,
Hillary

OFHP Update for Minister 20170707_Clean.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Fair Hydro Plan – Minister's Update

July 18, 2017

CONFIDENTIAL DRAFT

Context

- On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (OFHP), which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy worked with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs) on the development of legislation, regulations and ongoing implementation.
  - On April 10, Ontario expanded the Industrial Conservation Initiative (ICI) to include manufacturers and greenhouses with peak demand from 1 MW to 500 kW.
  - On June 1, the *Fair Hydro Act, 2017* (FHA) received Royal Assent.
  - As of July 1, 2017, the full impact of the OFHPA reductions is in effect.

- Through the Rate Mitigation Implementation Group and subcommittees, the Ministry of Energy continues to work through implementation of the following OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit); and
  - Establishing an Affordability Fund.

1) Global Adjustment (GA) Refinancing

- Full reduction related to OFHP for regulated consumers as determined by the OEB for rates that came into effect on July 1.
  - Supporting regulations in place with respect to the methodology the OEB uses to make determinations related to OFHP, providing IESO with authority for OFHP activities and outlining roles and responsibilities of OPG and IESO.
- Ongoing work with Energy agencies (i.e., OPG, OEB and IESO), key ministries (i.e., MOF and TBS/OPCD) and external advisors. Key deliverables include:
  - **Fair Allocation Amount (FAA):** Minister of Energy to calculate the Fair Allocation Amount (FAA) and provide the amount to the Financial Services Manager (OPG);
  - **Management Fees Regulation:** Confirmation of methodology to determine the fees OPG charges for providing Financial Management Services including role of OEB in reviewing costs;
  - **Guarantees:** Province to provide contingent supports to enable structure. Work is underway to scope those guarantees;
  - **Equity Injection:** Province to purchase shares of OPG on a monthly basis;
  - **Subordinated Debt:** OPG will lend the equity injection from the Province to the Trust by way of subordinated debt; and
  - **PILs Exemption:** Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle.

Status / Next Steps

- Next Steps:
  - Summer 2017:
    - Fair Allocation Amount;
    - Guarantees;
    - Fee regulation; and
    - Equity injection agreements in place.
  - Fall 2017:
    - PILs Exemption;
    - Sale of the Regulatory Asset by IESO to OPG SPV/Trust; and
    - Sale of the Investment Asset by OPG SPV/Trust to market to investors.

2) Social Programs – Regulations

- On July 1, 2017, a number amended and new regulations, needed to implement the Fair Hydro Plan, came into force:

1. **Created a new Regulation (O. Reg. 197/17 First Nations Delivery Credit**) made under the *Ontario Energy Board Act, 1998* to enable the provision of a First Nations Delivery Credit.

2. **Created a new Regulation (O. Reg. 198/17 Distribution Rate-Protected Residential Consumers**) made under the *Ontario Energy Board Act, 1998* to enable the provision of enhanced distribution rate protection to full-time residential customers of prescribed LDCs.

3. **Amended O. Reg. 442/01(Rural or Remote Electricity Rate Protection)** made under the *Ontario Energy Board Act, 1998* to enable tax-based funds to support the provision of RRRP to Hydro One's low-density residential classified customers (R2).

4. **Created a new Invoicing Regulation (O. Reg. 196/17 Invoicing Requirements)** made under the *Ontario Fair Hydro Plan Act, 2017* to communicate Ontario's Fair Hydro Plan (OFHP), and its associated bill impacts, to consumers.

5. **Amended O. Reg. 275/04 (Information on Invoices to Certain Classes of Consumers of Electricity)** made under the *Ontario Energy Board Act, 1998* to remove the requirement for electricity vendors and USMPs to include informational messaging about the Debt Retirement Charge (DRC) in order to create more space on invoices for new OFHP messaging.

6. **Amended the O. Reg 363/16 (General)** under the *Ontario Rebate for Electricity Consumers Act, 2016* to provide clarity on how the proposed First Nations Delivery Credit should be treated with respect to the calculation of the 8% provincial rebate.

7. **Amended O. Reg. 314/15 (Ontario Electricity Support Program)** made under the *Ontario Energy Board Act, 1998* to enable MCSS staff to sign up social assistance clients for the Ontario Electricity Support Program.

2) First Nations Delivery Credit (FNDC)

- Section 79.4 of the OEB Act provides for a delivery credit to offset the costs that make up the delivery line for on-reserve consumers, paid for through funds appropriated by the Legislature. It also provides for regulation making authority to define who is an on-reserve consumer and what areas constitute a “reserve”

- The central piece of the FNDC regulation surrounds the eligibility criteria. The regulation limits eligibility to all First Nations residential on-reserve customers, regardless of whether the customer is seasonal or permanent.

  - The definition of key terms, such as, “reserve”, “member of a band” are taken directly from the traditional meaning provided in the Indian Act.

- The 11 affected LDCs already have set processes in place to identify First Nations customers living on reserve based on their HST exemption status. To date, no LDC has indicated to ENERGY there will be any issue providing the credit for consumption as of July 1st for these identified customers.

- The Ministry of Energy, in collaboration with the Chiefs of Ontario (COO), have crafted the policy in a manner which best reflects the needs and wishes of First Nations in Ontario.

  - Some leaders of First Nations that do not have reserve lands have expressed concern about being excluded from eligibility. (e.g. the Algonguins of Ontario and non-status First Nation groups).

Communications Strategy

- FNDC Postcard

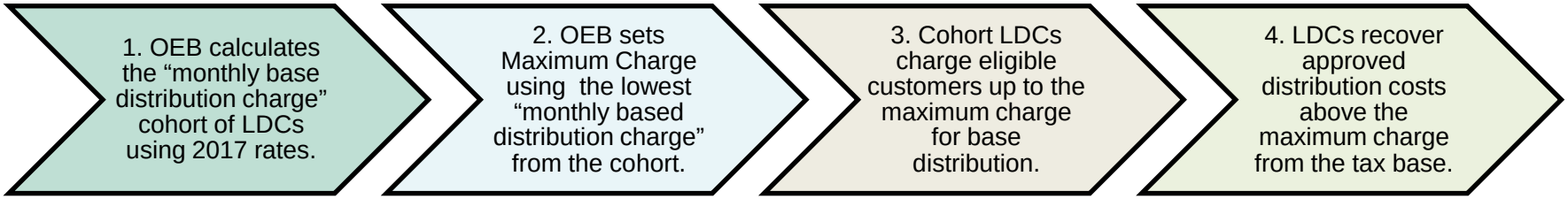
  – ENERGY is currently developing a postcard to be distributed to customers on reserve to raise awareness of the FNDC and encourage those who may be eligible but have not registered for an HST exemption to consider doing so. Logistics and messaging is currently being finalized**.**

- Chiefs of Ontario Communiqué

  - COO sent a Communiqué to all First Nation Chiefs in June to encourage them to make sure their members are registered to receive the HST exemption from their LDC so that they will receive the FNDC.

2) Distribution Rate Protection – Implementation

- All eligible LDCs have indicated they are in position to provide distribution rate protection for electricity consumed on or after July 1st, 2017.
- The OEB followed the criteria in the new regulation (O. Reg. 198/17), as outlined in the chevrons below, to set the maximum monthly distribution charge.



- On June 22, 2017, the OEB released its decision and set the maximum monthly charge at $36.43/month**.** The maximum charge will be updated at least once annually going forward.
  - The regulation stipulates that each year the maximum monthly charge would be no lower than the previous year's maximum charge.
- The OEB's June 22 decision also lowered the RRRP regulatory charge to reflect the shift of legacy Hydro One R2 customer costs from the rate-base to the tax-base. The new RRRP charge (0.03¢/kWh) dropped from $1.66/month for the average customer to $0.24.

2) Ontario Electricity Support Program Regulation (OESP)

- As part of the FHP, recent amendments to Section 79.2.2 of the OEBA gave the Ministry of Community and Social Services (MCSS) and the OEB authority to share personal information. This authority is required to align OESP delivery with other social assistance (SA) programs and automate OESP enrolment, in a way that meets privacy requirements under the *Freedom of Information and Protection of Privacy Act, 1990*.
  - The purpose of this exercise is to increase OESP uptake, which is one of the approved activities in the FHP TB Minute (March 1, 2017).
- These amendments were recently approved. While the amendments took effect on July 1, MCSS implementation does not occur until it has an agreement with the OEB, as per recent changes to the OEBA.
- As part of MCSS implementation, it is seeking TB approval for additional FTEs (July 25) for $3.5 million. This is a joint submission with ENERGY – the additional FTEs would be financed using part of the OESP allocation that was approved by TB on March 1, 2017 under the Fair Hydro Plan. Additional activities underway by MCSS:
  - MCSS is developing an MOU with the OEB on data sharing and respective roles / responsibilities for aligning OESP with SA program delivery.
  - MCSS has commenced Phase 1 of increasing awareness of OESP and developed an OESP postcard/cheque insert for SA clients. This is anticipated to be sent to all SA clients in August, leading up to direct outreach to SA clients and enroll them into OESP that is planned for late August / early September.
  - The next step will be to support increased SA client enrolment in the OESP by way of a dedicated team and integration of OESP into SA intake process. Software system upgrades will enable this work, but OESP applications will still be manual – MCSS and OEB continue to develop an automated system for completing applications on behalf of SA clients, which is anticipated for early 2018-2019.

Status / Next Steps

- An OIC proclamation for provisions in the OEBA and further regulatory changes are needed to implement the transition from rate base to the tax base. This will happen when the OESP variance account is nearly depleted, which is expected in the fall.
- The Ministry will work with the OEB over the next several months to transition OESP administration to government.

3) Affordability Fund

- The new Affordability Fund is intended to provide energy efficiency measures to electricity customers who are not eligible for low-income conservation programs, and who otherwise would be unable to make energy efficiency improvements without financial assistance.
- The Fund, established through the tax base, will be administered by an independent Trust and accessible to electricity distributors.
- Eligible customers will be identified by electricity distributors. It is expected that priority will be given to homes primarily heated by electricity.
  - The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake.
  - It is expected that the program will assist eligible electricity customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.
- Distributor-led, highly targeted marketing of the Fund is recommended, as opposed to broad-based marketing, to enable distributors to target customers who are in need of assistance.

Status / Next Steps

- On March 24, 2017, ENERGY entered into a Transfer Payment Agreement with Computershare, who ~~will~~ acted as the Original Trustee, to flow $100M to the Affordability Fund Trust.
- On June 19, 2017, Computershare was replaced with a Board of Trustees which includes representation from two social agencies (Ottawa Carleton United Way and the Neighbour to Neighbour Centre) and three LDCs (Thunder Bay Hydro, Hydro One and Alectra). The Ministry of Energy is also represented on the Board of Trustees as a non-voting observer.
- The Board of Trustees will be responsible for distributing funds to electricity distributors across the province based on an application process and targeted eligibility criteria established by the Trust.
- Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees.

3) Affordability Fund (cont'd)

Status / Next Steps

- **July 2017:** Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes
- **Late Summer 2017:** Estimated timeline for electricity distributors to begin applying to the Trust for funds
- **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 could apply for additional funds through 2018-19 PRRT based on Affordability Fund Trust performance and incremental identified needs. Trust term can be extended with amended/new TPA if agreed by Trust

4) Industrial Conservation Initiative (ICI)

- On April 10, 2017, Ontario amended O. Reg. 429/04 to allow eligible electricity consumers/market participants in the manufacturing sector and greenhouses with an average monthly peak demand of greater than 500 kilowatts (kW) and less than 1 megawatt (MW) to participate in ICI.

- Prior to the amendment to O.Reg. 429/04, ICI participation was only available to electricity consumers with average monthly peak demand greater than 1 MW.

Status / Next Steps

- Newly eligible consumers had to ~~must~~ opt-in with their LDC by June 15 to participate in ICI for the billing cycle beginning July 1.

- Information regarding ICI participants in gathered by the Independent Electricity System Operator (IESO) every July. ENERGY should expect to receive this information from IESO in August.

5) OFHP Billing Requirements

- The Ministry recently introduced new billing requirements under the *Ontario's Fair Hydro Plan Act*, 2017 (OFHPA) and the *Ontario Energy Board Act*, 1998 to support transparency and communication of the changes introduced by Ontario's Fair Hydro Plan (OFHP).
- These new billing requirements require electricity vendors and unit-sub meter providers (USMPs) to:
  - Include standardized informational messaging related to OFHP on all bills, per O. Reg. 196/17;
  - Accompany paper bills with a descriptive OFHP bill insert once per quarter, beginning with the first bill issued on or after July 1, 2017 until the first bill issued on or after July 1, 2018 (seasonal customers only to receive bill inserts semi-annually), per O. Reg. 196/17; and
  - Include a "First Nations Delivery Credit" as a visible line item on the bills of on-reserve customers and demonstrate the associated savings, as applicable, per O. Reg. 197/17.
- In anticipation of these new requirements, the Ministry amended O. Reg. 364/16 to revoke the "8% Provincial Rebate" messaging requirements from bills and envelopes in advance of July 1, 2017. Note, the requirement to include an 8% rebate line item remains.
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1. Issue OFHP bill inserts on a quarterly basis for one year;
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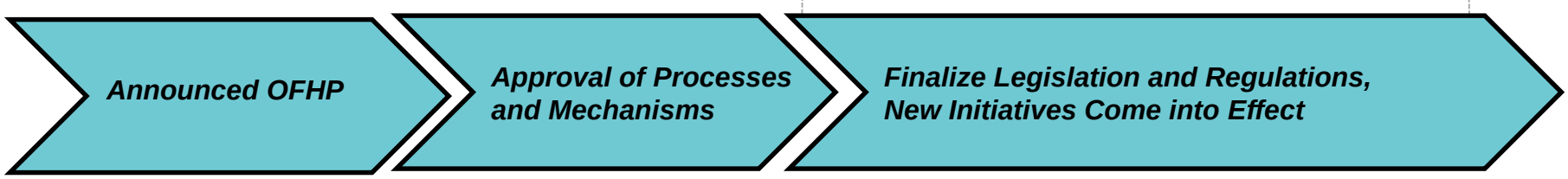

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Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
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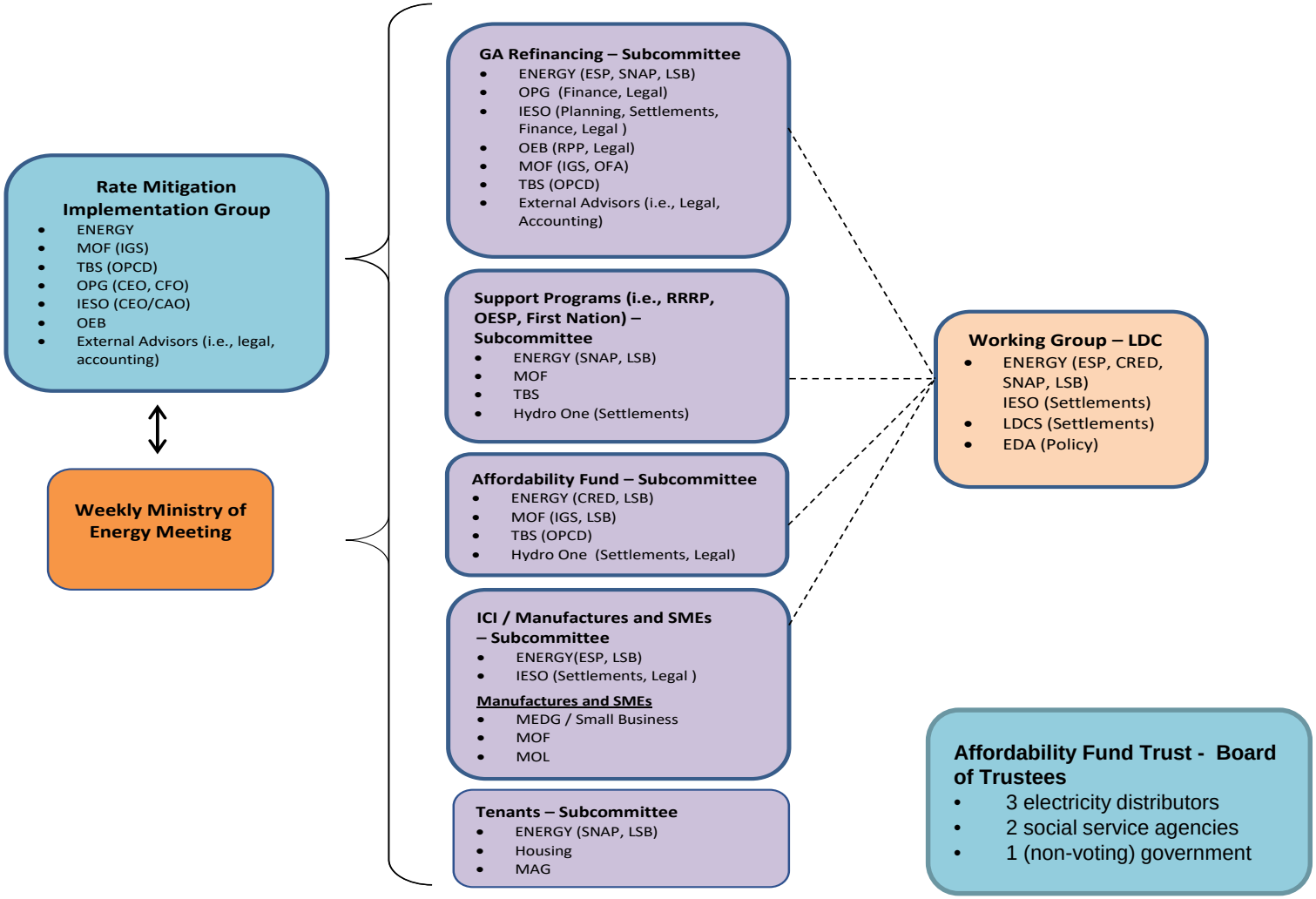
Appendix

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



2017 07 07 Business Issues v01_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Minister’s Briefing OFHP.pdf

From:	Armstrong, Hillary (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	FW: Minister"s Briefing OFHP
Date:	July 17, 2017 3:55:36 PM
Attachments:	OFHP Update for Minister 20170707_Clean.pptx 2017 07 07 Business Issues v01.docx

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Hi Martin,

On Friday, I forgot to circulate these products around to Ministry staff after sharing with MO. Would you be able to share them around? I can craft an email if you'd like. Thanks, and sorry about that!

Hillary

From: Armstrong, Hillary (ENERGY)
Sent: July-14-17 5:44 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Whittington, Matt (ENERGY); Ruttan, Craig (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY); Berry, James (ENERGY); Baker, Carys (ENERGY)
Subject: Minister's Briefing OFHP

Hi Andrew,

Attached are products for next week's Minister's briefing on OFHP.

Thanks,
Hillary

OFHP Update for Minister 20170707_Clean_1.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Fair Hydro Plan – Minister's Update

July 18, 2017

CONFIDENTIAL DRAFT

Context

- On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (OFHP), which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy worked with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs) on the development of legislation, regulations and ongoing implementation.
  - On April 10, Ontario expanded the Industrial Conservation Initiative (ICI) to include manufacturers and greenhouses with peak demand from 1 MW to 500 kW.
  - On June 1, the *Fair Hydro Act, 2017* (FHA) received Royal Assent.
  - As of July 1, 2017, the full impact of the OFHPA reductions is in effect.

- Through the Rate Mitigation Implementation Group and subcommittees, the Ministry of Energy continues to work through implementation of the following OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit); and
  - Establishing an Affordability Fund.

1) Global Adjustment (GA) Refinancing

- Full reduction related to OFHP for regulated consumers as determined by the OEB for rates that came into effect on July 1.
  - Supporting regulations in place with respect to the methodology the OEB uses to make determinations related to OFHP, providing IESO with authority for OFHP activities and outlining roles and responsibilities of OPG and IESO.
- Ongoing work with Energy agencies (i.e., OPG, OEB and IESO), key ministries (i.e., MOF and TBS/OPCD) and external advisors. Key deliverables include:
  - **Fair Allocation Amount (FAA):** Minister of Energy to calculate the Fair Allocation Amount (FAA) and provide the amount to the Financial Services Manager (OPG);
  - **Management Fees Regulation:** Confirmation of methodology to determine the fees OPG charges for providing Financial Management Services including role of OEB in reviewing costs;
  - **Guarantees:** Province to provide contingent supports to enable structure. Work is underway to scope those guarantees;
  - **Equity Injection:** Province to purchase shares of OPG on a monthly basis;
  - **Subordinated Debt:** OPG will lend the equity injection from the Province to the Trust by way of subordinated debt; and
  - **PILs Exemption:** Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle.

Status / Next Steps

- Next Steps:
  - Summer 2017:
    - Fair Allocation Amount;
    - Guarantees;
    - Fee regulation; and
    - Equity injection agreements in place.
  - Fall 2017:
    - PILs Exemption;
    - Sale of the Regulatory Asset by IESO to OPG SPV/Trust; and
    - Sale of the Investment Asset by OPG SPV/Trust to market to investors.

2) Social Programs – Regulations

- On July 1, 2017, a number amended and new regulations, needed to implement the Fair Hydro Plan, came into force:

1. **Created a new Regulation (O. Reg. 197/17 First Nations Delivery Credit**) made under the *Ontario Energy Board Act, 1998* to enable the provision of a First Nations Delivery Credit.

2. **Created a new Regulation (O. Reg. 198/17 Distribution Rate-Protected Residential Consumers**) made under the *Ontario Energy Board Act, 1998* to enable the provision of enhanced distribution rate protection to full-time residential customers of prescribed LDCs.

3. **Amended O. Reg. 442/01(Rural or Remote Electricity Rate Protection)** made under the *Ontario Energy Board Act, 1998* to enable tax-based funds to support the provision of RRRP to Hydro One's low-density residential classified customers (R2).

4. **Created a new Invoicing Regulation (O. Reg. 196/17 Invoicing Requirements)** made under the *Ontario Fair Hydro Plan Act, 2017* to communicate Ontario's Fair Hydro Plan (OFHP), and its associated bill impacts, to consumers.

5. **Amended O. Reg. 275/04 (Information on Invoices to Certain Classes of Consumers of Electricity)** made under the *Ontario Energy Board Act, 1998* to remove the requirement for electricity vendors and USMPs to include informational messaging about the Debt Retirement Charge (DRC) in order to create more space on invoices for new OFHP messaging.

6. **Amended the O. Reg 363/16 (General)** under the *Ontario Rebate for Electricity Consumers Act, 2016* to provide clarity on how the proposed First Nations Delivery Credit should be treated with respect to the calculation of the 8% provincial rebate.

7. **Amended O. Reg. 314/15 (Ontario Electricity Support Program)** made under the *Ontario Energy Board Act, 1998* to enable MCSS staff to sign up social assistance clients for the Ontario Electricity Support Program.

2) First Nations Delivery Credit (FNDC)

- Section 79.4 of the OEB Act provides for a delivery credit to offset the costs that make up the delivery line for on-reserve consumers, paid for through funds appropriated by the Legislature. It also provides for regulation making authority to define who is an on-reserve consumer and what areas constitute a “reserve”

- The central piece of the FNDC regulation surrounds the eligibility criteria. The regulation limits eligibility to all First Nations residential on-reserve customers, regardless of whether the customer is seasonal or permanent.

  - The definition of key terms, such as, “reserve”, “member of a band” are taken directly from the traditional meaning provided in the Indian Act.

- The 11 affected LDCs already have set processes in place to identify First Nations customers living on reserve based on their HST exemption status. To date, no LDC has indicated to ENERGY there will be any issue providing the credit for consumption as of July 1st for these identified customers.

- The Ministry of Energy, in collaboration with the Chiefs of Ontario (COO), have crafted the policy in a manner which best reflects the needs and wishes of First Nations in Ontario.

  - Some leaders of First Nations that do not have reserve lands have expressed concern about being excluded from eligibility. (e.g. the Algonguins of Ontario and non-status First Nation groups).

Communications Strategy

- FNDC Postcard

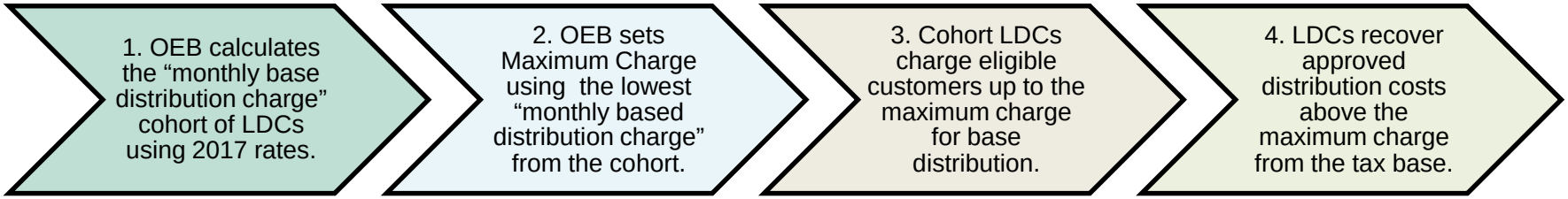
  – ENERGY is currently developing a postcard to be distributed to customers on reserve to raise awareness of the FNDC and encourage those who may be eligible but have not registered for an HST exemption to consider doing so. Logistics and messaging is currently being finalized**.**

- Chiefs of Ontario Communiqué

  - COO sent a Communiqué to all First Nation Chiefs in June to encourage them to make sure their members are registered to receive the HST exemption from their LDC so that they will receive the FNDC.

2) Distribution Rate Protection – Implementation

- All eligible LDCs have indicated they are in position to provide distribution rate protection for electricity consumed on or after July 1st, 2017.
- The OEB followed the criteria in the new regulation (O. Reg. 198/17), as outlined in the chevrons below, to set the maximum monthly distribution charge.



- On June 22, 2017, the OEB released its decision and set the maximum monthly charge at $36.43/month**.** The maximum charge will be updated at least once annually going forward.
  - The regulation stipulates that each year the maximum monthly charge would be no lower than the previous year's maximum charge.
- The OEB's June 22 decision also lowered the RRRP regulatory charge to reflect the shift of legacy Hydro One R2 customer costs from the rate-base to the tax-base. The new RRRP charge (0.03¢/kWh) dropped from $1.66/month for the average customer to $0.24.

2) Ontario Electricity Support Program Regulation (OESP)

- As part of the FHP, recent amendments to Section 79.2.2 of the OEBA gave the Ministry of Community and Social Services (MCSS) and the OEB authority to share personal information. This authority is required to align OESP delivery with other social assistance (SA) programs and automate OESP enrolment, in a way that meets privacy requirements under the *Freedom of Information and Protection of Privacy Act, 1990*.
  - The purpose of this exercise is to increase OESP uptake, which is one of the approved activities in the FHP TB Minute (March 1, 2017).
- These amendments were recently approved. While the amendments took effect on July 1, MCSS implementation does not occur until it has an agreement with the OEB, as per recent changes to the OEBA.
- As part of MCSS implementation, it is seeking TB approval for additional FTEs (July 25) for $3.5 million. This is a joint submission with ENERGY – the additional FTEs would be financed using part of the OESP allocation that was approved by TB on March 1, 2017 under the Fair Hydro Plan. Additional activities underway by MCSS:
  - MCSS is developing an MOU with the OEB on data sharing and respective roles / responsibilities for aligning OESP with SA program delivery.
  - MCSS has commenced Phase 1 of increasing awareness of OESP and developed an OESP postcard/cheque insert for SA clients. This is anticipated to be sent to all SA clients in August, leading up to direct outreach to SA clients and enroll them into OESP that is planned for late August / early September.
  - The next step will be to support increased SA client enrolment in the OESP by way of a dedicated team and integration of OESP into SA intake process. Software system upgrades will enable this work, but OESP applications will still be manual – MCSS and OEB continue to develop an automated system for completing applications on behalf of SA clients, which is anticipated for early 2018-2019.

Status / Next Steps

- An OIC proclamation for provisions in the OEBA and further regulatory changes are needed to implement the transition from rate base to the tax base. This will happen when the OESP variance account is nearly depleted, which is expected in the fall.
- The Ministry will work with the OEB over the next several months to transition OESP administration to government.

3) Affordability Fund

- The new Affordability Fund is intended to provide energy efficiency measures to electricity customers who are not eligible for low-income conservation programs, and who otherwise would be unable to make energy efficiency improvements without financial assistance.
- The Fund, established through the tax base, will be administered by an independent Trust and accessible to electricity distributors.
- Eligible customers will be identified by electricity distributors. It is expected that priority will be given to homes primarily heated by electricity.
  - The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake.
  - It is expected that the program will assist eligible electricity customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.
- Distributor-led, highly targeted marketing of the Fund is recommended, as opposed to broad-based marketing, to enable distributors to target customers who are in need of assistance.

Status / Next Steps

- On March 24, 2017, ENERGY entered into a Transfer Payment Agreement with Computershare, who ~~will~~ acted as the Original Trustee, to flow $100M to the Affordability Fund Trust.
- On June 19, 2017, Computershare was replaced with a Board of Trustees which includes representation from two social agencies (Ottawa Carleton United Way and the Neighbour to Neighbour Centre) and three LDCs (Thunder Bay Hydro, Hydro One and Alectra). The Ministry of Energy is also represented on the Board of Trustees as a non-voting observer.
- The Board of Trustees will be responsible for distributing funds to electricity distributors across the province based on an application process and targeted eligibility criteria established by the Trust.
- Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees.

3) Affordability Fund (cont'd)

Status / Next Steps

- **July 2017:** Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes
- **Late Summer 2017:** Estimated timeline for electricity distributors to begin applying to the Trust for funds
- **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 could apply for additional funds through 2018-19 PRRT based on Affordability Fund Trust performance and incremental identified needs. Trust term can be extended with amended/new TPA if agreed by Trust

4) Industrial Conservation Initiative (ICI)

- On April 10, 2017, Ontario amended O. Reg. 429/04 to allow eligible electricity consumers/market participants in the manufacturing sector and greenhouses with an average monthly peak demand of greater than 500 kilowatts (kW) and less than 1 megawatt (MW) to participate in ICI.

- Prior to the amendment to O.Reg. 429/04, ICI participation was only available to electricity consumers with average monthly peak demand greater than 1 MW.

Status / Next Steps

- Newly eligible consumers had to ~~must~~ opt-in with their LDC by June 15 to participate in ICI for the billing cycle beginning July 1.

- Information regarding ICI participants in gathered by the Independent Electricity System Operator (IESO) every July. ENERGY should expect to receive this information from IESO in August.

5) OFHP Billing Requirements

- The Ministry recently introduced new billing requirements under the *Ontario's Fair Hydro Plan Act*, 2017 (OFHPA) and the *Ontario Energy Board Act*, 1998 to support transparency and communication of the changes introduced by Ontario's Fair Hydro Plan (OFHP).
- These new billing requirements require electricity vendors and unit-sub meter providers (USMPs) to:
  - Include standardized informational messaging related to OFHP on all bills, per O. Reg. 196/17;
  - Accompany paper bills with a descriptive OFHP bill insert once per quarter, beginning with the first bill issued on or after July 1, 2017 until the first bill issued on or after July 1, 2018 (seasonal customers only to receive bill inserts semi-annually), per O. Reg. 196/17; and
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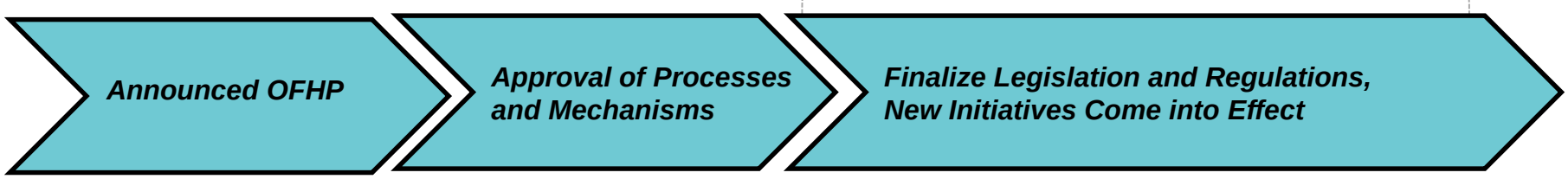

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- OESP begins August / September 2017.
- Report back to TBC/MBC, LRC and Cabinet on Affordability Fund in Fall 2017.

Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- Ongoing work on how to input the impact of OFHP into the 2017 Long-Term Energy Plan residential bill forecasts.

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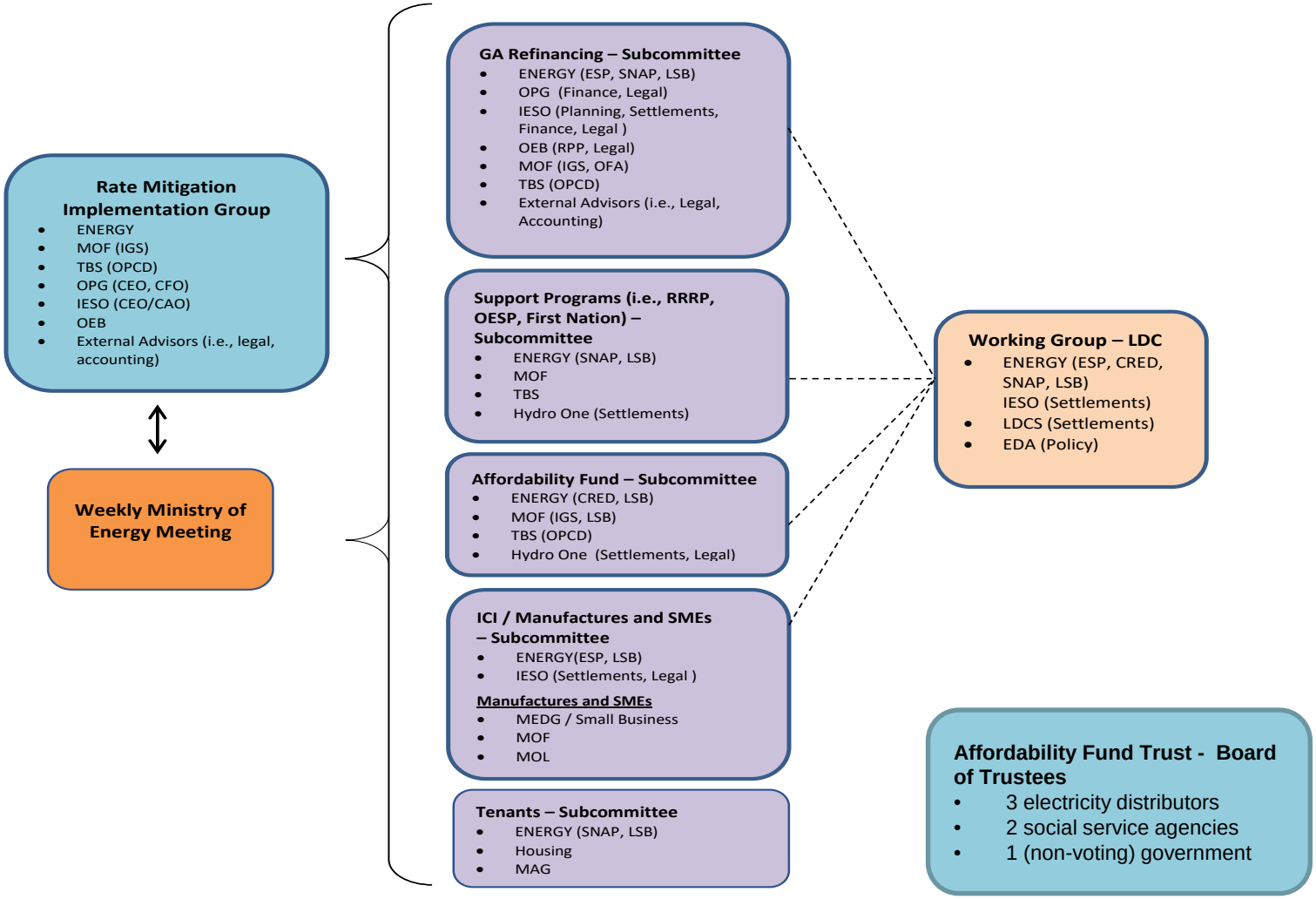
Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



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Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ OFHP Implementation Meeting Materials(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Bungaro-Yemec, Francesca (ENERGY)
Subject:	FW: OFHP Implementation Meeting Materials
Date:	May 7, 2017 8:52:18 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Consolidated - OFHP Matrix - Week of May 8_tracked.docx OFHP Annotated Time Line_Final_May 8.docx

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Hi Francesca,

Can you please add these materials to sharepoint and the Deputy's Day Binder for tomorrow's DM, CoS Rate Mitigation Implementation meeting. I will share another email with some additional materials.

Only the clean version of the Matrix needs to be included.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: Friday, May 05, 2017 8:23 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: OFHP Implementation Meeting Materials

Hi Andrew,

Please find attached the materials for Monday's Rate Mitigation Implementation meeting. Updated OFHP Matrix (clean and tracked) and Annotated Time Line.

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 8_cl.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of May 8_tr.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8.pdf

Ontario's Fair Hydro Plan – Critical Path Dates
(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation

- May 1, 2017 – KPMG and E&Y Opinions

- May 2, 2017 – Caucus Briefing

- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing

- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval

- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)

- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process

- May 10, 2017 – LRC/Cabinet on Legislation

- May 11, 2017 – Introduction Legislation

- May 12, 2017 – Regulatory Posting (TBD)

- May 2017 – Opposition Briefings (TBD)

- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)

- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings

- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)

- Mid and Late June 2017 – Regulations 2 parts (Direct to Cabinet) (TBD)

FW_ OFHP Implementation Meeting Materials(2).pdf

From:	Armstrong, Hillary (ENERGY)
To:	Evans, Karen (ENERGY); Lyon, Sam (ENERGY)
Subject:	FW: OFHP Implementation Meeting Materials
Date:	July 12, 2017 12:02:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx

Sorry guys, I missed you on this yesterday!

From: Armstrong, Hillary (ENERGY)
Sent: July-10-17 12:54 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY); Schlaepfer, Martin (ENERGY)
Subject: OFHP Implementation Meeting Materials

Hi there,

Attached are the materials for Wednesday's OFHP Implementation meeting.

Thanks,
Hillary

2017 07 07 Business Issues v01_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

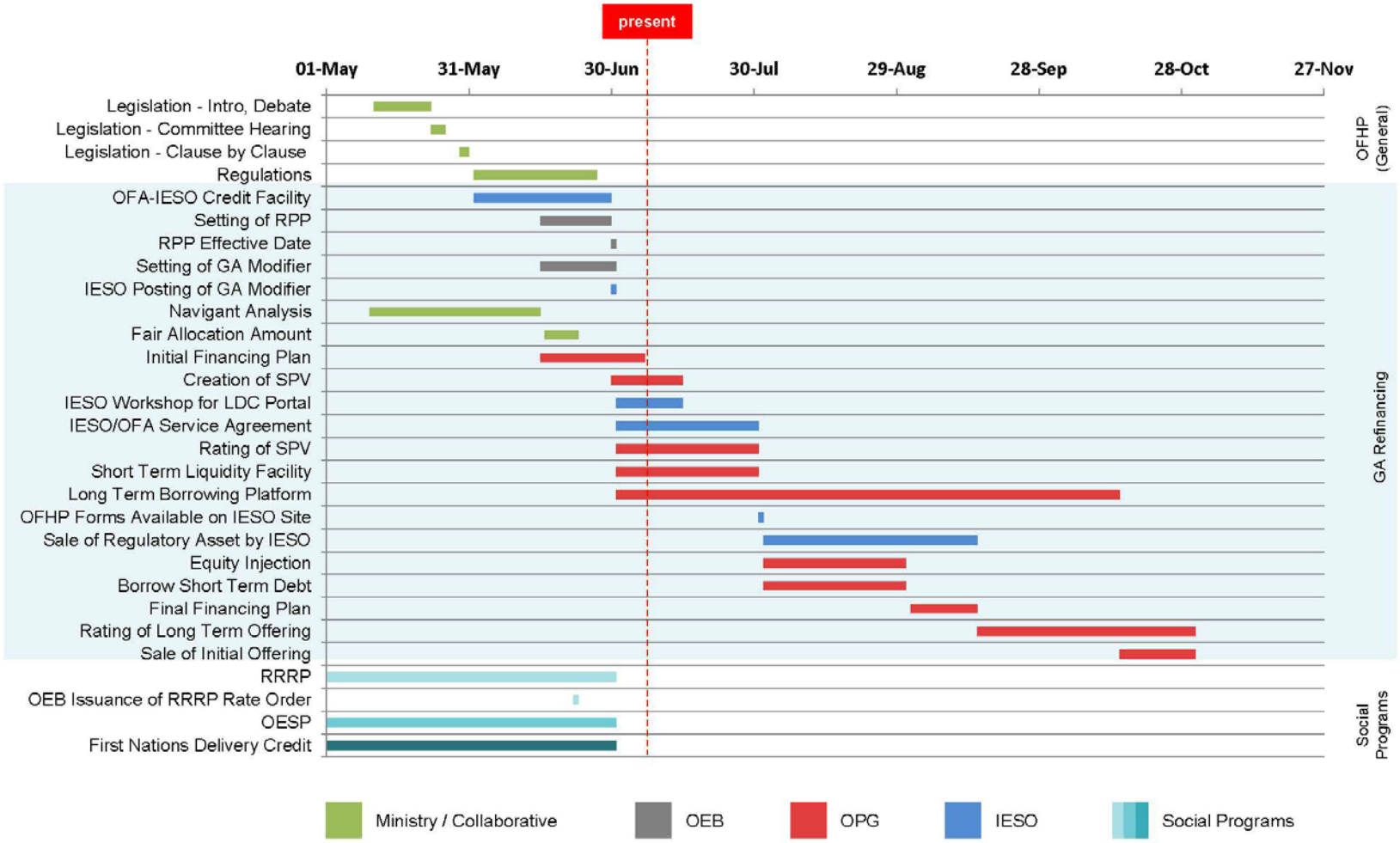
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Implementation Meeting Materials(3).pdf

From:	Armstrong, Hillary (ENERGY)
To:	Montgomery, Kaitlin (MOF)
Subject:	FW: OFHP Implementation Meeting Materials
Date:	July 12, 2017 12:28:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx

Fyi- Sorry, should have included you as well, particularly in Scott's absence! Here are the products for this aft.

From: Armstrong, Hillary (ENERGY)
Sent: July-10-17 12:54 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY); Schlaepfer, Martin (ENERGY)
Subject: OFHP Implementation Meeting Materials

Hi there,

Attached are the materials for Wednesday's OFHP Implementation meeting.

Thanks,
Hillary

2017 07 07 Business Issues v01_4.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
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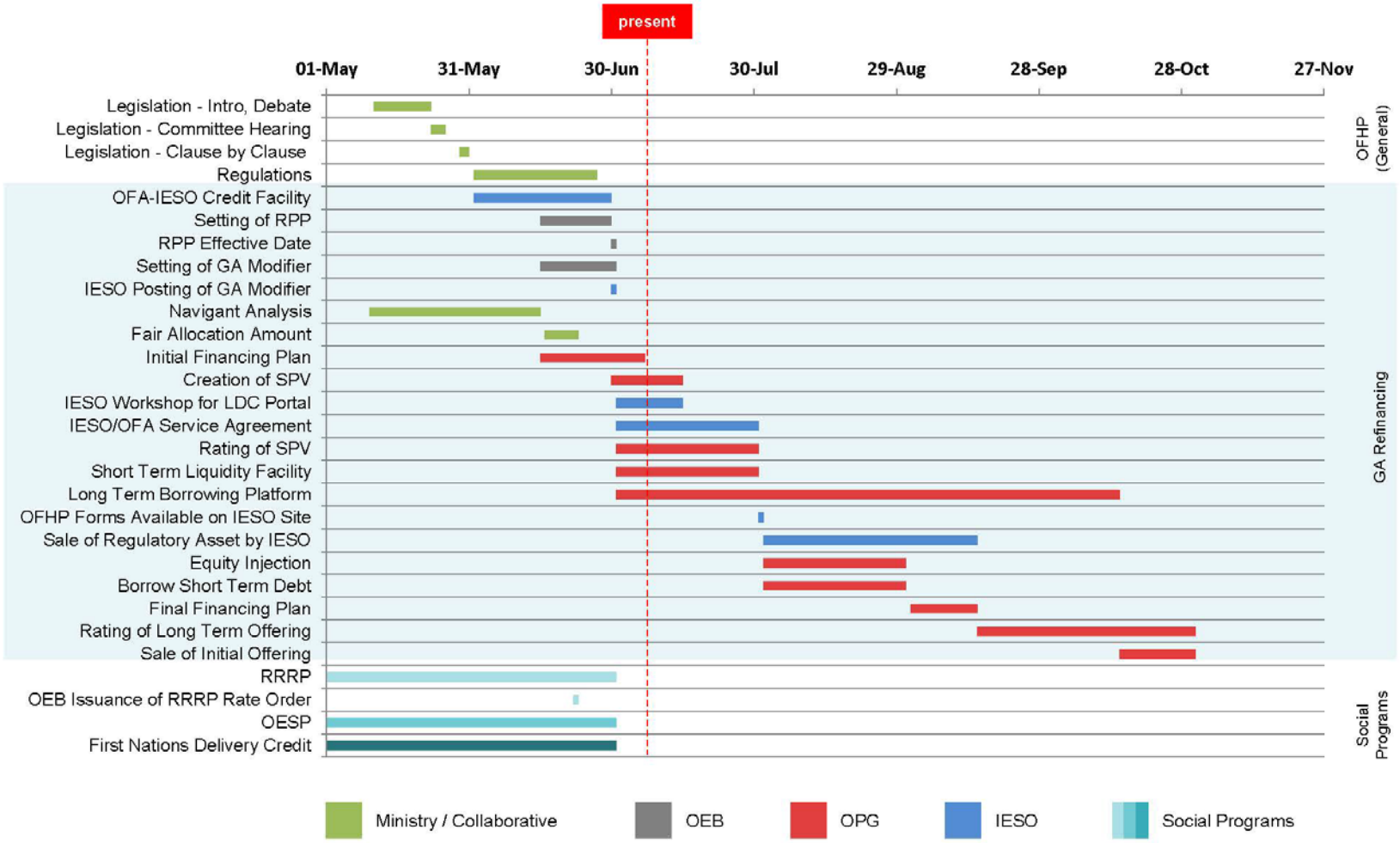
Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Implementation Meeting Materials(4).pdf

From: Hume, Steen (ENERGY)
To: Armstrong, Hillary (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: FW: OFHP Implementation Meeting Materials
Date: July 12, 2017 6:34:03 PM
Attachments: 2017 07 07 Business Issues v01.docx
2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx
Agenda_Weekly Rate Mitig Implmentation Group_July 13.docx
2017-07-12 Bill Presentment Presentation v01.pptx

Hi Hillary: Attached are the materials for Thursday's OFHP Implementation meeting.

Thanks, Steen

2017 07 07 Business Issues v01_5.pdf

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2017-07-07 Consolidated - OFHP Matrix - Week _6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
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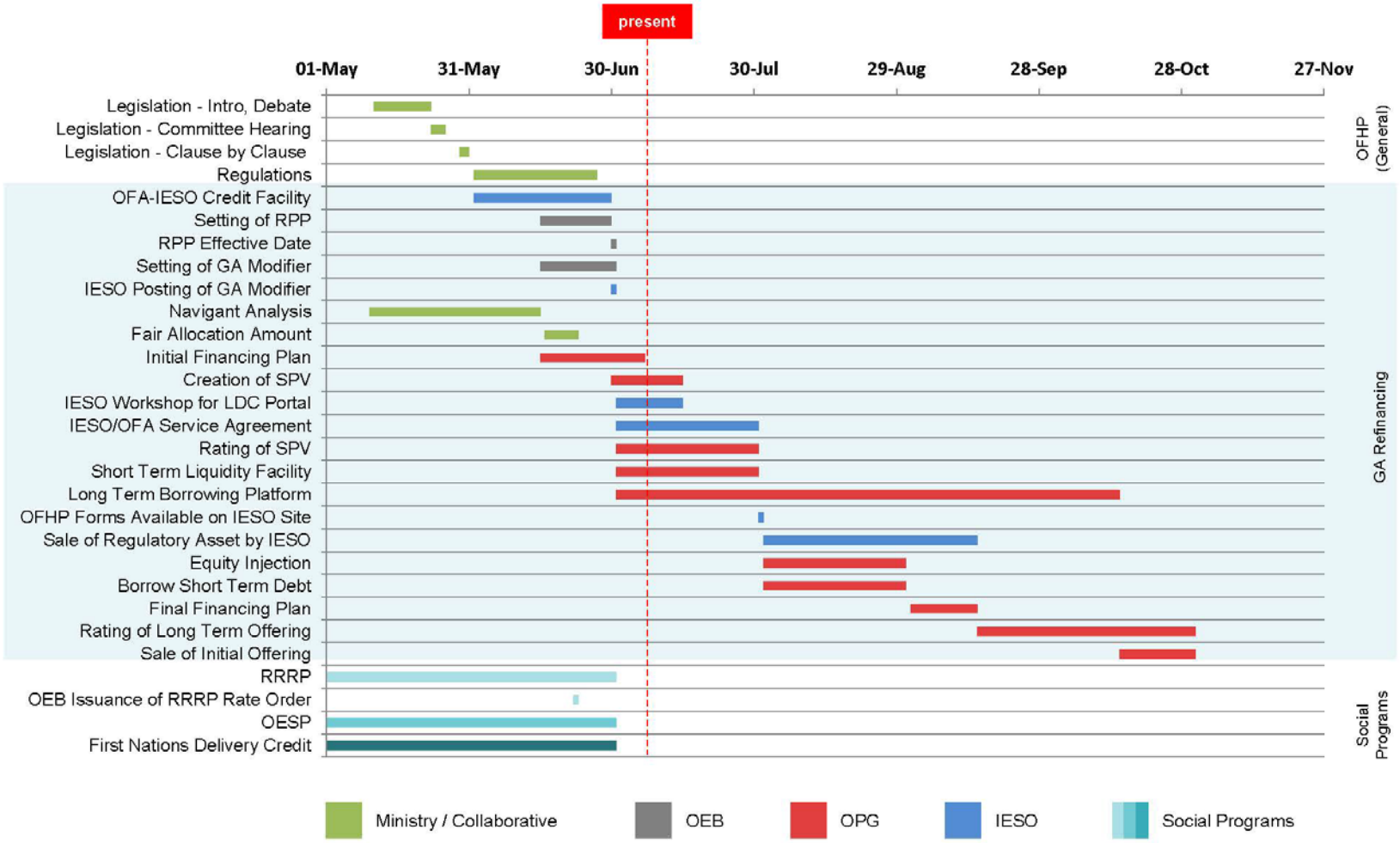
Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__2.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 13, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO / OEB)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Bill Presentment – Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-12 Bill Presentment Presentation v01.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

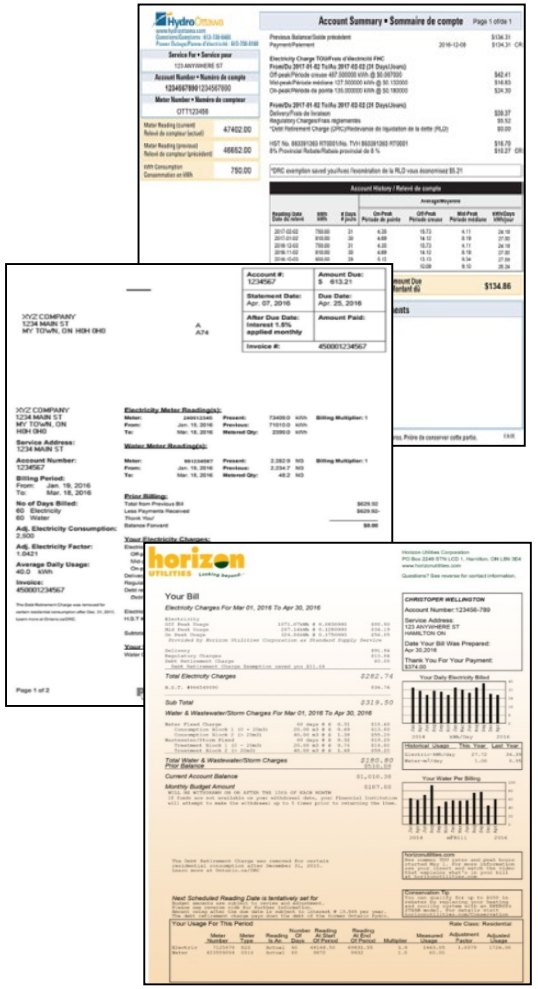
July 2017

Contents

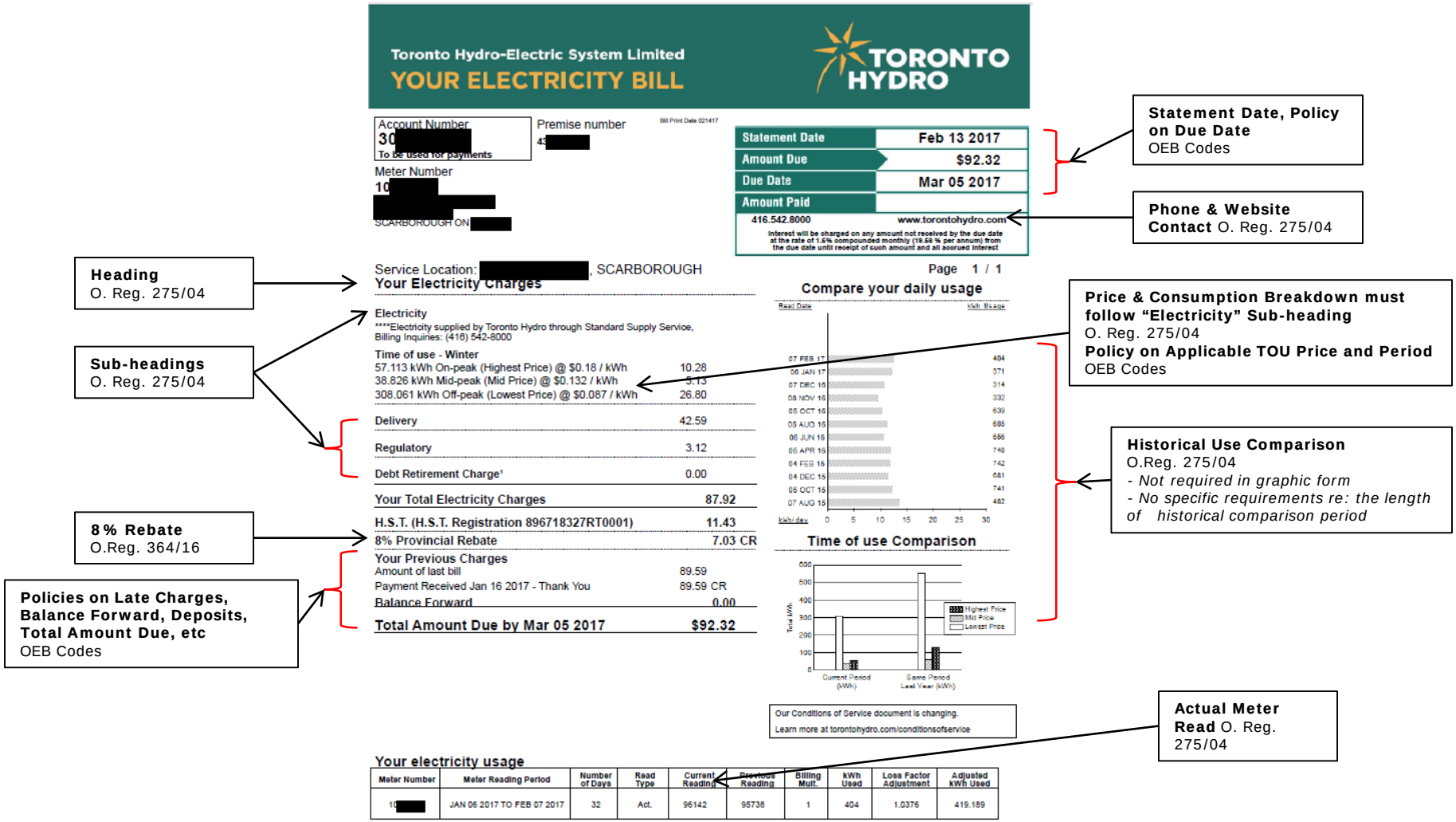
- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (LDC).
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
    - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



Bill Example – Front



Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison
O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

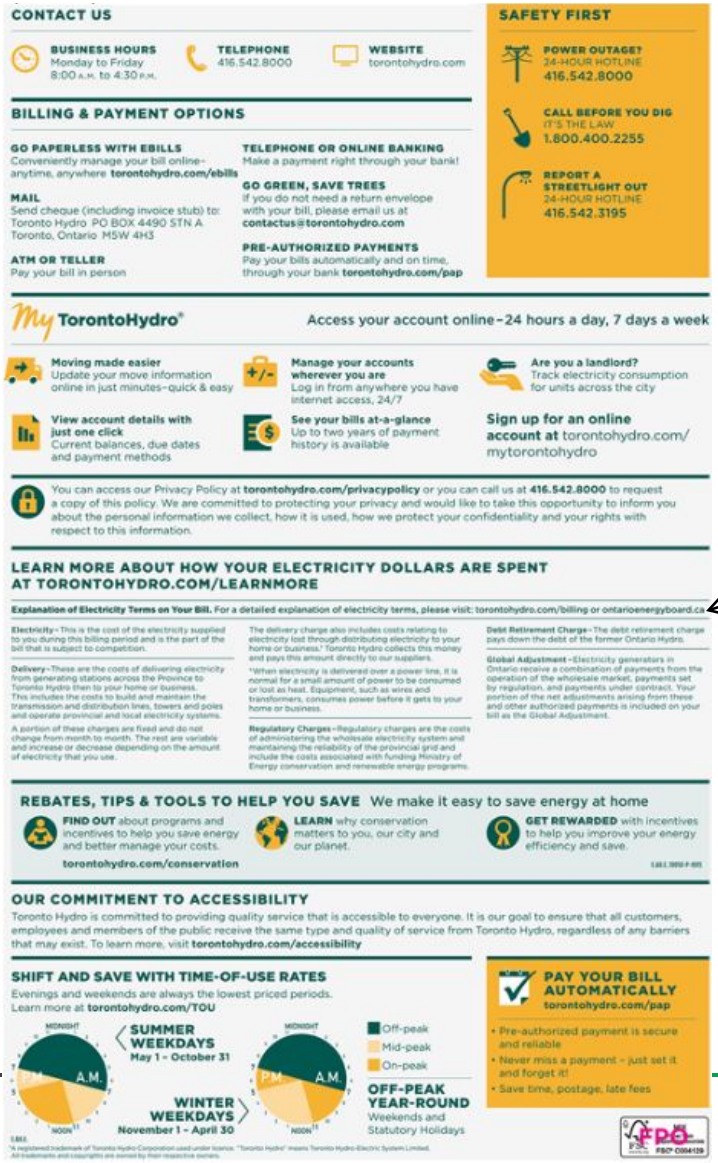
Actual Meter Read O. Reg. 275/04

Bill Example – Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes



CONTACT US

BUSINESS HOURS
Monday to Friday
8:00 A.M. to 4:30 P.M.

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416.542.8000

WEBSITE
torontohydro.com

SAFETY FIRST

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24-HOUR HOTLINE
416.542.8000

CALL BEFORE YOU DIG
IT'S THE LAW
1.800.400.2255

REPORT A STREETLIGHT OUT
24-HOUR HOTLINE
416.542.3195

BILLING & PAYMENT OPTIONS

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Toronto, Ontario M5W 4H3

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Pay your bill in person

TELEPHONE OR ONLINE BANKING
Make a payment right through your bank!

GO GREEN, SAVE TREES
If you do not need a return envelope with your bill, please email us at **contactus@torontohydro.com**

PRE-AUTHORIZED PAYMENTS
Pay your bills automatically and on time, through your bank **torontohydro.com/pap**

My TorontoHydro® Access your account online–24 hours a day, 7 days a week

Moving made easier
Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
Log in from anywhere you have internet access, 24/7

Are you a landlord?
Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

Sign up for an online account at torontohydro.com/mytorontohydro

You can access our Privacy Policy at **torontohydro.com/privacypolicy** or you can call us at **416.542.8000** to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity – This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery – These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges – Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge – The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment – Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

REBATES, TIPS & TOOLS TO HELP YOU SAVE We make it easy to save energy at home

FIND OUT about programs and incentives to help you save energy and better manage your costs.
torontohydro.com/conservation

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Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
  - ✓ include standardized **on-bill OFHP messaging**;
  - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
  - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert

Ontario

ONTARIO'S FAIR HYDRO PLAN

Bringing electricity bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

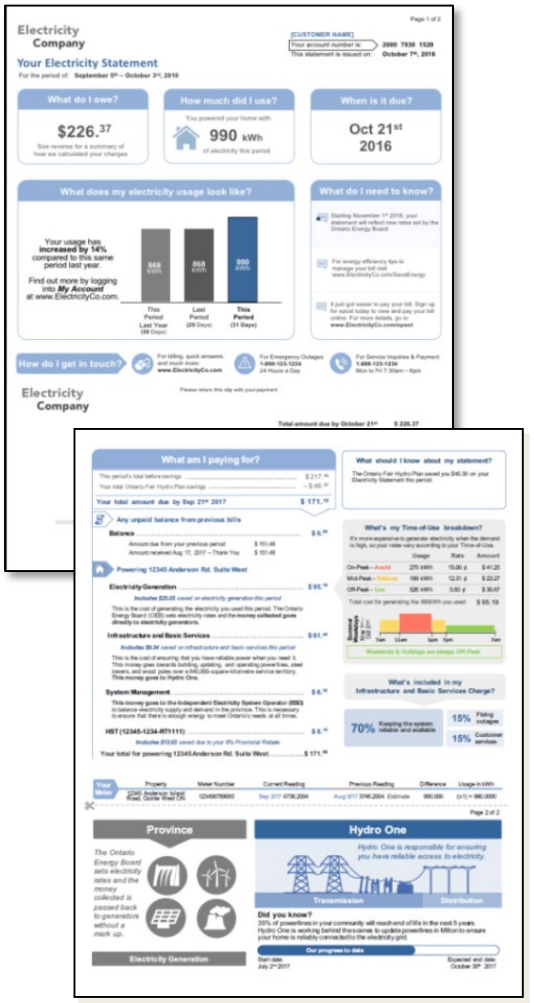
To find out more, visit **ontario.ca/FairHydroPlan**

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
  - Enhancing the customer experience;
  - Better communicating government initiatives and programs;
  - Consolidating the regulatory framework; and
  - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a **"RAP Working Group"** in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a "personalized" message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
    - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
    - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

Pre-July 1, 2017
OFHP Bill Inserts

- Requirement for LDCs to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging revoked from O. Reg. 364/16.
- LDCs voluntarily issue OFHP bill inserts in late June ahead of finalized OFHP regulations (inserts printed by ENERGY).

July 1, 2017
OFHP Required Messaging

- OFHP regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include a FNDC line item, where applicable; and
  4. Remove outdated on-bill messaging (e.g., DRC exemption).
- Hydro One exempted from O. Reg. 275/04 and specified OFHP invoicing requirements.

Aug. – Sept. 2017
RAP Consultations

- ENERGY to convene a RAP Working Group in August, including Hydro One, the EDA, the OEB, the Coalition of Large Distributors, as well as other LDCs and industry assoc.
- ENERGY to seek feedback on changes to bill presentment, regulatory reform, and gather information on behavioural economics, consumer advocacy, and billing system design.

Fall – Winter 2017
RAP Regulatory Amendments

- Following RAP consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- Hydro One to begin rolling out its redesigned electricity bills in Q4 2017.

Winter 2018 –
RAP Implementation

- New/amended invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills to its low volume consumers by Q2 2018.
- New regulations to include ample transition period for LDCs to adopt new regulatory invoicing requirements.

FW_ OFHP Implementation Meeting Materials.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	FW: OFHP Implementation Meeting Materials
Date:	May 5, 2017 8:24:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Consolidated - OFHP Matrix - Week of May 8_tracked.docx OFHP Annotated Time Line_Final_May 8.docx

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FYI, One minor change to the timeline at the bottom.

Thanks for sending these along.

Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May-05-17 8:24 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: OFHP Implementation Meeting Materials

Hi Andrew,

Please find attached the materials for Monday's Rate Mitigation Implementation meeting. Updated OFHP Matrix (clean and tracked) and Annotated Time Line.

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 8_cl_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of May 8_tr_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8_1.pdf

Ontario's Fair Hydro Plan – Critical Path Dates
(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation

- May 1, 2017 – KPMG and E&Y Opinions

- May 2, 2017 – Caucus Briefing

- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing

- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval

- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)

- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process

- May 10, 2017 – LRC/Cabinet on Legislation

- May 11, 2017 – Introduction Legislation

- May 12, 2017 – Regulatory Posting (TBD)

- May 2017 – Opposition Briefings (TBD)

- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)

- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings

- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)

- Mid and Late June 2017 – Regulations 2 parts (Direct to Cabinet) (TBD)

FW_ OFHP Implementation Update materials (1).pdf

From:	Edwards, Matthew (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Bradbeer, Linda (ENERGY)
Subject:	FW: OFHP Implementation Update materials
Date:	August 17, 2017 5:50:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 8 - igs.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

FYI – for tomorrow's OFHP briefing.

From: Schlaepfer, Martin (ENERGY)
Sent: August 17, 2017 5:45 PM
To: Katona, Keley (MOF) <Keley.Katona@ontario.ca>; Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>; Feather, Adam (ENERGY) <Adam.Feather@ontario.ca>; Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>; Pau, Joseph (MEDG/MRIS) <Joseph.Pau@ontario.ca>
Subject: FW: OFHP Implementation Update materials

FYI for tomorrow's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 17, 2017 5:44 PM
To: Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>
Subject: OFHP Implementation Update materials

Hi Andrew,

Attached are the products for tomorrow's meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 Outstanding Business Issues - Week of A_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-11 Consolidated - OFHP Matrix - Week _3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

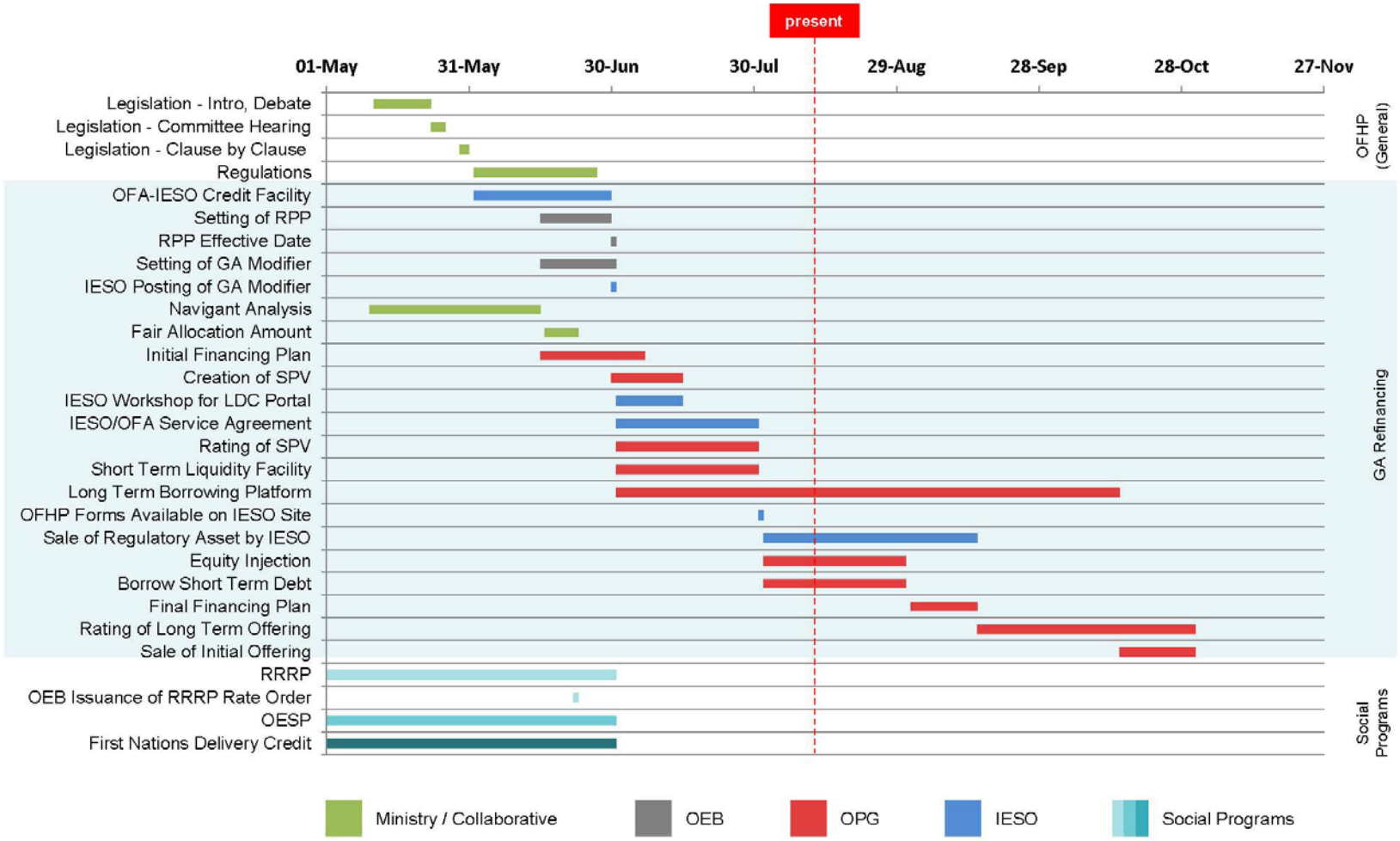
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Implementation Update materials .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Katona, Keley (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY); Pau, Joseph (MEDG/MRIS)
Subject:	FW: OFHP Implementation Update materials
Date:	August 17, 2017 5:44:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 8 - igs.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

FYI for tomorrow's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 17, 2017 5:44 PM
To: Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>
Subject: OFHP Implementation Update materials

Hi Andrew,

Attached are the products for tomorrow's meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 Outstanding Business Issues - Week of A_2.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-11 Consolidated - OFHP Matrix - Week _4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

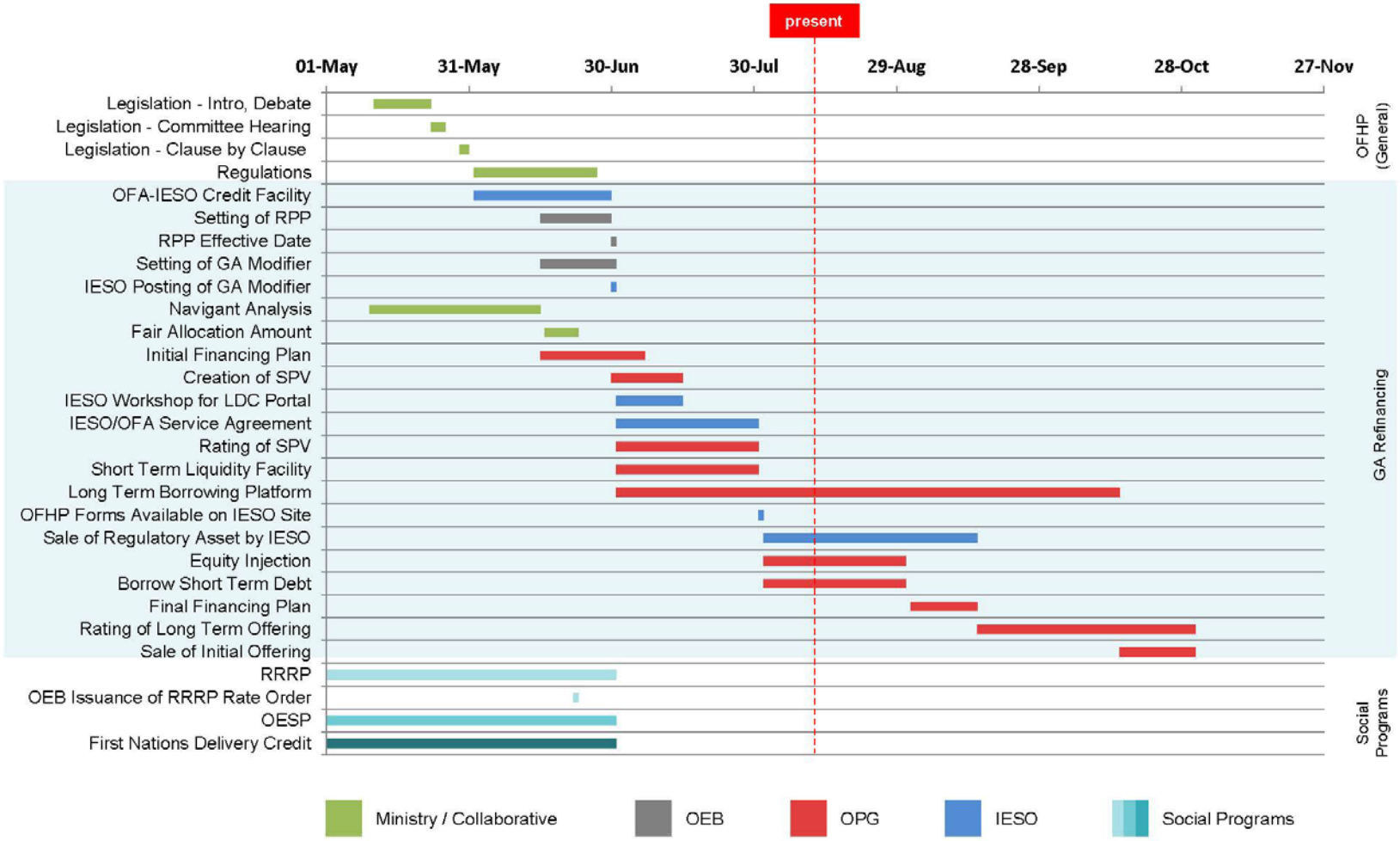
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Implmentation Meeting Materials.pdf

From: Cox, Hilary (ENERGY)
To: Christie, Tim (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: FW: OFHP Implmentation Meeting Materials
Date: May 8, 2017 9:29:43 AM
Attachments: Consolidated - OFHP Matrix - Week of May 8_clean.docx
Consolidated - OFHP Matrix - Week of May 8_tracked.docx
OFHP Annotated Time Line_Final_May 8.docx

Hi Tim –

Attached are e-versions of the materials for rate mitigation implementation.

HC

Consolidated - OFHP Matrix - Week of May 8_cl_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of May 8_tr_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8_2.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Clause by Clause / Amendments
  - Passage (TBD)
- June 14, 2017 – Regulations (Direct to Cabinet) (TBD)

FW_ OFHP MAtrix updates.pdf

From: Cox, Hilary (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Subject: FW: OFHP MAtrix updates
Date: May 23, 2017 2:02:40 PM
Attachments: Consolidated - OFHP Matrix - Week of May 23 Tracked ESPD SNAP CRED.docx

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Hi Martin –

Attached is OFHP matrix for this week. Apologies for delayed submission.

HC

Consolidated - OFHP Matrix - Week of May 23 T.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 23, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Draft motions to be shared early week of May 22. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • ~~OPG is finalizing E&Y's work~~ OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • ~~IESO to work with KPMG on IESO recovery mechanism~~ IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • ~~OAG request to IESO for emails has been expanded~~ • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • ~~SNAP to collect billing implementation timeline estimates from LDCs~~ • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • ~~New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline~~ • ~~Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible~~ • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff • ~~Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs.~~ • ~~Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.~~ • ~~Work with LDCs to consider any bill messaging.~~	• Approval dates: o Cabinet June 14th o ~~TB – May 9 2017;~~ and o ~~LRC/Cabinet – May 10, 2017~~ • Legislation / House dates: o Legislation introduction – ~~May 11, 2017~~ o ~~Opposition Briefing (TBD)~~ o ~~Debate – Week of May 15, 2017~~ o ~~Committee/Public Hearings – Week of May 23, 2017~~ o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• Approval dates:

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • ~~OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation~~ • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation Considerations • ~~On-reserve eligibility considerations require discussion with Chiefs of Ontario~~ • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~captured in legislation. l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • ~~Work with LDCs to consider any bill messaging.~~	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
	~~• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) ~~• Hydro One to prepare letters that will go out to social service agencies~~ The advisory group is awaiting response from Advocacy Centre for Tenants Ontario. ~~• Advisory group reaching out to social agencies~~ <u>Considerations</u> • Legislative changes not required.	• Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• ~~Preliminary discussion on April 19, 2017~~ IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • ~~MO to clarify bill presentment expectations with PO (~~Bill inserts will be ready for July 1 with bill redesign to occur in the Fall~~)~~ • ~~Ministry has developed deck on bill presentment with high level slides on legislation~~	• Initial discussion on March 31, 2017

FW_ OFHP Matrix edits for tomorrow(1).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Johnson, Paul (ENERGY)
Subject:	FW: OFHP Matrix edits for tomorrow
Date:	March 31, 2017 8:54:56 AM
Attachments:	Consolidated - OFHP Matrix - April 3.docx Action Items_March 30.docx

Hi Paul,

Please let me know if there were any comments or edits and I will pass them along. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: March 30, 2017 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

Hi All –

Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

Consolidated - OFHP Matrix - April 3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • ~~Regulation (amend O.Reg.429/04)~~ • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • <u>Report back to TB/MBC on May 1, 2017</u> • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

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Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ <u>fall</u> 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Action Items_March 30_2.pdf

Action Items – Thursday March 30, 2017

1) GA Refinancing
   - ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation
   - LSB / Blakes to brief OPCD on legislation
   - KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions
   - Blakes / OPG to work through financing issues related to 10% cap
   - Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg
   - TD being engaged through OFA to provide financial advice
   - ESP to make presentation on GA financing at upcoming IESO Board meeting
   - OEB to continue to work with Ministry LSB on comfort letter / OEB doesn't need letter until mid-April
2) Affordability Fund
   - Briefing being scheduled for advisory committee
   - Trust will establish process for accessing funds by Summer
3) RRRP / OESP / FN Rate
   - SNAP working on LRC materials for OESP tracking to April 10 LRC
   - SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes
   - SNAP meeting with OEB / MCSS on options for automatic enrolment
   - SNAP to sit down with COO next week on FN Rate
   - SNAP to review Toronto Hydro issues
4) ICI
   - ESP working on LRC approval package tracking to April 10 LRC
   - Outreach with OCC / CME ongoing
5) Other items
   - LSB to draft memo to LDCs letting them know about legislative issue related to advertising

FW_ OFHP Matrix edits for tomorrow.pdf

From:	Cox, Hilary (ENERGY)
To:	Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject:	FW: OFHP Matrix edits for tomorrow
Date:	March 30, 2017 9:36:25 PM
Attachments:	Consolidated - OFHP Matrix - April 3.docx Action Items_March 30.docx

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Hi All –

Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

Consolidated - OFHP Matrix - April 3_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • ~~Regulation (amend O.Reg.429/04)~~ • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • <u>Report back to TB/MBC on May 1, 2017</u> • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

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Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ <u>fall</u> 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Action Items_March 30_3.pdf

Action Items – Thursday March 30, 2017

1) GA Refinancing
   - ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation
   - LSB / Blakes to brief OPCD on legislation
   - KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions
   - Blakes / OPG to work through financing issues related to 10% cap
   - Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg
   - TD being engaged through OFA to provide financial advice
   - ESP to make presentation on GA financing at upcoming IESO Board meeting
   - OEB to continue to work with Ministry LSB on comfort letter / OEB doesn't need letter until mid-April
2) Affordability Fund
   - Briefing being scheduled for advisory committee
   - Trust will establish process for accessing funds by Summer
3) RRRP / OESP / FN Rate
   - SNAP working on LRC materials for OESP tracking to April 10 LRC
   - SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes
   - SNAP meeting with OEB / MCSS on options for automatic enrolment
   - SNAP to sit down with COO next week on FN Rate
   - SNAP to review Toronto Hydro issues
4) ICI
   - ESP working on LRC approval package tracking to April 10 LRC
   - Outreach with OCC / CME ongoing
5) Other items
   - LSB to draft memo to LDCs letting them know about legislative issue related to advertising

FW_ OFHP Matrix(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: OFHP Matrix
Date:	April 7, 2017 12:10:00 PM
Attachments:	2017-04-06 Consolidated - OFHP Matrix - Week of April 10v2.docx

Hi Hilary – see attached edit tracked in the attached.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: April-06-17 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

2017-04-06 Consolidated - OFHP Matrix - Week _1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members Considerations • Legislative changes not required.	~~**April 7, 2017:**~~ • ~~Briefing for Advisory Committee members~~ **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ OFHP Matrix.pdf

From:	Schwab-Pflug, Emma (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Syed, Usman (ENERGY); Qureshi, Musab (ENERGY); Desouza, Charlotte (ENERGY)
Subject:	FW: OFHP Matrix
Date:	March 24, 2017 4:06:56 PM
Attachments:	2017-03-24 Consolidated OFHP Matrix March 22_CEEB_v2.docx

Erin, see attached. We built off the previous version as we had significant edits to the one shared with this request. If Kaili hadn't approved those, please let me know.

Usman had looked over this over my shoulder. He's in a meeting until 4:30 but may wish to take another look.

Thanks,
Emma

From: Thompson, Erin (ENERGY)
Sent: March-24-17 2:52 PM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: RE: OFHP Matrix

Checking on this

From: Thompson, Erin (ENERGY)
Sent: March-24-17 10:24 AM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: OFHP Matrix

Hi Usman – see attached OFHP matrix for updating this morning. Tracked changes are fine. I understand ESP is updating it every Friday for DM/MO weekend reading.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March 23, 2017 1:09 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

HC

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

2017-03-24 Consolidated OFHP Matrix March 22_.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~ ("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • ~~CRED worked with H1 on appropriate representation for the Trust Board, including social serve agency representation~~ • March 21: DM Briefing; Secured Advisory Committee members (who will recommend Board of Trustees to Original Trustee) • ~~As of March 22: All-party review/revisions to draft TPA, Trust Deed and Admin. Services Agreement leading to near-finals~~ • March 23: Computershare (Original Trustee) signs TPA and Trust Deed	• ~~March 23: Ongoing engagement Work with H1, LSB, Blakes CSD, OPCD, as well as Osler and KPMG (both via H1) and Computershare (Original Trustee) to finalize on development of TPA, Trust Declaration and Administrative Services Agreement (H1-Trust)~~ • ~~March 23/24: Execute TPA between the Ministry and the Trust; Trust signs Trust Deed on March 23rd ; Trust-H1 sign Admim. Services Agreement~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	~~•~~ March 24: DM signs TPA and Trust Deed. ~~•~~ March 24: Computershare and H1 sign Admin. Services Agreement. ~~• Tracking to have TPA / other documents signed finalized by end of next week~~ <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• March 27: Finalize/send Minister's thank you letters to Advisory Committee members • Funds to flow by March 28, 2017 **April to ~~June~~ May 31, 2017:** ~~• Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~ Advisory Committee recommends Board of Trustees; Computershare appoints ~~full~~ Board of Trustees **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **May/June ~~Summer~~ 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017** • Expected that LDCs may begin to apply to the Trust for funds; program in market

Item	Key Deliverables / Considerations	Timing / Next Steps
		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.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on

Item	Key Deliverables / Considerations	Timing / Next Steps
General (AG)		April 12, 2017 (TBD)

FW_ OFHP Weekly Matrix (1).pdf

From: Kitchen, Matthew (ENERGY)
To: Sermat-Harding, Kaili (ENERGY)
Cc: Bradbeer, Linda (ENERGY)
Subject: FW: OFHP Weekly Matrix
Date: June 19, 2017 12:19:50 PM
Attachments: Consolidated - OFHP Matrix - Week of June 19_Clean.docx

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Hi Kaili,

This is the extent of the materials for the DM/CoS Rate Mitigation Implementation meeting at 2:00pm today.

Carl

From: Cox, Hilary (ENERGY)
Sent: June-19-17 12:09 PM
To: Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Ridd, Carl (ENERGY)
Subject: FW: OFHP Weekly Matrix

Hi Folks –
Don't know if Martin issued. Attached OFHP matrix is all I have for today's rate mitigation implementation.

HC

Consolidated - OFHP Matrix - Week of June 19__1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		

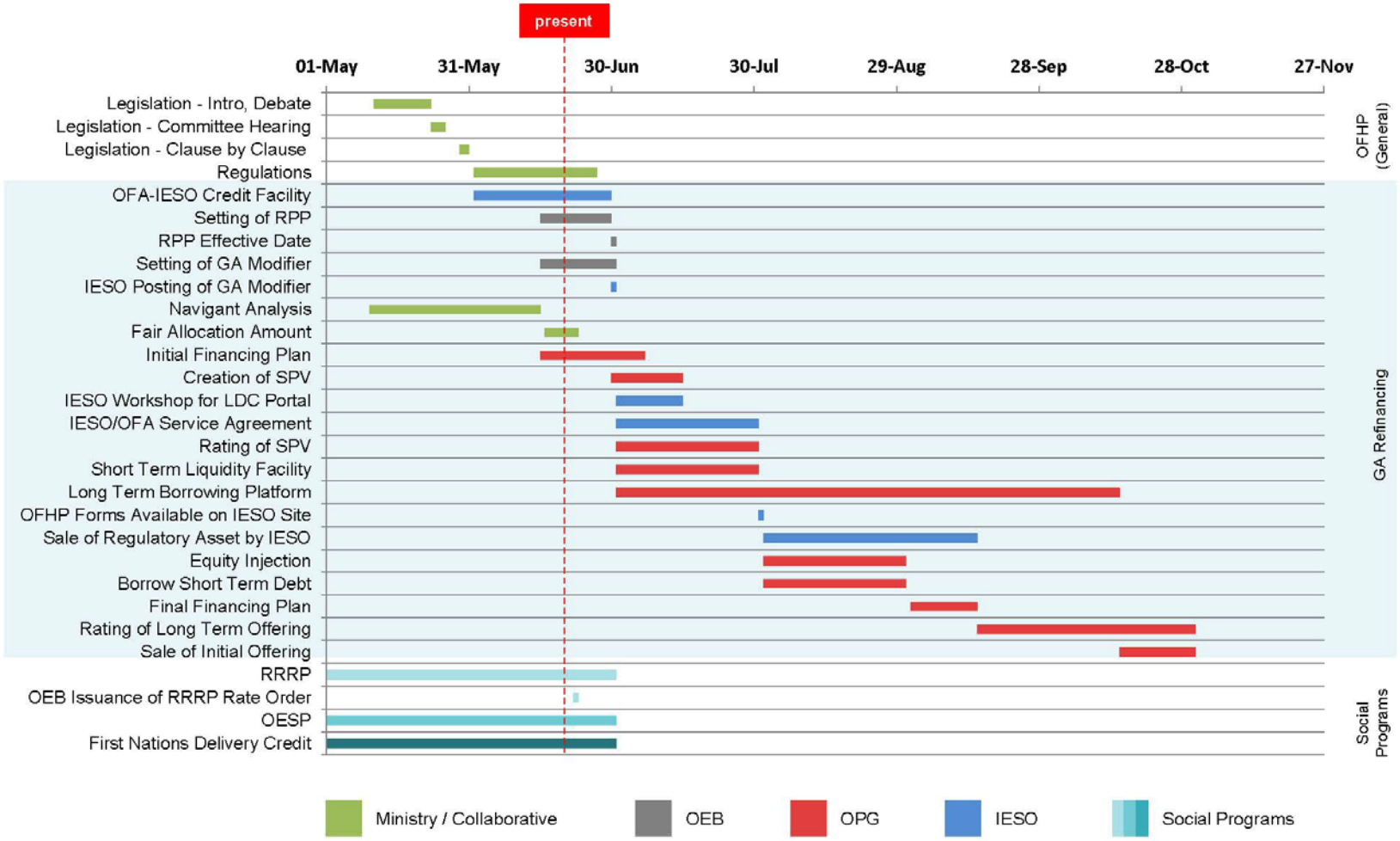
Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) –	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to AG

Item	Key Deliverables / Considerations	Timing / Next Steps
	completed • TBS to follow-up on whether AG met with large audit firms and outcome	• June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Weekly Matrix .pdf

From: Cox, Hilary (ENERGY)
To: Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Ridd, Carl (ENERGY)
Subject: FW: OFHP Weekly Matrix
Date: June 19, 2017 12:09:08 PM
Attachments: Consolidated - OFHP Matrix - Week of June 19_Clean.docx

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Hi Folks –

Don't know if Martin issued. Attached OFHP matrix is all I have for today's rate mitigation implementation.

HC

Consolidated - OFHP Matrix - Week of June 19__2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		

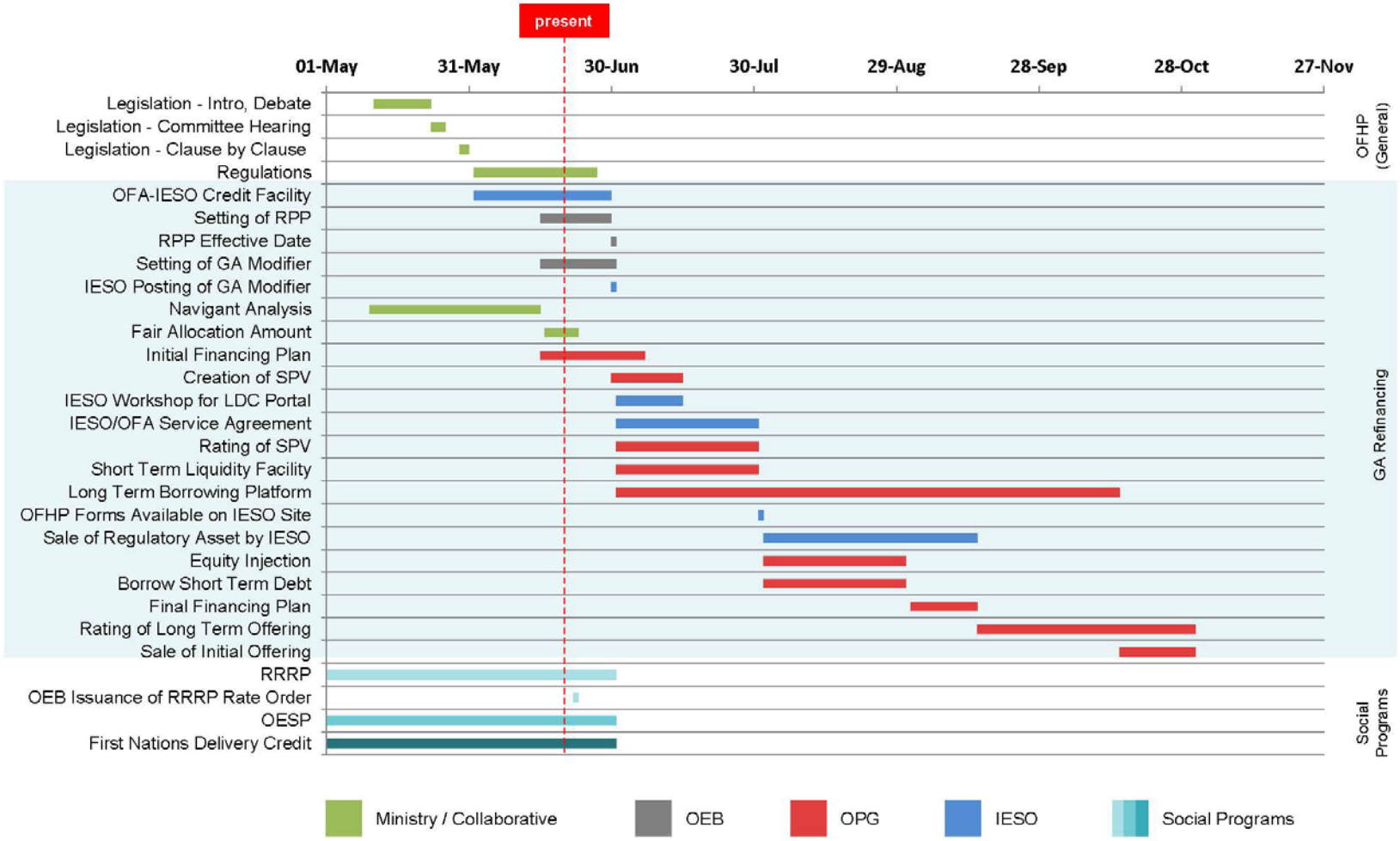
Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) –	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to AG

Item	Key Deliverables / Considerations	Timing / Next Steps
	completed • TBS to follow-up on whether AG met with large audit firms and outcome	• June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP Weekly.pdf

From:	Lyon, Sam (ENERGY)
To:	Evans, Karen (ENERGY); Barbaro, Rachel (ENERGY)
Subject:	FW: OFHP Weekly
Date:	April 20, 2017 9:26:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 20.docx ATT00001.htm Consolidated - OFHP Matrix - Week of April 18_clean (3).docx ATT00002.htm

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Hi folks,

Attached are latest FHP trackers for the Rate Mitigation working group I got from Keley. Will be of use as we try to plan out the comms plan, I hope. Karen, are you invited to these meetings?

S.

From: Katona, Keley (ENERGY)
Sent: April-20-17 4:40 PM
To: Lyon, Sam (ENERGY)
Subject: Fwd: OFHP Weekly

Here you go

Sent from my iPad

Begin forwarded message:

> **From:** "Katona, Keley (ENERGY)" <Keley.Katona@ontario.ca>
> **Date:** April 19, 2017 at 4:21:48 PM EDT
> **To:** "Teliszewsky, Andrew (ENERGY)" <Andrew.Teliszewsky@ontario.ca>
> **Cc:** "Imbrogno, Serge (ENERGY)" <Serge.Imbrogno@ontario.ca>, "Whittington, Matt (ENERGY)" <Matt.Whittington@ontario.ca>, "Baker, Carys (ENERGY)" <Carys.Baker@ontario.ca>
> **Subject: OFHP Weekly**
>
> Hi Andrew,
> Attached is an agenda and matrix for discussion tomorrow. We plan to circulate to the broader group shortly.
> Keley

Agenda_Weekly Rate Mitig Implmentation Group__3.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 20, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

ATT00001.pdf

Consolidated - OFHP Matrix - Week of April 18_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

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3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

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4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is

Item	Key Deliverables / Considerations	Timing / Next Steps
	• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	scheduled for April 18, 2017 **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

ATT00002.pdf

FW_ OFHP _ Weekly Implementation Meeting .pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc:	Johnson, Paul (ENERGY/MEDEI/MRI)
Subject:	FW: OFHP _ Weekly Implementation Meeting
Date:	April 19, 2017 2:55:53 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 20.docx Consolidated - OFHP Matrix - Week of April 18_clean (3).docx Consolidated - OFHP Matrix - Week of April 18_tracked.docx

Hi Carolyn and Paul,

Please find the attachments for tomorrow's OFHP Implementation Group. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 19, 2017 1:46 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: OFHP _ Weekly Implementation Meeting

For tomorrow's OFHP implementation session.

HC

Agenda_Weekly Rate Mitig Implmentation Group__4.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 20, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 18_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Consolidated - OFHP Matrix - Week of April 18_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is

Item	Key Deliverables / Considerations	Timing / Next Steps
	• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	scheduled for April 18, 2017 **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ OFHP materials for Wednesday.pdf

From: Cox, Hilary (ENERGY)
To: Armstrong, Hillary (ENERGY)
Subject: FW: OFHP materials for Wednesday
Date: July 10, 2017 12:00:23 PM
Attachments: 2017 07 07 Business Issues v01.docx
2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx

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Hi Hillary A –

Attached are the materials for this week's (internal) OFHP implementation meeting (Wednesday). I believe Martin generally distributes in advance of the meeting by email.

HC

2017 07 07 Business Issues v01_6.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

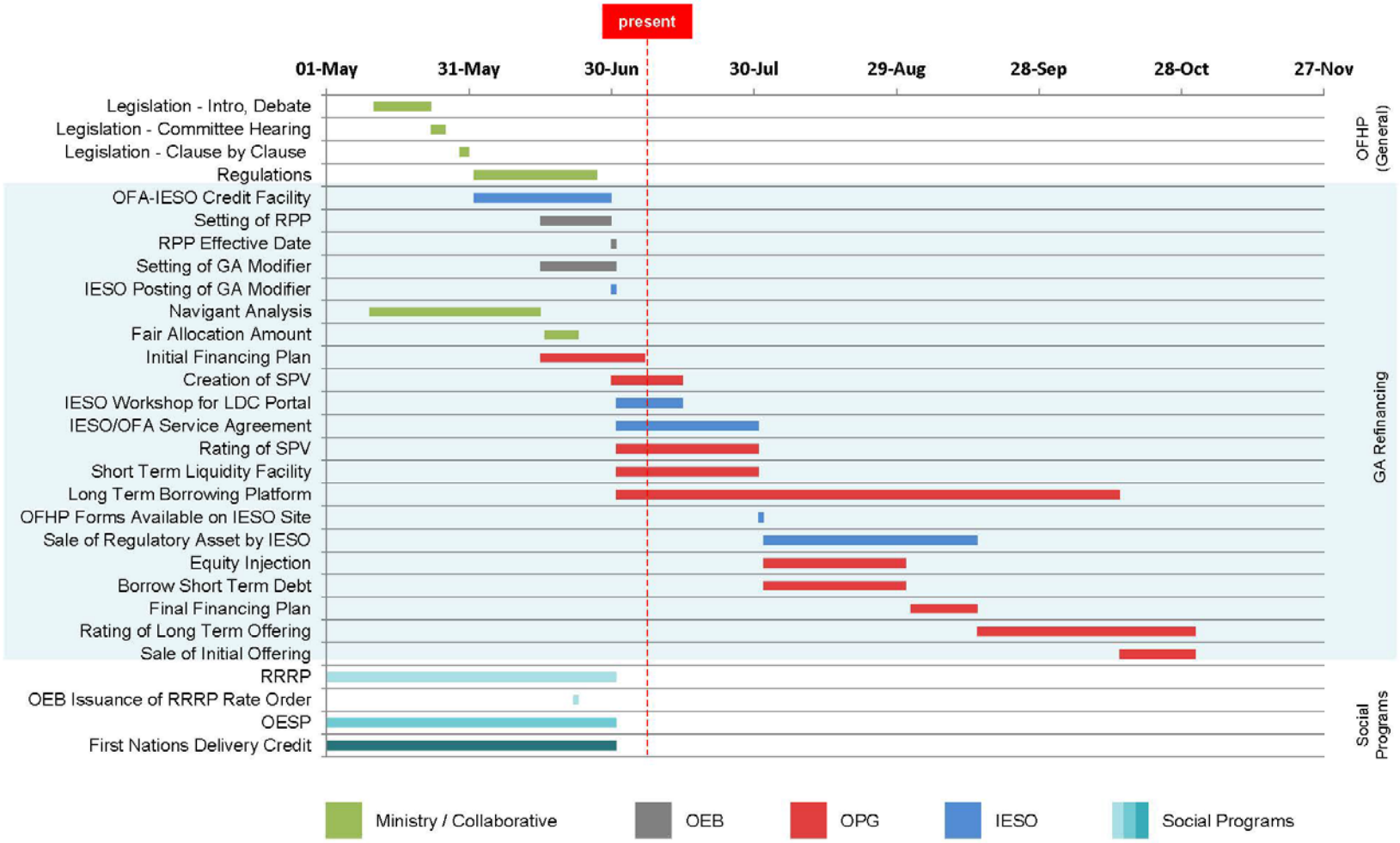
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ OFHP matrix update(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: OFHP matrix update
Date:	May 26, 2017 5:19:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 23 Tracked ESPD SNAP CRED.docx

Hi Hilary – see attached CRED ADM approved edits.

kthxbye
Erin

From: Cox, Hilary (ENERGY)
Sent: May-26-17 11:33 AM
To: Feather, Adam (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject: FW: OFHP matrix update

Hi Folks –
Please use the attached list of action items coming out of yesterday's OFHP group meeting to update attached OFHP matrix for use next week.

By EOD If at all possible please.

HC

Consolidated - OFHP Matrix - Week of May 23 T_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 23, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Draft motions to be shared early week of May 22. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • ~~OPG is finalizing E&Y's work~~ OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • ~~IESO to work with KPMG on IESO recovery mechanism~~ IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • ~~OAG request to IESO for emails has been expanded~~ • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
(SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs ~~• SNAP to collect billing implementation timeline estimates from LDCs~~ • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases ~~• New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline~~ ~~• Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible~~ • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff ~~• Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs.~~ ~~• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.~~ ~~• Work with LDCs to consider any bill messaging.~~	• Approval dates: o Cabinet June 14th ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ • Legislation / House dates: ~~o~~ Legislation introduction – ~~May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction –

Item	Key Deliverables / Considerations	Timing / Next Steps
	working to meet with COO to have preliminary discussion of the FNDC • ~~OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation~~ • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation Considerations • ~~On-reserve eligibility considerations require discussion with Chiefs of Ontario~~ • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~captured in legislation.~~ legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • ~~Work with LDCs to consider any bill messaging.~~	May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~ ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee ~~group~~ is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. ~~awaiting response from Advocacy Centre for Tenants Ontario~~. Response pending. • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board		

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Item	Key Deliverables / Considerations	Timing / Next Steps
and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on

Item	Key Deliverables / Considerations	Timing / Next Steps
		Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• ~~Preliminary discussion on April 19, 2017~~ IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • ~~MO to clarify bill presentment expectations with PO (~~Bill inserts will be ready for July 1 with bill redesign to occur in the Fall~~)~~ • ~~Ministry has developed deck on bill presentment with high level slides on legislation~~	• Initial discussion on March 31, 2017

FW_ OFHP matrix update.pdf

From: Thompson, Erin (ENERGY)
To: Sermat-Harding, Kaili (ENERGY)
Cc: Kitchen, Matthew (ENERGY)
Subject: FW: OFHP matrix update
Date: May 26, 2017 11:47:00 AM
Attachments: Action Items_May 25.docx
Consolidated - OFHP Matrix - Week of May 23 Tracked ESPD SNAP CRED.docx

Hi Kaili – ESP has shared the OFHP matrix for updating. Is the advisory group still awaiting a response from the Advocacy Centre for Tenants Ontario? I've copied the A-Fund section below for convenience.

1) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~ The advisory group is awaiting response from Advocacy Centre for Tenants Ontario. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

From: Cox, Hilary (ENERGY)
Sent: May-26-17 11:33 AM
To: Feather, Adam (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject: FW: OFHP matrix update

Hi Folks –
Please use the attached list of action items coming out of yesterday's OFHP group meeting to update attached OFHP matrix for use next week.

By EOD If at all possible please.

HC

Action Items_May 25_1.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to work with OPG/OEB/ISEO on regulations
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - OPG, IESO, OEB to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee reaching out to another social services agency candidate

Consolidated - OFHP Matrix - Week of May 23 T_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 23, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Draft motions to be shared early week of May 22. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • ~~OPG is finalizing E&Y's work~~ OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • ~~IESO to work with KPMG on IESO recovery mechanism~~ IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • ~~OAG request to IESO for emails has been expanded~~ • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • ~~SNAP to collect billing implementation timeline estimates from LDCs~~ • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • ~~New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline~~ • ~~Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible~~ • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff • ~~Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs.~~ • ~~Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.~~ • ~~Work with LDCs to consider any bill messaging.~~	• Approval dates: o Cabinet June 14th o ~~TB – May 9 2017;~~ and o ~~LRC/Cabinet – May 10, 2017~~ • Legislation / House dates: o Legislation introduction – ~~May 11, 2017~~ o ~~Opposition Briefing (TBD)~~ o ~~Debate – Week of May 15, 2017~~ o ~~Committee/Public Hearings – Week of May 23, 2017~~ o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• Approval dates:

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • ~~OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation~~ • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation Considerations • ~~On-reserve eligibility considerations require discussion with Chiefs of Ontario~~ • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~captured in legislation. l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • ~~Work with LDCs to consider any bill messaging.~~	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
	~~• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) ~~• Hydro One to prepare letters that will go out to social service agencies~~ The advisory group is awaiting response from Advocacy Centre for Tenants Ontario. ~~• Advisory group reaching out to social agencies~~ <u>Considerations</u> • Legislative changes not required.	• Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• ~~Preliminary discussion on April 19, 2017~~ IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • ~~MO to clarify bill presentment expectations with PO (~~Bill inserts will be ready for July 1 with bill redesign to occur in the Fall~~)~~ • ~~Ministry has developed deck on bill presentment with high level slides on legislation~~	• Initial discussion on March 31, 2017

FW_ OFPH matrix.pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: OFPH matrix
Date:	March 31, 2017 4:17:00 PM
Attachments:	OFHP Matrix - 20170331.docx

Hi Hilary – please see attached ADM approved updates.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-30-17 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

Hi All –
Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

OFHP Matrix - 20170331.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • ~~Regulation (amend O.Reg.429/04)~~ • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line~~ • March 23 and 24: Trust Deed and TPA executed. ~~Process to transfer funds underway~~ • March 30: Funds transferred to Computershare. Considerations • Legislative changes not required. • ~~Funding needs to flow to the Trust prior to March 31, 2017.~~	**April 7, 2017:** • Briefing for Advisory Committee members **April to May ~~31~~ 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

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Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Ontario Fair Hydro Plan Act - Briefing Pres...(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Bungaro-Yemec, Francesca (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	FW: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean
Date:	May 1, 2017 11:52:00 AM
Attachments:	23121467-v8-Ontario Fair Hydro Plan Act - Briefing Presentation_Clean.pptx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Can you please print 15 of the deck?

From: Schlaepfer, Martin (ENERGY)
Sent: May-01-17 10:00 AM
To: Bungaro-Yemec, Francesca (ENERGY)
Subject: FW: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean

Hi Francesca,

Can you please add this to sharepoint for the new 11:45 meeting we have on OFHP. His Day Binder already include the two word docs, but we should add the presentation. We should also update the deck in sharepoint and DM Binder for the 1pm Minister's briefing.

Thanks,
Martin

From: Hume, Steen (ENERGY)
Sent: May-01-17 9:47 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Calwell, Carolyn (ENERGY/MEDEI/MRI); Johnson, Paul (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
Subject: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean

Hi Martin: we went through the attached and did a bit of tidy up on the formatting, etc (i.e., consistent look between part 1 and 2. Haven't modified the content.

Propose that we use the attached version going forward.

Do you want us bring copies to the 11:45?

Thanks, Steen

23121467-v8-Ontario Fair Hydro Plan Act - Bri.pdf

Presentation to the Minister of Energy on the Ontario Fair Hydro Plan Act

Purpose

- Purpose is to walkthrough the main elements of the legislation.

- The Act consists of two components:
  - Part 1: Legislation to provide for the fair allocation of costs of electricity over time
  - Part 2: Legislative amendments for social programs

Part 1 – Overview of Legislation to Provide for the Fair Allocation of Costs of Electricity Over Time

1. Ontario Fair Hydro Plan Act – Fundamental Principles
2. Brief Overview of the Legislation
3. Stakeholder Consultation and the Process to Prepare the Legislation
4. Building Blocks of the Legislation
   - What costs are part of the program?
   - How are the costs allocated fairly amount ratepayers now and in the future?
   - What consumers does the program apply to?
   - How is the program financed?
4. How the Legislation Works
   - Clean Energy Initiative
   - Clean Energy Costs and Benefits
   - Clean Energy Adjustments
   - Fair Adjustment
   - Fair Allocation Amount
   - Regulatory Asset and the Investment Asset
   - Issuance and Payment of Debt
   - Financing Plan
5. Who Does What
   - Minister of Energy
   - Role of OPG
   - Role of IESO
   - Role of OEB

Ontario Fair Hydro Plan Act – Fundamental Principles

- The actions taken by the Government of Ontario to achieve a clean, modern, and reliable electricity system have resulted in significant costs. The burden of financing the electricity system improvements and funding key programs has unfairly fallen on the shoulders of today's consumers.

- The Ontario Fair Hydro Plan Act (OFPA) is founded on the principle that costs related to the development of a clean, modern and reliable electricity system (with a diverse supply mix) ought to be charged to those consumers, today and in the future, who will be the beneficiaries of those costs.

- The Government of Ontario is committed to ensuring that the costs of financing these investments are allocated fairly among present and future generations of consumers.

- The challenge inherent in the development of the legislation was the need to balance several key factors: the fundamental principles of the program, the program's desired accounting treatment, ratepayer interests, expectations of the financial markets, financeability, and legal considerations.

Stakeholder Consultation and the Process to Prepare the Legislation

- The development of the Ontario Fair Hydro Plan Act was preceded by extensive consultation, on an ongoing basis, with representatives from the Ontario Energy Board (OEB), IESO, Ontario Power Generation (OPG), the Ontario Provincial Controller's Office Division (OPCD), the Ministry of Energy, the Ministry of Finance, dealers, investment advisors and Canadian (and in some cases U.S.) counsel for each of the involved parties.

- As appropriate, other Ministries were circulated with drafts of the legislation and consulted on particular issues.

- Several drafts of the legislation were circulated among stakeholders and several mark-ups of draft legislation were received in response.

- Lengthy face to face meetings also took place with stakeholders and their counsel both as a group and individually.

- Legislative counsel were involved on a daily basis and produced multiple versions of the legislation.

- A steering committee chaired by the Deputy Minister met and were briefed weekly on the status of the legislation (i.e., the "Rate Mitigation Implementation Group" consisting of senior executives of the Ministry of Energy, Cabinet Office, Ministry of Finance, Treasury Board Secretariat, OFA, OPCD, OPG, OEB and IESO.

Brief Overview of the Legislation

- Legislation is based on the principle that the costs incurred to move to a clean, modern and reliable electricity system creates benefits that will be experienced by multiple generations of Ontario ratepayers and, therefore, in the interest of fairness, those costs should be shared by those multiple generations.

- The legislation identifies:
  - What costs ought to be more fairly allocated (“clean energy costs”);
  - mechanisms to allocate costs fairly among generations of consumers (‘fair adjustment” and “fair allocation”);
  - The consumers to whom the program applies (“specified consumers”);
  - How the program is funded (borrowing on the strength of the revenue stream from consumers); and
  - The roles of various provincial entities in the program (i.e., Minister of Energy, Ontario Energy Board, IESO and OPG).

- In order to ensure the financeability of the program, considerable portions of the legislation are devoted to dealing with the “nuts and bolts” of what is required for successful financing including,
  - The quantification of the value of the regulatory asset;
  - the transfer of the regulatory asset to the (OPG) financing entity (which creates the “investment asset”);
  - The establishment of an OPG financing plan to ensure, among other things, an appropriate program of financing the shortfalls that are created by the deferred collection of revenues; and
  - Provisions setting out the way in which the financings are backed by amounts payable by specified consumers.

Building Blocks of the Legislation – What Costs are Part of the Program?

- In order to achieve its purpose, the legislation establishes the following “building blocks”:
  - Clean Energy Initiative – This is the term used to describe the Government of Ontario’s policies to foster growth and investment in and remove barriers and promote opportunities for clean and renewable energy sources and technologies and promoting conservation and demand management. The “clean energy costs” under the legislation arise from the “clean energy initiative”.
  - Clean Energy Costs – These are costs (attributable to the “clean energy initiative”) that are to be more fairly distributed among generations of consumers.
  - Clean Energy Benefits – These are the value of the benefits derived by the “specified consumers” (including the clean energy costs).
  - Clean Energy Adjustments – This is adjustment to a consumer invoice on a monthly basis to repay principal, interest and other financing.

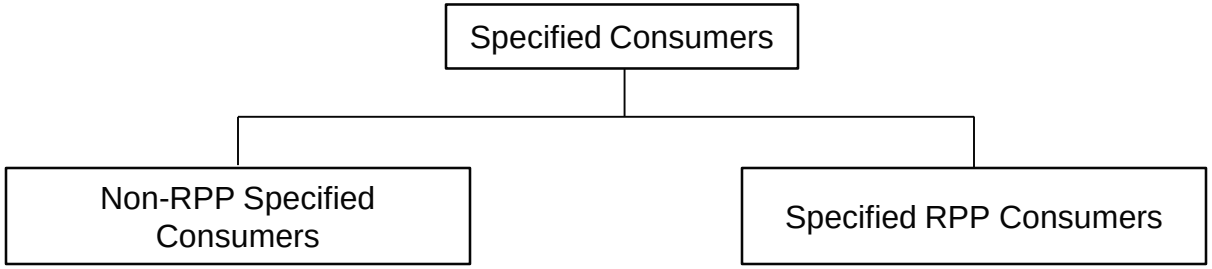
Building Blocks of the Legislation – How are the Costs to be Allocated?

- Fair Adjustment – This is the adjustment that gives the “relief” to certain specified consumers during the period from July 1, 2017 to June 30, 2021 (including this program’s portion of the 25 per cent reduction).

- Fair Allocation Amount – This is the concept/mechanism by which the fair distribution of “clean energy costs” (including, for example, financing costs, the cost of the power contracts, and the costs of the fair adjustment) is calculated and implemented.

Building Blocks of the Legislation – What Groups of Consumers Does the Program Apply To?

- Specified Consumers – This is the defined group of consumers to whom the legislative program applies. These consumers are persons who have an account with an electricity vendor for the supply of electricity in Ontario and,
  - Have a demand for electricity of 50 kilowatts or less (or as otherwise prescribed);
  - Annually use not more than 250,000 kilowatt hours of electricity (or as otherwise prescribed);
  - Carry on a farming business (basically pursuant to the *Farm Registration and Farm Organizations Funding Act*);
  - Have an account with an electricity vendor that is for a “dwelling”, condominium property, residential complex or co-operative housing; or
  - Are otherwise prescribed.



Building Blocks of the Legislation – How is the Program Financed?

- The ability to engage in the fair distribution of clean energy costs among the specified consumers requires financing during periods where the collection of the clean energy costs is, as part of the fair allocation, deferred to later years (thereby creating a revenue shortfall). A series of complex provisions are required to:
  - (i) Enable the financing, and
  - (ii) Meet requirements known to be important to rating agencies and investors.

- Regulatory Asset – This is fundamentally IESO's right to recover the revenues that it has deferred collecting because the clean electricity costs are being allocated across generations of ratepayers.

- Investment Asset – This is the asset that results when the regulatory asset is transferred to the (OPG) financing entities.

- The (OPG) financing entities will fund the acquisition (transfer) of the investment asset in the capital markets.

How the Legislation Works – Clean Energy Initiative

- The “clean energy initiative” concept is set out by definition. Its purpose is to establish the fundamental basis for the legislation.

- The definition is self-explanatory and is as follows:

“clean energy initiative” means the policies of the Government of Ontario related to,

a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies,,

b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies,

c) promoting conservation, demand management and energy efficiency; and

d) investing in energy infrastructure to ensure a clean, modern and reliable system;

How the Legislation Works – Clean Energy Costs and Benefits

- "Clean energy costs" are those costs that arise from the "clean energy initiative" and are allocated to the specified consumers for past, present and expected costs.

- The costs included in the "clean energy costs" include estimated amounts to be paid by IESO in adjustments made under section 25.33 of the *Electricity Act* (basically, the Global Adjustment provisions) which relate to contracts for,
  - Renewable energy generation or capacity;
  - Conservation and demand management, including shortage;
  - Energy efficiency; and
  - Natural gas generation and capacity (excluding certain contracts under section 78.2 of the *Ontario Energy Board Act* or as prescribed); and
  - Payments made under section 78.5 of the *Ontario Energy Board Act.*

- Other such costs to be included in "clean energy costs" may be prescribed

- These are the costs to be distributed fairly among the specified consumers through the "fair allocation amount".

How the Legislation Works – Fair Allocation Adjustment

- The fair adjustment provisions are set out in Part II of the legislation.

- Part II establishes that the rate that will be payable by "specified RPP consumers" from May 1, 2017 to April 30, 2018 for the first fair adjustment is the rate that would be required from this program to contribute to that consumer to receiving a total a monthly invoice amount that is 25 per cent lower than the monthly invoice amount for that consumer under the "comparison rate". The comparison rate is a rate to be determined by the OEB using the method prescribed by regulation under s 79.16(1)(b) of the OEB Act.

- Part II includes a transition provision in circumstances where for technical or operational reasons invoices cannot be adapted in time for the issuance of the first invoices under the program (i.e., adaptation of invoices must be implemented by August 1, 2017 followed by a subsequent lump sum credit to the consumer once the invoice is adapted).

- The Lieutenant General in Council is given the authority after April 30, 2018 to make regulations prescribing the rate for electricity (and therefore prescribing the "fair adjustment" until June 30, 2021). After June 30, 2021, regulations will have regard to the fair allocation amount and clean energy adjustments.

How the Legislation Works – Fair Allocation Amount

- The Minister sets the fair allocation amount.

- The establishment of the “fair allocation amount” is required to,
  - Fairly measure and allocate the estimated clean energy costs (and the clean energy benefits) among the “specified consumers” for applicable “reference periods”; and
  - Take into account (in the fair allocation) funding obligations (financing) that have been incurred (largely arising from the redistribution of cost across generations of consumers).

- The “fair allocation amount” is to have regard to:
  - Clean energy costs and allocating the appropriate proportionate amount of the clean energy benefits to the “specified consumers” (in the applicable “reference periods”);
  - Reasonable assumptions regarding the time value of money, the number of consumers in the “reference period”; and
  - Expected electricity consumption for the reference period.

How the Legislation Works – Regulatory Asset and Investment Asset

- IESO will have a funding gap resulting from the reduction in amounts collected from specified consumers during the first 5 years because of the fair adjustment. The IESO's funding gap will be financed indirectly through the debt capital markets.

- The Act enables the financing of this IESO funding gap, on an ongoing basis, by establishing the funding gap as a "regulatory asset". In simple terms, the regulatory asset is IESO's right to recover the revenues that it has deferred collecting (which deferral creates IESO's funding gaps).

- IESO will then legally transfer portions of this right to recover revenues to the (OPG) financing entities.

- The (OPG) financing entity that receives the transfer of the right to recover revenues acquires a right to impose, invoice and collect those regulatory charges (called the "clean energy adjustments"). This is generally described in the legislation as the "investment asset".

- The (OPG) financing entity will need to finance its acquisition (from IESO) of the investment asset, and it will do so in the capital markets.

How the Legislation Works – Issuance and Payment of Debt

- Debt securities and related funding obligations will be incurred by one or more (OPG) financing entities. These entities will be managed by OPG, as the financial services manager.

- The financings will be backed primarily by the "clean energy adjustments" payable by specified consumers. The "clean energy adjustments" will track the actual payment obligations incurred by the financing entities when they become due and payable. To ensure intergenerational fairness, these amounts will be managed by OPG to align with the "fair allocation amounts" ascribed to each of the next 60 six month periods ending in 2047 (or such later period as prescribed).

- IESO and each electricity distributor will act as agent for the financing entities to impose, invoice and collect the clean energy adjustments, which will be channeled through to pay each financing entity's related funding obligations.

- To support the program, the Government of Ontario will be expected to provide certain performance guarantees, indemnities and bond-purchase covenants. The terms of these obligations will be worked out over time in connection with the marketing of financings through OPG. The goal will be achieve highest rated securities, although that will largely depend on issues such as the strength of the Government of Ontario's undertakings not to adversely affect the program through subsequent legislation.

How the Legislation Works – Financing Plan

- The Financing Plan is prepared by the Financial Services Manager (OPG).

- The Financing Plan is the plan which is intended to set out when a “funding obligation” (financing) should be incurred so that the (OPG) financing entity can raise money to acquire the “investment interest” from IESO.

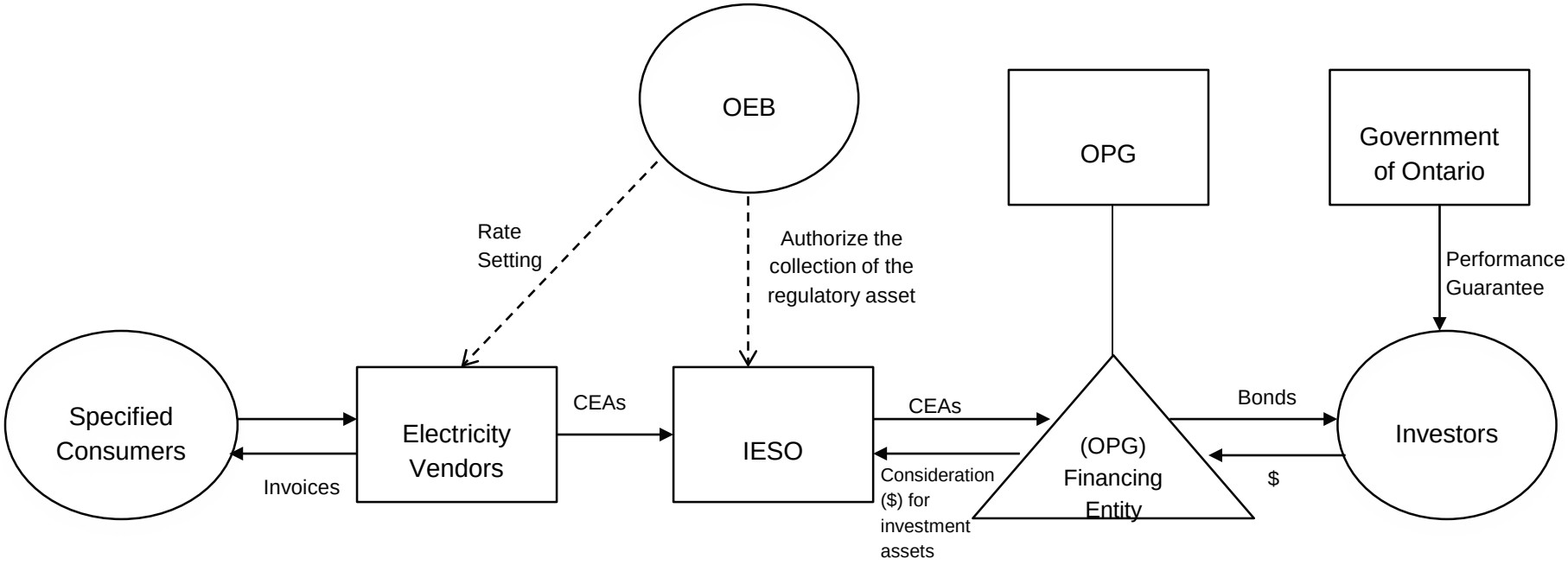
- There are rules that apply to the Financing Plan:
  - It must align with the “estimated finance amount” that will become due and payable during a “reference period”;
  - It must take into account the “fair allocation” and any “fair adjustment”;
  - It must plan to implement the financing in a reasonable and cost effective manner that reflects prevailing market terms and conditions; and
  - It must be based on certain reasonable assumptions set out in regulations (for example, related to anticipated IESO shortfalls, maturity of funding obligations, availability of refinancings, redemption opportunities and liquidity, and similar assumptions).

How the Legislation Works – Financing Plan (Continued)

- The (OPG) Financial Services Manager must incur funding obligations in conformity with the applicable Financing Plan.

- The Financing Plan will guide OPG's decisions regarding the repayment terms of the debt securities to be issued by financing entities. The Financing Plan will also deal with fundamental issues, such as the alignment (using derivatives) of any foreign currency obligations incurred by financing entities with the Canadian dollar cash flows arising through the clean energy adjustments.

How the Financing Structure Works



Note: CEAs are “clean energy adjustments”

Who Does What – Role of the Minister of Energy

- Determine the “fair allocation amount” applicable for each reference period. The fair allocation amounts will be set for all reference periods at the beginning of the program, based on reasonable expectations and forecasts at that time.

Who Does What – Role of the OPG

- As financial services manager, OPG will be responsible for the following under the Act:
  - Prepare and implement Financing Plan.
  - Establish and administer the financing entities.
  - Capitalize the financing entities by acquiring subordinated debt and equity, as required to achieve OPG's accounting and capital markets objectives.
  - Estimate and "true up" periodic finance amounts, to be passed through as regulatory charges in the form of Clean Energy Adjustments.

Who Does What – Role of IESO

- Calculate and record IESO funding shortfalls from time to time in a variance account, giving rise to a right of recovery from specified consumers to the extent not funded through the financings.

- Transfer IESO's rights of recovery to (OPG) financing entities, in consideration for cash payments made by the financing entities from the proceeds of their financings.

- Coordinate the collection of "clean energy adjustments" from Electricity Distributors.

- Remit "clean energy adjustments" to (OPG) financing entity, for payment of financing entity funding obligations.

- Fund initial interest costs and expenses during the first 5 years.

Who Does What – Role of the OEB

- Determine and set rates to account for fair adjustments, fair allocations and clean energy adjustments (monthly adjustments).

- Determine and set rates and process to allow IESO to recover funding shortfalls (to the extent such amounts are not transferred to an (OPG) financing entity and financed in the capital markets).

- Review the administrative costs of OPG in connection with the administration of the program.

Part 2 – Overview of Legislative Amendments for Social Programs

- As part of the proposed Ontario Fair Hydro Plan, the Ministry of Energy is proposing amendments the *Ontario Energy Board Act, 1998* (OEBA) to enable the following measures:
  - Enhancing and providing tax-based funding for Rural or Remote Electricity Rate Protection (RRRP) through new enhanced rate protection for residential customers with high distribution rates;
  - Enhancing and providing tax-based funding for the Ontario Electricity Support Program (OESP); and
  - Creating a new First Nation On-Reserve Delivery Credit and providing for tax-based funding.

Overview of RRRP and Broadened Distribution Rate Protection

- Section 79 of the *Ontario Energy Board Act* would be amended to provide the Ministry the authority to prescribe, through regulation, classes of consumers whose cost would be transferred from the rate-base to the tax-base.
- If the proposed legislative amendments are approved, the government intends to propose regulatory amendments that would prescribe Hydro One's R2 customers as receiving RRRP from appropriated funds effective July 1, 2017. This would fulfill the government's intention to transfer the majority of the costs of administering the RRRP program to the tax-base.
- In addition, Energy is proposing legislative amendments that would broaden rate protection by creating a new distribution rate protection program to complement RRRP. This new program would be funded through tax payers.
- Distribution rate protection would be extended to eligible residential customers served by LDCs with the highest distribution costs.
  - Proposed legislative amendments would enable a maximum monthly base distribution charge to established through regulations.
- If the proposed legislative amendments are approved, the government intends to prescribe by regulation both program details and the residential customers eligible for broadened distribution rate protection served by the following LDCs:
  - Hydro One (R1 and R2 rate classes), Algoma Power, Atikokan Hydro, InnPower, Chapleau Public Utilities Commission, Sioux Lookout Hydro, Lakeland Power (Parry Sound service territory) and Northern Ontario Wires Inc.

Ontario Electricity Support Program

- Proposed legislation related to the Ontario Electricity Support Program (OESP) would shift program funding from the rate base to the tax base.
  - Tax-based funding would only kick in once the existing OESP variance account is depleted, which is expected to happen in the fall of 2017.

- To allow for the existing program structure to stay in place until tax-based funding kicks in, proposed new legislation would only come into force via a proclamation Order in Council, on a date to be determined.
  - This would ensure that existing OEB authorities remain in place while ratepayer funding is being used.

- In addition, a new authority to allow the OEB and the Ministry of Community and Social Services (MCSS) to share data on customers to support increased participation in the OESP program among Ontario Works and Ontario Disability and Support Program clients would be put in place.
  - Information Privacy Commissioner (IPC) staff were consulted, and customer consent is reflected.
  - This information sharing component will come into force at Royal Assent, allowing OEB and MCSS to begin this process quickly, and support increasing OESP participation levels.

First Nations Delivery Credit

- Energy is proposing legislative amendments that would establish a first Nation Delivery Credit for On-Reserve Consumers. This new program would be funded through tax payers.

- The proposed First Nation Delivery Credit would provide:
  - All prescribed on-reserve consumers with a credit for the entirety of their delivery line or with a credit for the monthly service charge.
  - The costs that are covered by the delivery credit are also described in legislation.

- If the proposed legislative amendments are approved, the government intends to propose regulatory amendments that would:
  - Establish the class of customers eligible;
  - Determine what is considered on-reserve; and
  - Determine the method of calculating the delivery credit.

Consolidated - OFHP Matrix - Week of May 1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

FW_ Ontario Fair Hydro Plan Act - Briefing Pres....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Bungaro-Yemec, Francesca (ENERGY)
Subject:	FW: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean
Date:	May 1, 2017 9:59:00 AM
Attachments:	23121467-v8-Ontario Fair Hydro Plan Act - Briefing Presentation_Clean.pptx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Hi Francesca,

Can you please add this to sharepoint for the new 11:45 meeting we have on OFHP. His Day Binder already include the two word docs, but we should add the presentation. We should also update the deck in sharepoint and DM Binder for the 1pm Minister's briefing.

Thanks,
Martin

From: Hume, Steen (ENERGY)
Sent: May-01-17 9:47 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Calwell, Carolyn (ENERGY/MEDEI/MRI); Johnson, Paul (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
Subject: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean

Hi Martin: we went through the attached and did a bit of tidy up on the formatting, etc (i.e., consistent look between part 1 and 2. Haven't modified the content.

Propose that we use the attached version going forward.

Do you want us bring copies to the 11:45?

Thanks, Steen

23121467-v8-Ontario Fair Hydro Plan Act - Bri_1.pdf

Presentation to the Minister of Energy on the Ontario Fair Hydro Plan Act

Purpose

- Purpose is to walkthrough the main elements of the legislation.

- The Act consists of two components:
  - Part 1: Legislation to provide for the fair allocation of costs of electricity over time
  - Part 2: Legislative amendments for social programs

Part 1 – Overview of Legislation to Provide for the Fair Allocation of Costs of Electricity Over Time

1. Ontario Fair Hydro Plan Act – Fundamental Principles
2. Brief Overview of the Legislation
3. Stakeholder Consultation and the Process to Prepare the Legislation
4. Building Blocks of the Legislation
   - What costs are part of the program?
   - How are the costs allocated fairly amount ratepayers now and in the future?
   - What consumers does the program apply to?
   - How is the program financed?
4. How the Legislation Works
   - Clean Energy Initiative
   - Clean Energy Costs and Benefits
   - Clean Energy Adjustments
   - Fair Adjustment
   - Fair Allocation Amount
   - Regulatory Asset and the Investment Asset
   - Issuance and Payment of Debt
   - Financing Plan
5. Who Does What
   - Minister of Energy
   - Role of OPG
   - Role of IESO
   - Role of OEB

Ontario Fair Hydro Plan Act – Fundamental Principles

- The actions taken by the Government of Ontario to achieve a clean, modern, and reliable electricity system have resulted in significant costs. The burden of financing the electricity system improvements and funding key programs has unfairly fallen on the shoulders of today's consumers.

- The Ontario Fair Hydro Plan Act (OFPA) is founded on the principle that costs related to the development of a clean, modern and reliable electricity system (with a diverse supply mix) ought to be charged to those consumers, today and in the future, who will be the beneficiaries of those costs.

- The Government of Ontario is committed to ensuring that the costs of financing these investments are allocated fairly among present and future generations of consumers.

- The challenge inherent in the development of the legislation was the need to balance several key factors: the fundamental principles of the program, the program's desired accounting treatment, ratepayer interests, expectations of the financial markets, financeability, and legal considerations.

Stakeholder Consultation and the Process to Prepare the Legislation

- The development of the Ontario Fair Hydro Plan Act was preceded by extensive consultation, on an ongoing basis, with representatives from the Ontario Energy Board (OEB), IESO, Ontario Power Generation (OPG), the Ontario Provincial Controller's Office Division (OPCD), the Ministry of Energy, the Ministry of Finance, dealers, investment advisors and Canadian (and in some cases U.S.) counsel for each of the involved parties.

- As appropriate, other Ministries were circulated with drafts of the legislation and consulted on particular issues.

- Several drafts of the legislation were circulated among stakeholders and several mark-ups of draft legislation were received in response.

- Lengthy face to face meetings also took place with stakeholders and their counsel both as a group and individually.

- Legislative counsel were involved on a daily basis and produced multiple versions of the legislation.

- A steering committee chaired by the Deputy Minister met and were briefed weekly on the status of the legislation (i.e., the "Rate Mitigation Implementation Group" consisting of senior executives of the Ministry of Energy, Cabinet Office, Ministry of Finance, Treasury Board Secretariat, OFA, OPCD, OPG, OEB and IESO.

Brief Overview of the Legislation

- Legislation is based on the principle that the costs incurred to move to a clean, modern and reliable electricity system creates benefits that will be experienced by multiple generations of Ontario ratepayers and, therefore, in the interest of fairness, those costs should be shared by those multiple generations.

- The legislation identifies:
  - What costs ought to be more fairly allocated (“clean energy costs”);
  - mechanisms to allocate costs fairly among generations of consumers (‘fair adjustment” and “fair allocation”);
  - The consumers to whom the program applies (“specified consumers”);
  - How the program is funded (borrowing on the strength of the revenue stream from consumers); and
  - The roles of various provincial entities in the program (i.e., Minister of Energy, Ontario Energy Board, IESO and OPG).

- In order to ensure the financeability of the program, considerable portions of the legislation are devoted to dealing with the “nuts and bolts” of what is required for successful financing including,
  - The quantification of the value of the regulatory asset;
  - the transfer of the regulatory asset to the (OPG) financing entity (which creates the “investment asset”);
  - The establishment of an OPG financing plan to ensure, among other things, an appropriate program of financing the shortfalls that are created by the deferred collection of revenues; and
  - Provisions setting out the way in which the financings are backed by amounts payable by specified consumers.

Building Blocks of the Legislation – What Costs are Part of the Program?

- In order to achieve its purpose, the legislation establishes the following “building blocks”:
  - Clean Energy Initiative – This is the term used to describe the Government of Ontario’s policies to foster growth and investment in and remove barriers and promote opportunities for clean and renewable energy sources and technologies and promoting conservation and demand management. The “clean energy costs” under the legislation arise from the “clean energy initiative”.
  - Clean Energy Costs – These are costs (attributable to the “clean energy initiative”) that are to be more fairly distributed among generations of consumers.
  - Clean Energy Benefits – These are the value of the benefits derived by the “specified consumers” (including the clean energy costs).
  - Clean Energy Adjustments – This is adjustment to a consumer invoice on a monthly basis to repay principal, interest and other financing.

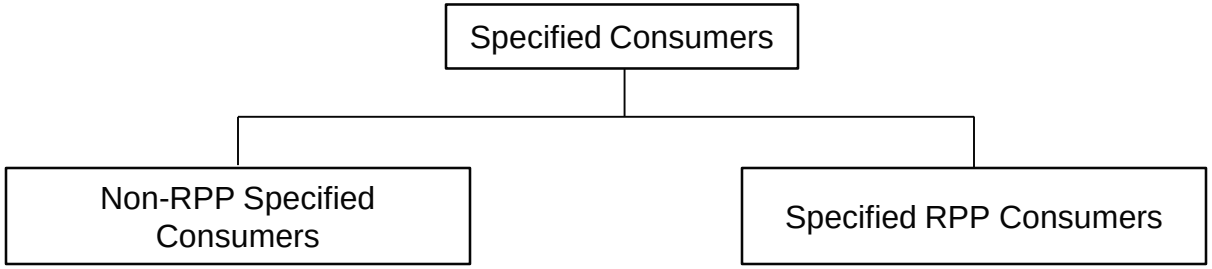
Building Blocks of the Legislation – How are the Costs to be Allocated?

- Fair Adjustment – This is the adjustment that gives the “relief” to certain specified consumers during the period from July 1, 2017 to June 30, 2021 (including this program’s portion of the 25 per cent reduction).

- Fair Allocation Amount – This is the concept/mechanism by which the fair distribution of “clean energy costs” (including, for example, financing costs, the cost of the power contracts, and the costs of the fair adjustment) is calculated and implemented.

Building Blocks of the Legislation – What Groups of Consumers Does the Program Apply To?

- Specified Consumers – This is the defined group of consumers to whom the legislative program applies. These consumers are persons who have an account with an electricity vendor for the supply of electricity in Ontario and,
  - Have a demand for electricity of 50 kilowatts or less (or as otherwise prescribed);
  - Annually use not more than 250,000 kilowatt hours of electricity (or as otherwise prescribed);
  - Carry on a farming business (basically pursuant to the *Farm Registration and Farm Organizations Funding Act*);
  - Have an account with an electricity vendor that is for a “dwelling”, condominium property, residential complex or co-operative housing; or
  - Are otherwise prescribed.



Building Blocks of the Legislation – How is the Program Financed?

- The ability to engage in the fair distribution of clean energy costs among the specified consumers requires financing during periods where the collection of the clean energy costs is, as part of the fair allocation, deferred to later years (thereby creating a revenue shortfall). A series of complex provisions are required to:
  - (i) Enable the financing, and
  - (ii) Meet requirements known to be important to rating agencies and investors.

- Regulatory Asset – This is fundamentally IESO's right to recover the revenues that it has deferred collecting because the clean electricity costs are being allocated across generations of ratepayers.

- Investment Asset – This is the asset that results when the regulatory asset is transferred to the (OPG) financing entities.

- The (OPG) financing entities will fund the acquisition (transfer) of the investment asset in the capital markets.

How the Legislation Works – Clean Energy Initiative

- The “clean energy initiative” concept is set out by definition. Its purpose is to establish the fundamental basis for the legislation.

- The definition is self-explanatory and is as follows:

“clean energy initiative” means the policies of the Government of Ontario related to,

a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies,,

b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies,

c) promoting conservation, demand management and energy efficiency; and

d) investing in energy infrastructure to ensure a clean, modern and reliable system;

How the Legislation Works – Clean Energy Costs and Benefits

- "Clean energy costs" are those costs that arise from the "clean energy initiative" and are allocated to the specified consumers for past, present and expected costs.

- The costs included in the "clean energy costs" include estimated amounts to be paid by IESO in adjustments made under section 25.33 of the *Electricity Act* (basically, the Global Adjustment provisions) which relate to contracts for,
  - Renewable energy generation or capacity;
  - Conservation and demand management, including shortage;
  - Energy efficiency; and
  - Natural gas generation and capacity (excluding certain contracts under section 78.2 of the *Ontario Energy Board Act* or as prescribed); and
  - Payments made under section 78.5 of the *Ontario Energy Board Act.*

- Other such costs to be included in "clean energy costs" may be prescribed

- These are the costs to be distributed fairly among the specified consumers through the "fair allocation amount".

How the Legislation Works – Fair Allocation Adjustment

- The fair adjustment provisions are set out in Part II of the legislation.

- Part II establishes that the rate that will be payable by "specified RPP consumers" from May 1, 2017 to April 30, 2018 for the first fair adjustment is the rate that would be required from this program to contribute to that consumer to receiving a total a monthly invoice amount that is 25 per cent lower than the monthly invoice amount for that consumer under the "comparison rate". The comparison rate is a rate to be determined by the OEB using the method prescribed by regulation under s 79.16(1)(b) of the OEB Act.

- Part II includes a transition provision in circumstances where for technical or operational reasons invoices cannot be adapted in time for the issuance of the first invoices under the program (i.e., adaptation of invoices must be implemented by August 1, 2017 followed by a subsequent lump sum credit to the consumer once the invoice is adapted).

- The Lieutenant General in Council is given the authority after April 30, 2018 to make regulations prescribing the rate for electricity (and therefore prescribing the "fair adjustment" until June 30, 2021). After June 30, 2021, regulations will have regard to the fair allocation amount and clean energy adjustments.

How the Legislation Works – Fair Allocation Amount

- The Minister sets the fair allocation amount.

- The establishment of the “fair allocation amount” is required to,
  - Fairly measure and allocate the estimated clean energy costs (and the clean energy benefits) among the “specified consumers” for applicable “reference periods”; and
  - Take into account (in the fair allocation) funding obligations (financing) that have been incurred (largely arising from the redistribution of cost across generations of consumers).

- The “fair allocation amount” is to have regard to:
  - Clean energy costs and allocating the appropriate proportionate amount of the clean energy benefits to the “specified consumers” (in the applicable “reference periods”);
  - Reasonable assumptions regarding the time value of money, the number of consumers in the “reference period”; and
  - Expected electricity consumption for the reference period.

How the Legislation Works – Regulatory Asset and Investment Asset

- IESO will have a funding gap resulting from the reduction in amounts collected from specified consumers during the first 5 years because of the fair adjustment. The IESO's funding gap will be financed indirectly through the debt capital markets.

- The Act enables the financing of this IESO funding gap, on an ongoing basis, by establishing the funding gap as a "regulatory asset". In simple terms, the regulatory asset is IESO's right to recover the revenues that it has deferred collecting (which deferral creates IESO's funding gaps).

- IESO will then legally transfer portions of this right to recover revenues to the (OPG) financing entities.

- The (OPG) financing entity that receives the transfer of the right to recover revenues acquires a right to impose, invoice and collect those regulatory charges (called the "clean energy adjustments"). This is generally described in the legislation as the "investment asset".

- The (OPG) financing entity will need to finance its acquisition (from IESO) of the investment asset, and it will do so in the capital markets.

How the Legislation Works – Issuance and Payment of Debt

- Debt securities and related funding obligations will be incurred by one or more (OPG) financing entities. These entities will be managed by OPG, as the financial services manager.

- The financings will be backed primarily by the "clean energy adjustments" payable by specified consumers. The "clean energy adjustments" will track the actual payment obligations incurred by the financing entities when they become due and payable. To ensure intergenerational fairness, these amounts will be managed by OPG to align with the "fair allocation amounts" ascribed to each of the next 60 six month periods ending in 2047 (or such later period as prescribed).

- IESO and each electricity distributor will act as agent for the financing entities to impose, invoice and collect the clean energy adjustments, which will be channeled through to pay each financing entity's related funding obligations.

- To support the program, the Government of Ontario will be expected to provide certain performance guarantees, indemnities and bond-purchase covenants. The terms of these obligations will be worked out over time in connection with the marketing of financings through OPG. The goal will be achieve highest rated securities, although that will largely depend on issues such as the strength of the Government of Ontario's undertakings not to adversely affect the program through subsequent legislation.

How the Legislation Works – Financing Plan

- The Financing Plan is prepared by the Financial Services Manager (OPG).

- The Financing Plan is the plan which is intended to set out when a “funding obligation” (financing) should be incurred so that the (OPG) financing entity can raise money to acquire the “investment interest” from IESO.

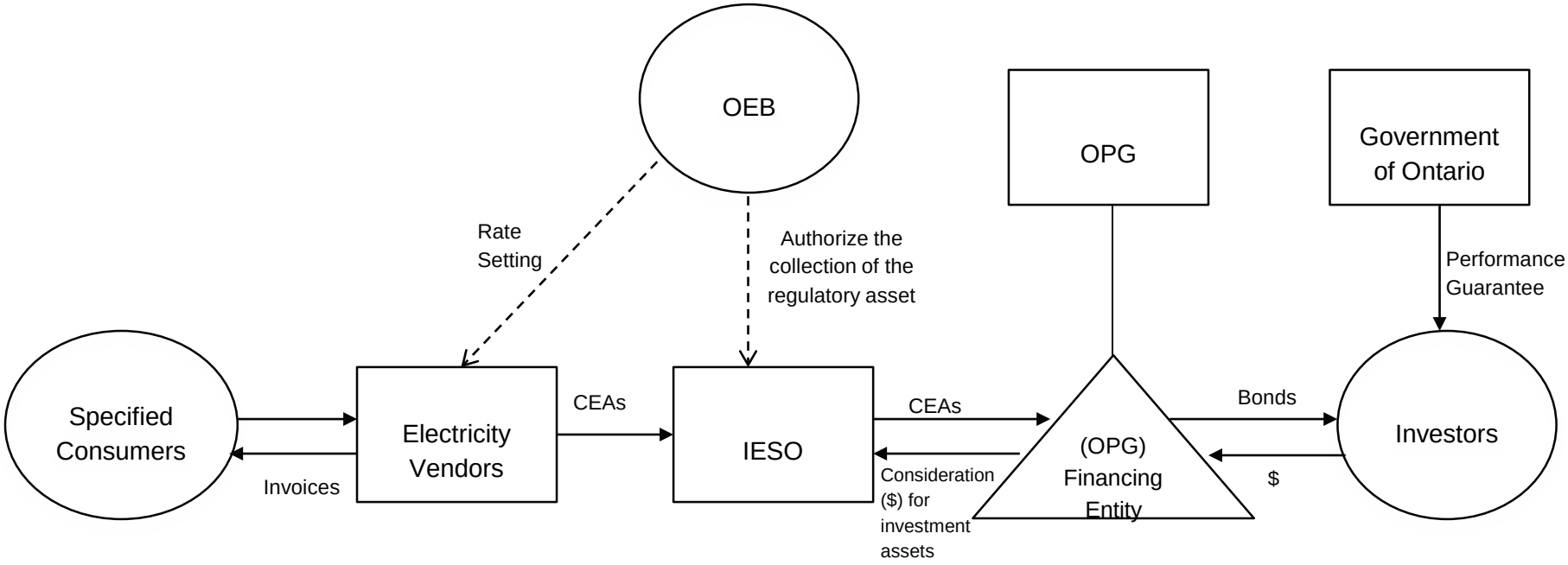
- There are rules that apply to the Financing Plan:
  - It must align with the “estimated finance amount” that will become due and payable during a “reference period”;
  - It must take into account the “fair allocation” and any “fair adjustment”;
  - It must plan to implement the financing in a reasonable and cost effective manner that reflects prevailing market terms and conditions; and
  - It must be based on certain reasonable assumptions set out in regulations (for example, related to anticipated IESO shortfalls, maturity of funding obligations, availability of refinancings, redemption opportunities and liquidity, and similar assumptions).

How the Legislation Works – Financing Plan (Continued)

- The (OPG) Financial Services Manager must incur funding obligations in conformity with the applicable Financing Plan.

- The Financing Plan will guide OPG's decisions regarding the repayment terms of the debt securities to be issued by financing entities. The Financing Plan will also deal with fundamental issues, such as the alignment (using derivatives) of any foreign currency obligations incurred by financing entities with the Canadian dollar cash flows arising through the clean energy adjustments.

How the Financing Structure Works



Note: CEAs are “clean energy adjustments”

Who Does What – Role of the Minister of Energy

- Determine the “fair allocation amount” applicable for each reference period. The fair allocation amounts will be set for all reference periods at the beginning of the program, based on reasonable expectations and forecasts at that time.

Who Does What – Role of the OPG

- As financial services manager, OPG will be responsible for the following under the Act:
  - Prepare and implement Financing Plan.
  - Establish and administer the financing entities.
  - Capitalize the financing entities by acquiring subordinated debt and equity, as required to achieve OPG's accounting and capital markets objectives.
  - Estimate and "true up" periodic finance amounts, to be passed through as regulatory charges in the form of Clean Energy Adjustments.

Who Does What – Role of IESO

- Calculate and record IESO funding shortfalls from time to time in a variance account, giving rise to a right of recovery from specified consumers to the extent not funded through the financings.

- Transfer IESO's rights of recovery to (OPG) financing entities, in consideration for cash payments made by the financing entities from the proceeds of their financings.

- Coordinate the collection of "clean energy adjustments" from Electricity Distributors.

- Remit "clean energy adjustments" to (OPG) financing entity, for payment of financing entity funding obligations.

- Fund initial interest costs and expenses during the first 5 years.

Who Does What – Role of the OEB

- Determine and set rates to account for fair adjustments, fair allocations and clean energy adjustments (monthly adjustments).

- Determine and set rates and process to allow IESO to recover funding shortfalls (to the extent such amounts are not transferred to an (OPG) financing entity and financed in the capital markets).

- Review the administrative costs of OPG in connection with the administration of the program.

Part 2 – Overview of Legislative Amendments for Social Programs

- As part of the proposed Ontario Fair Hydro Plan, the Ministry of Energy is proposing amendments the *Ontario Energy Board Act, 1998* (OEBA) to enable the following measures:
  - Enhancing and providing tax-based funding for Rural or Remote Electricity Rate Protection (RRRP) through new enhanced rate protection for residential customers with high distribution rates;
  - Enhancing and providing tax-based funding for the Ontario Electricity Support Program (OESP); and
  - Creating a new First Nation On-Reserve Delivery Credit and providing for tax-based funding.

Overview of RRRP and Broadened Distribution Rate Protection

- Section 79 of the *Ontario Energy Board Act* would be amended to provide the Ministry the authority to prescribe, through regulation, classes of consumers whose cost would be transferred from the rate-base to the tax-base.
- If the proposed legislative amendments are approved, the government intends to propose regulatory amendments that would prescribe Hydro One's R2 customers as receiving RRRP from appropriated funds effective July 1, 2017. This would fulfill the government's intention to transfer the majority of the costs of administering the RRRP program to the tax-base.
- In addition, Energy is proposing legislative amendments that would broaden rate protection by creating a new distribution rate protection program to complement RRRP. This new program would be funded through tax payers.
- Distribution rate protection would be extended to eligible residential customers served by LDCs with the highest distribution costs.
  - Proposed legislative amendments would enable a maximum monthly base distribution charge to established through regulations.
- If the proposed legislative amendments are approved, the government intends to prescribe by regulation both program details and the residential customers eligible for broadened distribution rate protection served by the following LDCs:
  - Hydro One (R1 and R2 rate classes), Algoma Power, Atikokan Hydro, InnPower, Chapleau Public Utilities Commission, Sioux Lookout Hydro, Lakeland Power (Parry Sound service territory) and Northern Ontario Wires Inc.

Ontario Electricity Support Program

- Proposed legislation related to the Ontario Electricity Support Program (OESP) would shift program funding from the rate base to the tax base.
  - Tax-based funding would only kick in once the existing OESP variance account is depleted, which is expected to happen in the fall of 2017.

- To allow for the existing program structure to stay in place until tax-based funding kicks in, proposed new legislation would only come into force via a proclamation Order in Council, on a date to be determined.
  - This would ensure that existing OEB authorities remain in place while ratepayer funding is being used.

- In addition, a new authority to allow the OEB and the Ministry of Community and Social Services (MCSS) to share data on customers to support increased participation in the OESP program among Ontario Works and Ontario Disability and Support Program clients would be put in place.
  - Information Privacy Commissioner (IPC) staff were consulted, and customer consent is reflected.
  - This information sharing component will come into force at Royal Assent, allowing OEB and MCSS to begin this process quickly, and support increasing OESP participation levels.

First Nations Delivery Credit

- Energy is proposing legislative amendments that would establish a first Nation Delivery Credit for On-Reserve Consumers. This new program would be funded through tax payers.

- The proposed First Nation Delivery Credit would provide:
  - All prescribed on-reserve consumers with a credit for the entirety of their delivery line or with a credit for the monthly service charge.
  - The costs that are covered by the delivery credit are also described in legislation.

- If the proposed legislative amendments are approved, the government intends to propose regulatory amendments that would:
  - Establish the class of customers eligible;
  - Determine what is considered on-reserve; and
  - Determine the method of calculating the delivery credit.

Consolidated - OFHP Matrix - Week of May 1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

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	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

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	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

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5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

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	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

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	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

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10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_1.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

FW_ Ontario Fair Hydro Plan Act Time Lines _ Ma....pdf

From:	Hume, Steen (ENERGY)
To:	Reid, Michael (ENERGY)
Cc:	Feather, Adam (ENERGY); Cox, Hilary (ENERGY)
Subject:	FW: Ontario Fair Hydro Plan Act Time Lines / Martix
Date:	May 1, 2017 9:30:45 AM
Attachments:	OFHP Annotated Time Line_Final_May 1.docx Consolidated - OFHP Matrix - Week of May 1.docx

Hi. Here you go.

From: Hume, Steen (ENERGY)
Sent: May-01-17 8:37 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Ontario Fair Hydro Plan Act Time Lines / Martix

Hi Martin. Attached are updated time lines doc and the Matrix to reflect the comment re OPG's shareholder resolution.

Thanks, Steen

From: Schlaepfer, Martin (ENERGY)
Sent: May-01-17 8:02 AM
To: Hume, Steen (ENERGY)
Cc: Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Re: Ontario Fair Hydro Plan Act Presentation

Perfect. Thanks, Steen.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hume, Steen (ENERGY)
Sent: Monday, May 1, 2017 7:58 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Re: Ontario Fair Hydro Plan Act Presentation

Thanks for the update Martin.

We'll take a look at the OFHP matrix we sent up on Friday, but I think it's up-to-date. As for the timeline, we'll make a small up-date to reflect Scott's comment from the weekend re the OPG's shareholder resolution.

Thanks, Steen

Sent from my BlackBerry 10 smartphone on the Rogers network.

OFHP Annotated Time Line_Final_May 1_2.pdf

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Consolidated - OFHP Matrix - Week of May 1_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

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• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

FW_ Ontario Fair Hydro Plan matrix.pdf

From:	Schwab-Pflug, Emma (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Syed, Usman (ENERGY)
Subject:	FW: Ontario Fair Hydro Plan matrix
Date:	March 24, 2017 4:06:56 PM
Attachments:	2017-03-22 Consolidated OFHP Matrix March 22_CEEB_v1.docx

Hi Erin, the edits we made to the OFHP matrix weren't carried through to the latest version, can you check that Kaili approved these edits?

Thanks,
Emma

From: Syed, Usman (ENERGY)
Sent: March-22-17 10:09 PM
To: Thompson, Erin (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY)
Subject: Fw: Ontario Fair Hydro Plan matrix

Hi Erin, here is the updated ofhp matrix, thanks...

- Usman

From: Schwab-Pflug, Emma (ENERGY) <Emma.Schwab-Pflug@ontario.ca>
Sent: Wednesday, March 22, 2017 9:06 PM
To: Syed, Usman (ENERGY)
Cc: Cook, Cory (ENERGY); Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY); Teare, Rebecca (ENERGY); Desouza, Charlotte (ENERGY)
Subject: FW: Ontario Fair Hydro Plan matrix

Hi Usman, Attached are our edits to the OFHP matrix (new content in blue). This will be due to ADMO first thing tomorrow, and I believe the meeting is tomorrow. Sorry for the jam. Thanks, Emma

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From: Cook, Cory (ENERGY)
Sent: Wednesday, March 22, 2017 1:13 PM
To: Schwab-Pflug, Emma (ENERGY)
Cc: Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY)
Subject: RE: Ontario Fair Hydro Plan matrix

Hi Emma,

I've updated the matrix. Since some of the content was already highlighted in yellow, I've used strike-thru to delete older items and added new content highlighted in blue.

If fine with the changes, I can quickly provide a clean copy.

Cory Cook
Senior Policy Advisor
Conservation and Energy Efficiency
Ontario Ministry of Energy

77 Grenville Street, 5th Floor
Toronto, ON, M7A 2C1
Tel: (416) 325-6652
Fax: (416) 325-3438
Cory.Cook@Ontario.ca

From: Schwab-Pflug, Emma (ENERGY)
Sent: March-22-17 11:50 AM
To: Cook, Cory (ENERGY)
Cc: Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY)
Subject: FW: Ontario Fair Hydro Plan matrix

Cory, would you be able to update for 2 PM? Can use the latest Affordability Fund update deck for our working timelines, saved to S drive.

Thank you,
Emma

From: Thompson, Erin (ENERGY)
Sent: March-22-17 11:46 AM
To: Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc: Desouza, Charlotte (ENERGY)
Subject: Ontario Fair Hydro Plan matrix

Hi Usman, Emma – can you please update the attached this afternoon.

It will be the product for tomorrow's Rate Mitigation Implementation Group meeting 9-10:30am (with CoS, DM, IESO, OEB, OPG). Kaili has a conflict (MTCC on GIF), so I expect one of you will be asked to attend tomorrow morning on her behalf.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-21-17 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)

Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

2017-03-22 Consolidated OFHP Matrix March 22_.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~ ("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • ~~CRED worked with H1 on appropriate representation for the Trust Board, including social serve agency representation~~ • March 21: DM Briefing; Secured Advisory Committee members (who will recommend Board of Trustees to Original Trustee) • As of March 22: All-party review/revisions to draft TPA, Trust Deed and Admin. Services Agreement leading to near-finals • ~~Tracking to have TPA / other documents signed finalized by end of next week~~	• March 23: ~~Ongoing engagement~~ Work with H1, LSB, Blakes CSD, OPCD, as well as Osler and KPMG (both via H1) and Computershare (Original Trustee) to finalize ~~on development of~~ TPA, Trust Declaration and Administrative Services Agreement (H1-Trust) • March 23/24: Execute TPA between the Ministry and the Trust; Trust signs Trust Deed ~~on March 23rd~~ ; Trust-H1 sign Admim. Services Agreement

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Funds to flow by March 28, 2017 **April to ~~June~~ May 31, 2017:** • ~~Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~ Advisory Committee recommends Board of Trustees; Computershare appoints ~~full~~ Board of Trustees **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **May/June ~~Summer~~ 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017** • Expected that LDCs may begin to apply to the Trust for funds; program in market **Late 2017/Early 2018:** • ENERGY can apply for additional funds through

Item	Key Deliverables / Considerations	Timing / Next Steps
		2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

FW_ Please review and return by 3 pm - Consoli....pdf

From:	Cox, Hilary (ENERGY)
To:	Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject:	FW: Please review and return by 3 pm - Consolidated - OFHP Matrix - Week of June 5 Tracked
Date:	June 2, 2017 10:51:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of June 5 Tracked.docx Action Items_June 1.docx

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Hi SNAP, CRED and IGS –

I've incorporated the list of action items from yesterday's rate mitigation implementation meeting into the attached OFHP matrix. Please review and let me know if there's anything else you'd like to add or anything that's not properly represented.

Really aiming to get this back by 3 pm please.

HC

Consolidated - OFHP Matrix - Week of June 5 T_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps

	• TBS to connect with OFA to determine if it ready to share with IESO
	• IGS to follow-up with MOF/Tax Policy on indirect taxes imlications
	
	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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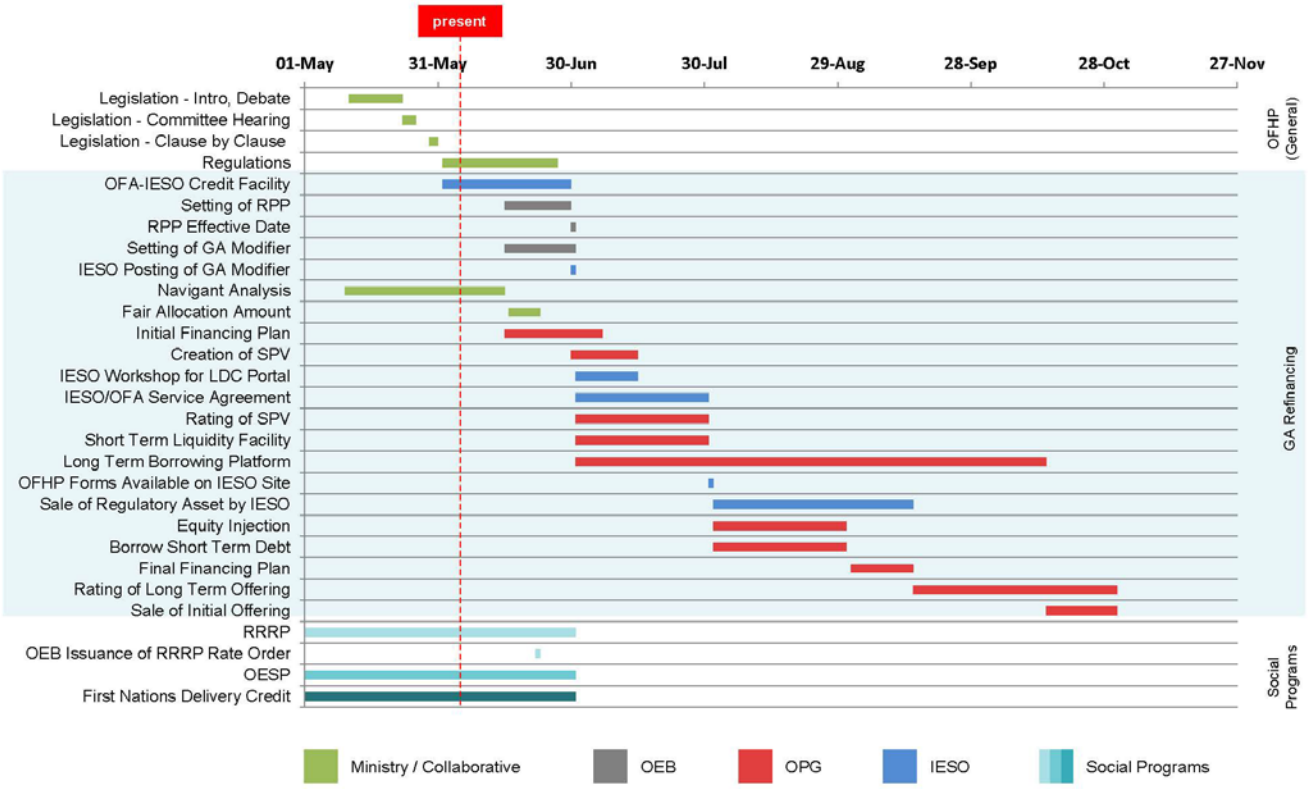
Ontario Fair Hydro Plan Implementation



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

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Action Items_June 1_4.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

FW_ RMI materials for tomorrow.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY)
Cc:	Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY)
Subject:	FW: RMI materials for tomorrow
Date:	June 5, 2017 5:52:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of June 5 Clean.docx

FYI

From: Schlaepfer, Martin (ENERGY)
Sent: June 5, 2017 5:51 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: RMI materials for tomorrow

Hi Andrew,

Please find attached the updated OFHP Matrix for tomorrow's DM-CoS Rate Mitigation Implementation meeting.

Thanks,
Martin

Consolidated - OFHP Matrix - Week of June 5 C.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5. • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: o ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• Approval dates: o TB – May 9 2017; and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes

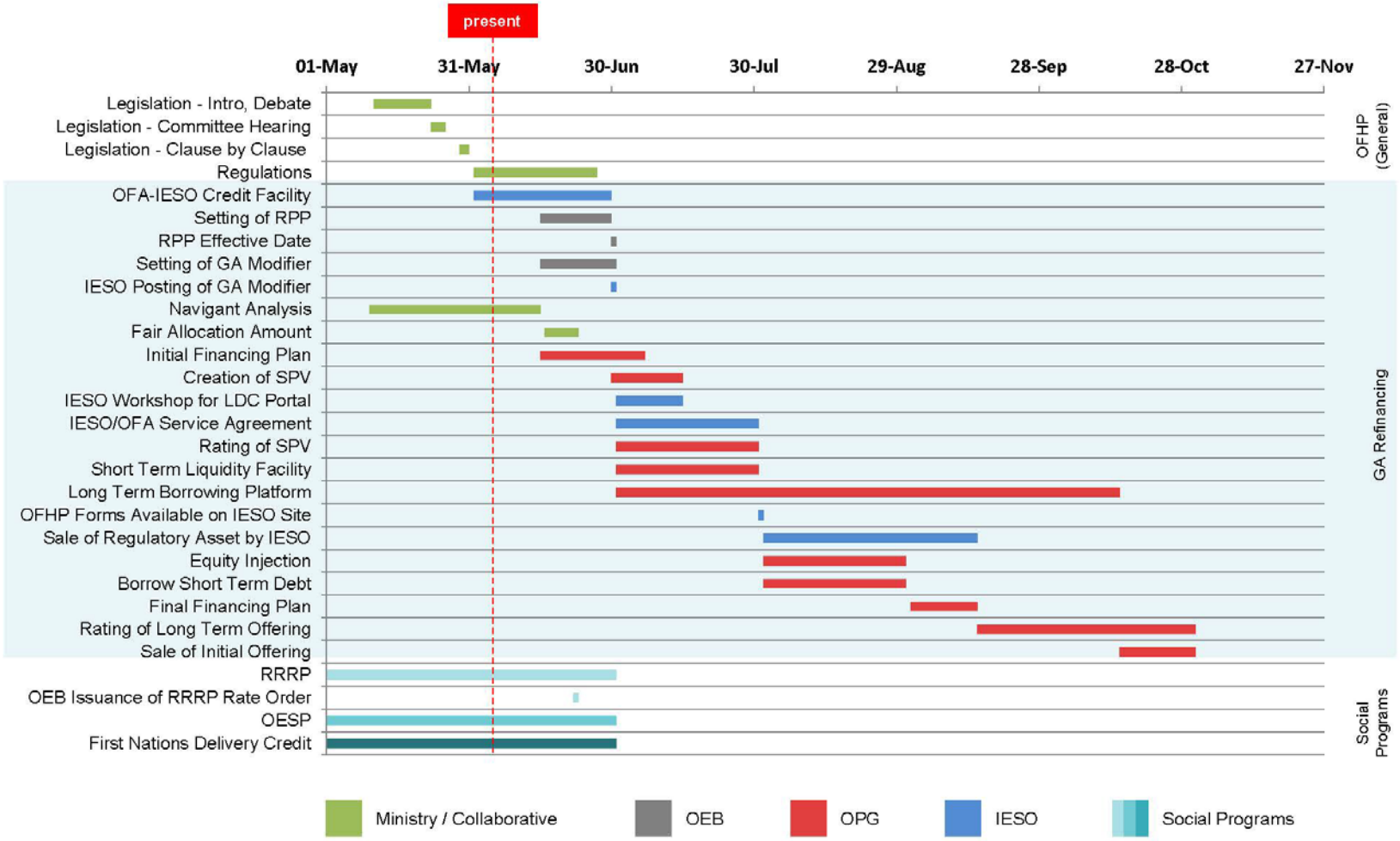
Item	Key Deliverables / Considerations	Timing / Next Steps
	committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	**June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation - Minister’s Deck(1).pdf

From:	Cox, Hilary (ENERGY)
To:	Feather, Adam (ENERGY)
Subject:	FW: Rate Mitigation - Minister"s Deck
Date:	March 30, 2017 4:53:39 PM
Attachments:	Consolidated - OFHP Matrix - March 27.docx Rate Mitigation Update 20170317 Consolidated Clean.pptx

Original request on rate mitigation implantation update deck for Minister.

HC

From: Cox, Hilary (ENERGY)
Sent: March 29, 2017 10:06 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Cc: Christie, Tim (ENERGY)
Subject: FW: Rate Mitigation - Minister's Deck

Heads-up, we're being asked to update the Minister's rate mitigation implementation deck from last week with content from this week's matrix (materials attached).

This will need to go to DMO tomorrow for Friday/weekend package. ESPD will consolidate.

HC

Consolidated - OFHP Matrix - March 27_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 30, 2017

Rate Mitigation Update 20170317 Consolidated .pdf

Ontario

MINISTRY OF
ENERGY

Rate Mitigation Update

Working Draft

March 20, 2017

CONFIDENTIAL DRAFT

Context

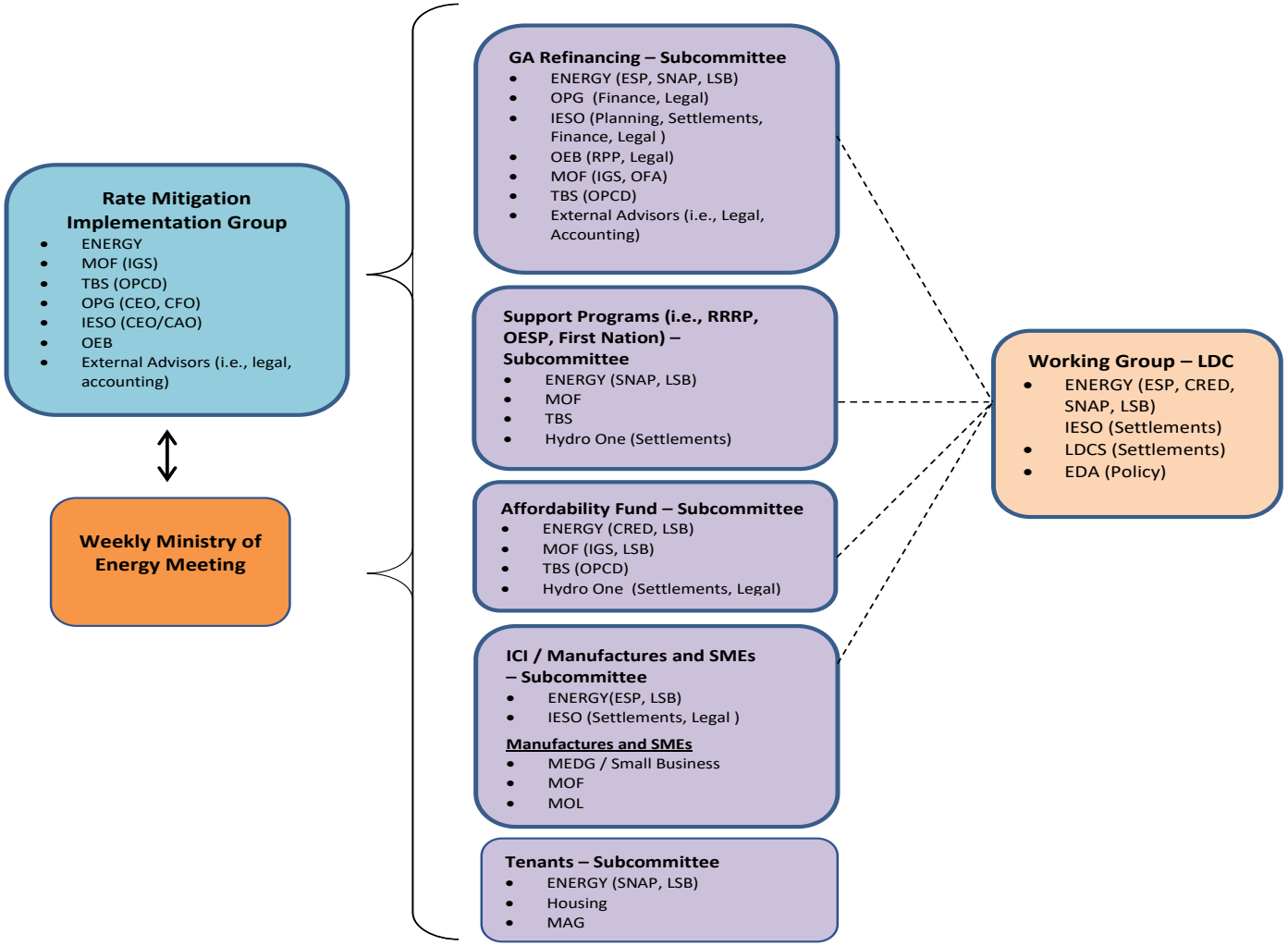
- On March 1, 2017, Cabinet approved Ontario's Fair Hydro Plan (OFHP).

- On March 2, 2017, Ontario announced OFHP, which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy has established a Rate Mitigation Implementation Group and subcommittees to work through implementation of OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit);
  - Establishing an Affordability Fund; and
  - Expanding the Industrial Conservation Initiative.

- ENERGY continues to work with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs).

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Global Adjustment (GA) Refinancing

- Ongoing work with energy agencies (i.e., OPG, OEB and IESO), ministries (i.e., MOF and TBS/OPCD) and external advisors.

- Key deliverables include:
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  - Amendments to O. Reg. 429/04 in the allocation of GA costs and O. Reg. 95/05 regarding the manner in which the OEB determines Regulated Price Plan (RPP) rates;
  - Shareholder Declaration and Resolution to OPG;
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  - Accounting opinions from E&Y (OPG) and KPMG (IESO); and
  - Third Party Technical Report regarding Long Lived Assets.

Status / Next Steps

- Initial draft versions of legislation have been developed.
- Initial draft of comfort letter to OEB to enable GA refinancing to be included in May RPP has been written. Send comfort letter to OEB week of March 20, 2017.
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- The new Affordability Fund will support Ontarians who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance. The Fund, established through the tax base, will be administered by a Trust and accessible to LDCs.

- Eligible customers will be identified by LDCs. Priority would be expected to be given to homes primarily heated by electricity. The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake. It is expected that the program will assist eligible customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.

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Affordability Fund (cont'd)

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- **June:** Report back to TB/MBC with final program details.

- **Summer:** LDCs to begin applying to the Trust for funds.

Electricity Support Programs

- On March 14, 2017, Energy staff met with LDCs stakeholders to provide them with an overview of the proposed support programs.
  - Further sessions with smaller sub-sets of LDC working groups specific to the broadened RRRP and the First Nation Delivery Credit are planned for March 23 and 24, 2017. Further sessions with the broader LDC working group will occur as needed to seek input on implementing any required on-bill messaging, changes to the OESP, and any other changes that would impact all LDCs.
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- For all support programs, on-bill messaging requirements should be determined in the near-term in order to provide LDCs with clear direction.

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- On March 9, 2017, the government a posted a proposal on the Regulatory Registry (RR). The Ministry is working with the OEB to determine whether the increase of 50% and new credit amounts will need a regulation or whether the OEB has the ability to make these changes on their own.
  - Increase the level of benefits under the OESP by 50%;
  - Expand eligibility for the program by modifying the current household income and size categories; and
  - The Ministry is working closely with MCSS to explore automatic qualification for customers who are enrolled in other provincial low-income social programs, such as Ontario Works and the Ontario Disability Support Program.
- The Ministry is targeting the April 10, 2017 LRC date for some of these regulatory changes.
- The legislation required to enable tax funding for the OESP is being developed.

Electricity Support Programs (cont'd)

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- The legislation required to enable tax funding for the existing RRRP program as well as the creation of new distribution rate protection for an expanded group of residential customers is being developed.
  - In addition to the required legislation, regulations will also be needed to put in place the necessary framework to deliver the programs. Details concerning the processes by which to establish the level of rate relief will be outlined in Regulation.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection. LDCs will want a reasonable amount of certainty (finalized regulations) before undertaking the system changes.
  - Ministry staff will also work with the OEB to address transitional issues related to the RRRP charge.

First Nation Delivery Credit (FNDC) – Status / Next Steps

- Legislation that is required to create the new FNDC to defray 100% of the cost of electricity delivery for on-reserve First Nations residential consumers and to enable tax funding is being developed.
  - Once the legislation is in place, regulations will also be needed to put in place the necessary framework to deliver the program. Consultation with relevant stakeholders, including Chiefs of Ontario, impacted LDCs, and agencies such as IESO, will be required to develop regulations to deliver the program.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection.
- An FNDC Working Group composed of Energy Staff and relevant stakeholders has been established to advise of the development of program mechanics. The first meeting of the working group is scheduled for March 24, 2017.

Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- Ontario is proposing to allow eligible electricity consumers/market participants in the manufacturing sector (i.e., with NAICS codes commencing with the digits "31", "32“ and "33") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW to opt-in to ICI.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal on the Regulatory Registry (RR). Comments are due by April 8, 2017.

- As per the regulatory posting, the expanded ICI is expected to take effect on July 1, 2017 pending regulatory amendments to O. Reg. 429/04.

- The regulatory amendment is expected to proceed to LRC on April 10, 2017.

Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in the OFHP.

FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP (by March 24, 2017).
- The Ministry is currently preparing responsive materials.

AG

- ENERGY and MOF is providing the AG with a technical briefing, tentatively schedule for April 12, 2017 (TBC).

Timing and Critical Milestones

- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Implementation of GA refinancing for RPP (through May 1 – RPP)
- Report back to TBC/MBC, LRC and Cabinet on select initiatives (May 1, 2017)
- Introduction of legislation and regulatory amendments (see next slide for additional details)

- Implementation of GA refinancing for RPP eligible
- New consumers begin ICI participation
- LDCs to apply to Affordability Fund

- Implementation of the broadening of RRRP
- OESP Expansion and First Nations On-Reserve Delivery Credit in place in 2017

Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- OEB is expected to communicate the May 1st – Regulated Price Plan (RPP) rates on April 20, 2017 (TBC).
- ENERGY to report back to TBC/MBC, LRC and Cabinet on May 1, 2017. On May 4, 2017, introduce of Legislation (TBC):
  - Debate – June 2017 (TBC); and
  - Passage / Royal Assent – Late June 2017 (TBC).

FW_ Rate Mitigation - Minister’s Deck(2).pdf

From:	Feather, Adam (ENERGY)
To:	Smith, Mike (ENERGY); Smith, Brett (ENERGY)
Cc:	Chander, Sunita (ENERGY)
Subject:	FW: Rate Mitigation - Minister"s Deck
Date:	March 30, 2017 5:13:00 PM
Attachments:	Consolidated - OFHP Matrix - March 27.docx Rate Mitigation Update 20170317 Consolidated Clean.pptx
Importance:	High

Mike, Brett:

We've been asked to update the Minister's rate mitigation implementation deck from last week with content from this week's matrix (materials attached).

Can you please do so for tomorrow morning?

Thanks,

A.

Consolidated - OFHP Matrix - March 27_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

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8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
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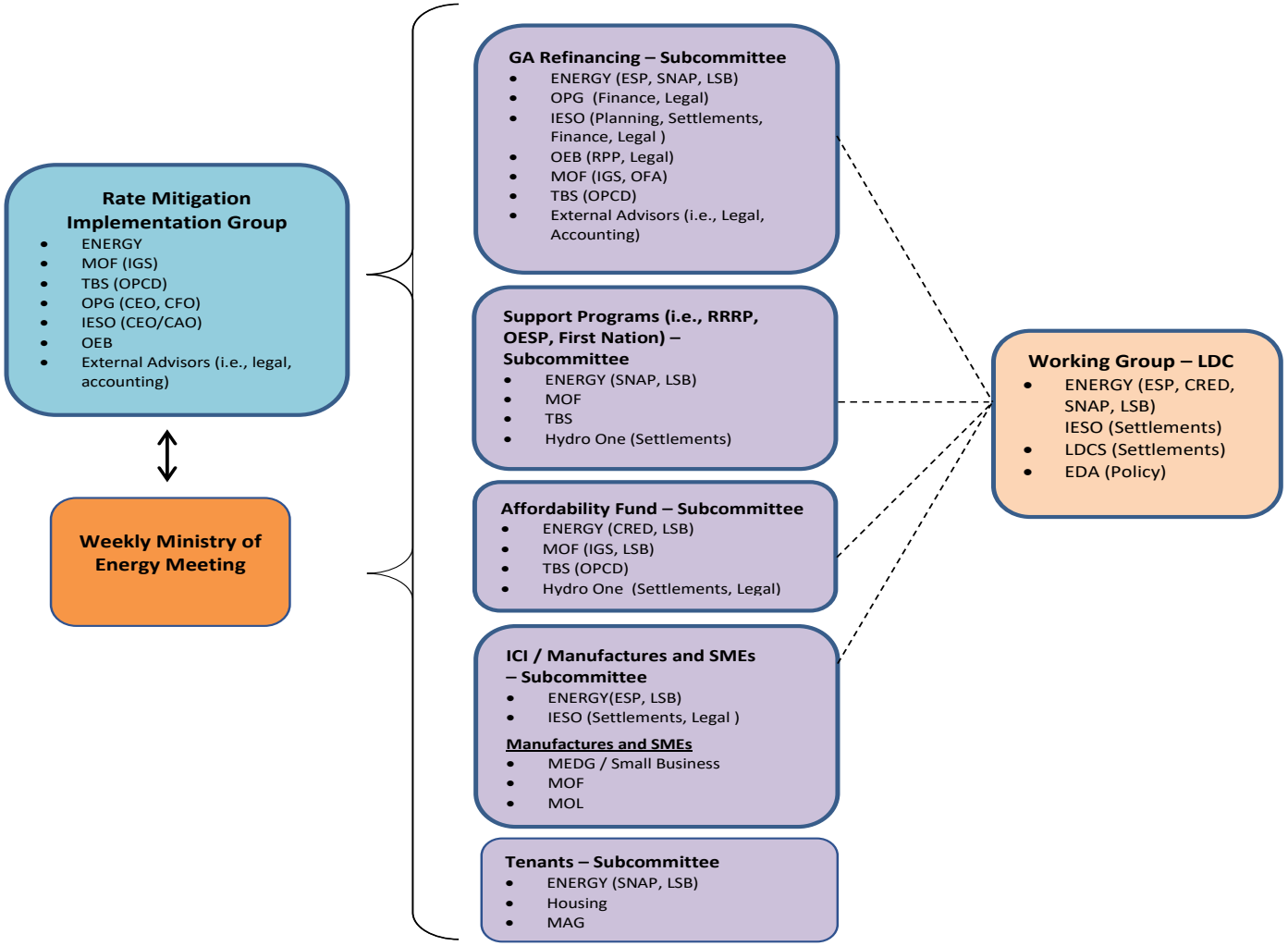

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  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection.
- An FNDC Working Group composed of Energy Staff and relevant stakeholders has been established to advise of the development of program mechanics. The first meeting of the working group is scheduled for March 24, 2017.

Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- Ontario is proposing to allow eligible electricity consumers/market participants in the manufacturing sector (i.e., with NAICS codes commencing with the digits "31", "32“ and "33") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW to opt-in to ICI.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal on the Regulatory Registry (RR). Comments are due by April 8, 2017.

- As per the regulatory posting, the expanded ICI is expected to take effect on July 1, 2017 pending regulatory amendments to O. Reg. 429/04.

- The regulatory amendment is expected to proceed to LRC on April 10, 2017.

Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in the OFHP.

FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP (by March 24, 2017).
- The Ministry is currently preparing responsive materials.

AG

- ENERGY and MOF is providing the AG with a technical briefing, tentatively schedule for April 12, 2017 (TBC).

Timing and Critical Milestones

- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Implementation of GA refinancing for RPP (through May 1 – RPP)
- Report back to TBC/MBC, LRC and Cabinet on select initiatives (May 1, 2017)
- Introduction of legislation and regulatory amendments (see next slide for additional details)

- Implementation of GA refinancing for RPP eligible
- New consumers begin ICI participation
- LDCs to apply to Affordability Fund

- Implementation of the broadening of RRRP
- OESP Expansion and First Nations On-Reserve Delivery Credit in place in 2017

Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- OEB is expected to communicate the May 1st – Regulated Price Plan (RPP) rates on April 20, 2017 (TBC).
- ENERGY to report back to TBC/MBC, LRC and Cabinet on May 1, 2017. On May 4, 2017, introduce of Legislation (TBC):
  - Debate – June 2017 (TBC); and
  - Passage / Royal Assent – Late June 2017 (TBC).

FW_ Rate Mitigation - Minister’s Deck.pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Cc:	Christie, Tim (ENERGY)
Subject:	FW: Rate Mitigation - Minister"s Deck
Date:	March 29, 2017 10:06:22 AM
Attachments:	Consolidated - OFHP Matrix - March 27.docx Rate Mitigation Update 20170317 Consolidated Clean.pptx

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Heads-up, we're being asked to update the Minister's rate mitigation implementation deck from last week with content from this week's matrix (materials attached).

This will need to go to DMO tomorrow for Friday/weekend package. ESPD will consolidate.

HC

Consolidated - OFHP Matrix - March 27_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 30, 2017

Rate Mitigation Update 20170317 Consolidated _2.pdf

Ontario

MINISTRY OF
ENERGY

Rate Mitigation Update

Working Draft

March 20, 2017

CONFIDENTIAL DRAFT

Context

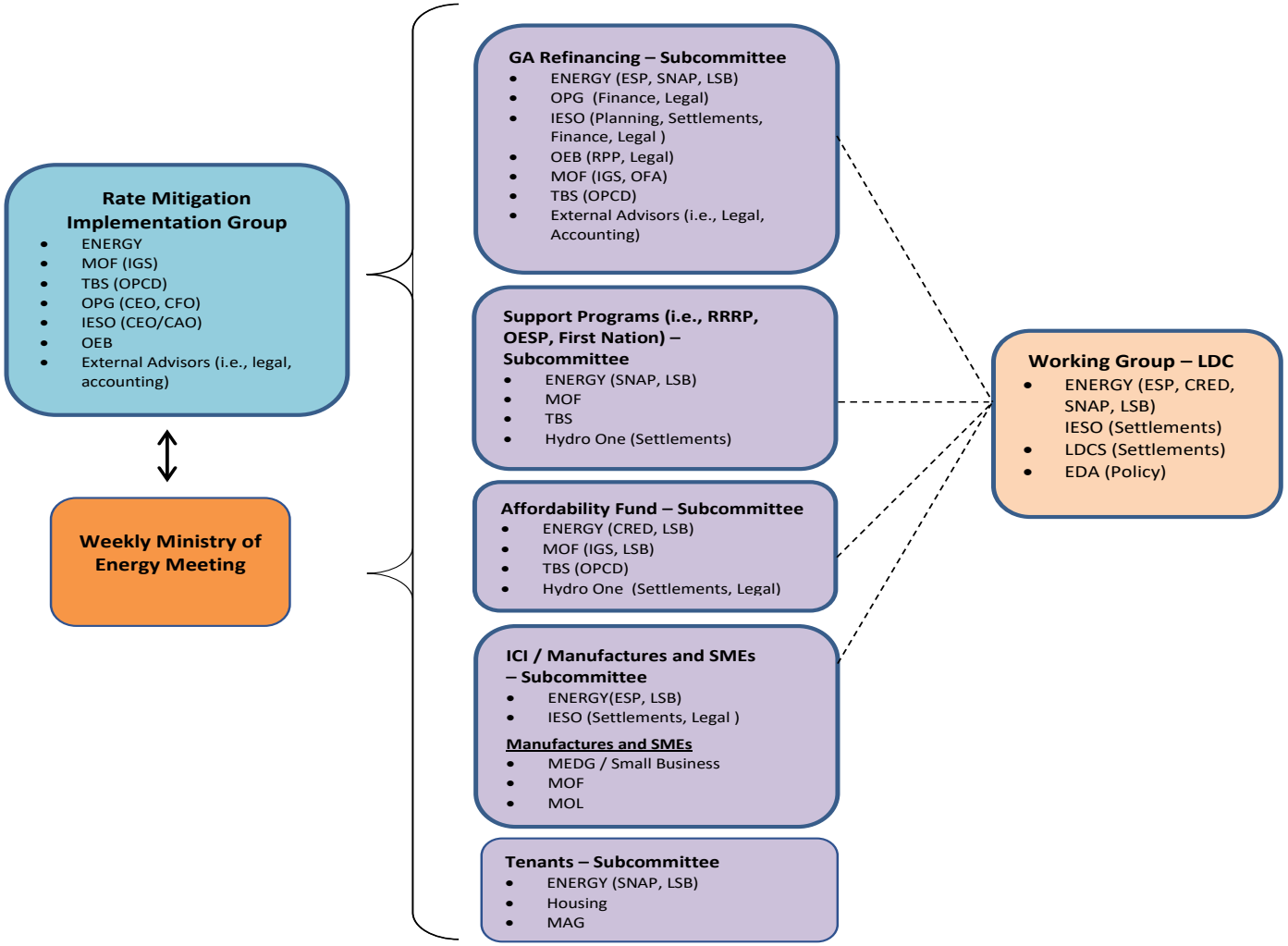
- On March 1, 2017, Cabinet approved Ontario's Fair Hydro Plan (OFHP).

- On March 2, 2017, Ontario announced OFHP, which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy has established a Rate Mitigation Implementation Group and subcommittees to work through implementation of OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit);
  - Establishing an Affordability Fund; and
  - Expanding the Industrial Conservation Initiative.

- ENERGY continues to work with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs).

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Global Adjustment (GA) Refinancing

- Ongoing work with energy agencies (i.e., OPG, OEB and IESO), ministries (i.e., MOF and TBS/OPCD) and external advisors.

- Key deliverables include:
  - Legislation to provide authority for mitigation and recovery, including establishing the roles of the OPG, IESO and the OEB and creating a regulatory asset;
  - Amendments to O. Reg. 429/04 in the allocation of GA costs and O. Reg. 95/05 regarding the manner in which the OEB determines Regulated Price Plan (RPP) rates;
  - Shareholder Declaration and Resolution to OPG;
  - Financing (e.g., IESO line of credit to bridge from May-July, OEFC to OPG equity injection structure; and OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc);
  - Accounting opinions from E&Y (OPG) and KPMG (IESO); and
  - Third Party Technical Report regarding Long Lived Assets.

Status / Next Steps

- Initial draft versions of legislation have been developed.
- Initial draft of comfort letter to OEB to enable GA refinancing to be included in May RPP has been written. Send comfort letter to OEB week of March 20, 2017.
- Continue with drafting of legislation. Begin drafting regulations.

Affordability Fund

- The new Affordability Fund will support Ontarians who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance. The Fund, established through the tax base, will be administered by a Trust and accessible to LDCs.

- Eligible customers will be identified by LDCs. Priority would be expected to be given to homes primarily heated by electricity. The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake. It is expected that the program will assist eligible customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.

Status / Next Steps

- ENERGY, with advice from the Ontario Provincial Controller Division (OPCD), is working with Hydro One on the development of a Transfer Payment Agreement (TPA) and Trust Declaration to establish the Trust.

- Computershare Trust Company of Canada (Computershare) will act as the interim Trustee for the Trust. Computershare will be replaced with a Board of Trustees, who will be responsible for distributing funds to LDCs across the province at their discretion based on an application process and targeted eligibility criteria. It is expected that the Trust will include representation from several electricity distributors as well as social service agencies.

Affordability Fund (cont'd)

Status / Next Steps

- **Week of March 20:** Execute TPA between ENERGY and the Trust (Computershare). Computershare to sign Trust Deed.

- **By March 31:** ENERGY to flow $100 million through a TPA to the Trust.

- **April-June:** Trust Deed to be revised to include further details (e.g., procedures for the governance of the Trust, appointment of trustees and process to replace trustees, procedures for service agreements with Hydro One or other entities, customer eligibility criteria and processes for LDCs to apply for funds (to be developed in consultation with LDCs)).

- **June:** Report back to TB/MBC with final program details.

- **Summer:** LDCs to begin applying to the Trust for funds.

Electricity Support Programs

- On March 14, 2017, Energy staff met with LDCs stakeholders to provide them with an overview of the proposed support programs.
  - Further sessions with smaller sub-sets of LDC working groups specific to the broadened RRRP and the First Nation Delivery Credit are planned for March 23 and 24, 2017. Further sessions with the broader LDC working group will occur as needed to seek input on implementing any required on-bill messaging, changes to the OESP, and any other changes that would impact all LDCs.
- Meetings with the OEB and IESO are planned to discuss implementation considerations to inform drafting of proposed legislation and any supplemental regulations.
- For all support programs, on-bill messaging requirements should be determined in the near-term in order to provide LDCs with clear direction.

Ontario Electricity Support Program (OESP) – Status / Next Steps

- On March 9, 2017, the government a posted a proposal on the Regulatory Registry (RR). The Ministry is working with the OEB to determine whether the increase of 50% and new credit amounts will need a regulation or whether the OEB has the ability to make these changes on their own.
  - Increase the level of benefits under the OESP by 50%;
  - Expand eligibility for the program by modifying the current household income and size categories; and
  - The Ministry is working closely with MCSS to explore automatic qualification for customers who are enrolled in other provincial low-income social programs, such as Ontario Works and the Ontario Disability Support Program.
- The Ministry is targeting the April 10, 2017 LRC date for some of these regulatory changes.
- The legislation required to enable tax funding for the OESP is being developed.

Electricity Support Programs (cont'd)

Broadening RRRP – Status / Next Steps

- The legislation required to enable tax funding for the existing RRRP program as well as the creation of new distribution rate protection for an expanded group of residential customers is being developed.
  - In addition to the required legislation, regulations will also be needed to put in place the necessary framework to deliver the programs. Details concerning the processes by which to establish the level of rate relief will be outlined in Regulation.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection. LDCs will want a reasonable amount of certainty (finalized regulations) before undertaking the system changes.
  - Ministry staff will also work with the OEB to address transitional issues related to the RRRP charge.

First Nation Delivery Credit (FNDC) – Status / Next Steps

- Legislation that is required to create the new FNDC to defray 100% of the cost of electricity delivery for on-reserve First Nations residential consumers and to enable tax funding is being developed.
  - Once the legislation is in place, regulations will also be needed to put in place the necessary framework to deliver the program. Consultation with relevant stakeholders, including Chiefs of Ontario, impacted LDCs, and agencies such as IESO, will be required to develop regulations to deliver the program.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection.
- An FNDC Working Group composed of Energy Staff and relevant stakeholders has been established to advise of the development of program mechanics. The first meeting of the working group is scheduled for March 24, 2017.

Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- Ontario is proposing to allow eligible electricity consumers/market participants in the manufacturing sector (i.e., with NAICS codes commencing with the digits "31", "32“ and "33") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW to opt-in to ICI.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal on the Regulatory Registry (RR). Comments are due by April 8, 2017.

- As per the regulatory posting, the expanded ICI is expected to take effect on July 1, 2017 pending regulatory amendments to O. Reg. 429/04.

- The regulatory amendment is expected to proceed to LRC on April 10, 2017.

Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in the OFHP.

FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP (by March 24, 2017).
- The Ministry is currently preparing responsive materials.

AG

- ENERGY and MOF is providing the AG with a technical briefing, tentatively schedule for April 12, 2017 (TBC).

Timing and Critical Milestones

- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Implementation of GA refinancing for RPP (through May 1 – RPP)
- Report back to TBC/MBC, LRC and Cabinet on select initiatives (May 1, 2017)
- Introduction of legislation and regulatory amendments (see next slide for additional details)

- Implementation of GA refinancing for RPP eligible
- New consumers begin ICI participation
- LDCs to apply to Affordability Fund

- Implementation of the broadening of RRRP
- OESP Expansion and First Nations On-Reserve Delivery Credit in place in 2017

Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- OEB is expected to communicate the May 1st – Regulated Price Plan (RPP) rates on April 20, 2017 (TBC).
- ENERGY to report back to TBC/MBC, LRC and Cabinet on May 1, 2017. On May 4, 2017, introduce of Legislation (TBC):
  - Debate – June 2017 (TBC); and
  - Passage / Royal Assent – Late June 2017 (TBC).

FW_ Rate Mitigation Implementation Action Items....pdf

From:	Cayley, Daniel (ENERGY)
To:	O"Riordan, Eamon (ENERGY)
Subject:	FW: Rate Mitigation Implementation Action Items March 23
Date:	March 23, 2017 1:13:00 PM
Attachments:	Rate Mitigation Implementation Action Items March 23-dc.docx

FYI

From: Cayley, Daniel (ENERGY)
Sent: March 23, 2017 12:05 PM
To: Hume, Steen (ENERGY)
Cc: Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject: RE: Rate Mitigation Implementation Action Items March 23

Steen – a few proposed items in the attached.

Daniel

From: Hume, Steen (ENERGY)
Sent: March 23, 2017 11:42 AM
To: Cayley, Daniel (ENERGY)
Cc: Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject: Rate Mitigation Implementation Action Items March 23

Hi. Anything to add?

Thanks

Rate Mitigation Implementation Action Items M.pdf

Action Items – March 23rd, 2017

1) GA Refinancing
    - AG briefing on April 19, 2017
    - Legislative Drafting
        - OPG to undertake modelling on assets / determine whether rating agency risk
        - OPG to determine who will finance / hold the asset until it goes to the market
        - Legislation to be complete by April 17th , first draft will be available for review / circulated next week
        - LRC/TB May 1, 2017
        - Cabinet May 3, 2017
        - Leg introduced May 4, 2017
    - OPG Update
        - OPG / LSB continue to work on shareholder direction / resolution
        - OPG continues to work on indemnification of Board issue
        - OPG to embed OFA/ENERGY (as necessary) in their ongoing internal discussions
        - OPG, ENERGY and IESO to continue discussions around refining refinancing modelling.
    - IESO Update
        - IESO to discuss LDC issues with OEB
        - IESO to work through legislation / opinion
    - OEB Update
        - Board decision this week on removing OESP from bill as of May 1.
        - OEB to work with ENERGY to finalize RPP comfort letter
2) Affordability Fund
    - No real follow ups except that everything is on track to be finalized for next week
3) RRRP / OESP / FN Rate
    - OESP to continue to track to April 10 LRC
    - MOF continues to work with CRA on wet signature
    - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on what rate design mechanism is going forward
    - OEB needs separate letter from Minister on FN rate that acknowledges receipt of report
4) ICI
    - ICI to continue to track to April 10 LRC / materials being finalized
    - TPA being finalized with OCC / discussions ongoing with CME
    - ESP to continue to meet with MEDG / MOECC / MOL on broader issues for business
5) Other items
    - Ministry to begin work on bill presentment / add as agenda item for next week

FW_ Rate Mitigation Implementation Meeting - Ap....pdf

From:	Cox, Hilary (ENERGY) on behalf of Hume, Steen (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Christie, Tim (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - April 13, 2017
Date:	April 12, 2017 5:36:40 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 10.docx Agenda_Weekly Rate Mitig Implmentation Group_Mar 13.docx Letter from Province to OPG.DOCX

FYI

From: Katona, Keley (ENERGY)
Sent: April 12, 2017 5:33 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - April 13, 2017

Good evening,
Please find attached the material for discussion tomorrow morning.
Thanks,
Keley

Consolidated - OFHP Matrix - Week of April 10_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Agenda_Weekly Rate Mitig Implmentation Group__5.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 13, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) OPG Letter

3) Other OFHP Initiatives
    - Affordability Fund (CRED)
    - RRRP, OESP and FN (SNAP)
    - ICI (ESPD)

4) Update on Action Items / Policy Matrix

Notes:

Letter from Province to OPG.pdf

DRAFT: April 11, 2017

[Letterhead of Minister of Energy]

April [●], 2017

Bernard Lord
Board Chair
Ontario Power Generation Inc.
700 University Avenue, 19th Floor
Toronto, Ontario
M5G 1X6

Dear Mr. Lord:

I am writing further to the Premier's news release of March 2, 2017, in which the Province announced the Fair Hydro Plan to lower electricity bills by 25 per cent on average for certain customers starting in the summer of 2017, as part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness. Given OPG's expertise as a participant in the electricity market and its expertise in rate regulated accounting and investment stewardship over significant pension and nuclear funds, I am writing specifically to request OPG's involvement in the implementation of the Global Adjustment Refinancing component of the Fair Hydro Plan

As you will have read, the 25 percent reduction in residential electricity bills referred to in the March 2nd announcement includes the 8 per cent reduction resulting from the rebate of the provincial portion of the harmonized sales tax on electricity bills effective January 1, 2017. The Province has also committed that certain customer bills would not increase by more than the rate of inflation for the four years following the 25 per cent average reduction.

In addition, as you know, Ministry of Energy staff have been working on preparing the draft legislation and regulations to implement the Fair Hydro Plan, with input from the IESO, the OEB, OPG and their respective advisors.

The Province is requesting that OPG, working with the Ministry of Energy, the IESO, the OEB, and their respective advisors, consider and recommend a plan for financing mechanisms that could achieve the Province's objectives for the reduction in consumer bills and the limitation on bill increases outlined above and in the Fair Hydro Plan, all in accordance with the legislation and regulations designed to facilitate the Fair Hydro Plan.

In particular, the Province would like OPG's financing plan to consider, among other things, structures and methods that would permit viable refinancing of a portion of the Global

Adjustment to reduce electricity prices for certain of today's electricity ratepayers, with the costs of the refinancing to be recovered over a period of up to 30 years, all in accordance with the legislation and regulations designed to facilitate the Fair Hydro Plan. We would expect the financing plan to include:

i) potential structures for the financing, which may include, as appropriate, a special purpose vehicle created for the financing;

ii) potential financing mechanisms and instruments, including senior debt and subordinated debt; and

iii) identification of the capital markets and jurisdictions that can be accessed to finance the rate mitigation.

The Province recognizes the need to provide OPG with the necessary assurances with respect to recovery of the principal, interest, and operating and other costs of any financing and will address the specific requirements identified by OPG and its financial advisors, including in the pending legislation and regulations that will govern the mechanics and requirements of the financing entity. We would also request that your plan identify any amendments to OPG's governing legislation and constating documents needed to facilitate the implementation of the financing plan in a commercial manner.

We would further expect that the financing plan would be implemented in an effective and cost-efficient manner by OPG.

I look forward to receiving a detailed plan that has the support of the OPG Board of Directors by June 1, 2017.

Yours truly,

The Honourable Glenn Thibeault
Minister of Energy

FW_ Rate Mitigation Implementation Meeting - Au...(1).pdf

From:	Katona, Keley (MOF)
To:	Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - August 10, 2017
Date:	August 15, 2017 3:35:35 PM
Attachments:	Provincial Guarantee and Other Financing Issues (OFA) 08152017.docx

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FYI

-----Original Message-----
From: Katona, Keley (MOF)
Sent: Tuesday, August 15, 2017 3:30 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Nelms, Scott (MOF); Armstrong, Hillary (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - August 10, 2017

Hi Martin,
Attached is the note prepared by the OFA for tomorrow's meeting.
Thanks,
Keley

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Sent: Monday, August 14, 2017 5:59 PM
To: Teliszewsky, Andrew (ENERGY); Hume, Steen (ENERGY); Nelms, Scott (MOF); Imbrogno, Serge (ENERGY)
Cc: Schlaepfer, Martin (ENERGY); Strathy, Anna (OFA); Kandeepan, Ken (OFA); Kwan, Ronald (OFA); Veinot, Cindy (TBS)
Subject: Re: Rate Mitigation Implementation Meeting - August 10, 2017

We're still waiting for OPG to provide us with their notes following our meeting with them last week, where we agreed to everything, subject to a few accounting checks that need to be done, so that we can ensure that what we're preparing for you and PO/CO accurately reflects what was agreed to with them. OPG is aware of the timing of the meeting on the 16th, and how critical it is to ensuring we keep with the timelines, so they'd promised their material to us by the end of the day today, and we're expecting to see it shortly. There's also a meeting scheduled with the IESO tomorrow morning, as we have to ensure that the form of guarantee on how any LDC defaults would be managed, and a couple of other IESO items, don't affect the IESO's accounting treatment.

Once we have that, barring surprises, we should be able to prepare the one-pager that we were planning to present pretty quickly, and we'll get it to you right away.

Regards,
Gadi

Original Message
From: Teliszewsky, Andrew (ENERGY)
Sent: Monday, August 14, 2017 5:32 PM
To: Gadi Mayman; Steen Hume (CAB); Scott Nelms (ENERGY); Serge Imbrogno (ENERGY)
Cc: Martin Schlaepfer (MOF)
Subject: Fw: Rate Mitigation Implementation Meeting - August 10, 2017

Good Afternoon:

Wondering - for this Wednesday - we've got our two energy products tracking. But for the "provincial guarantee" dialogue with PO/CO - I recall an OFA "note" being offered? Is that tracking?

Any chance our team could get eyes on it tomorrow, in advance of it being shared with the FPC distribution list, if it hasn't already?

Many thanks, in advance.

Andrew

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Thursday, August 10, 2017 7:49 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); "jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS); Katona, Keley (MOF)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Smith, Mike (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Attached are the action items from today’s meeting.

Thanks,
Martin

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Sent: August 9, 2017 8:19 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); "jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Subject: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

Provincial Guarantee and Other Financing Issu.pdf

PROVINCIAL GUARANTEE AND OTHER FINANCING ISSUES

ISSUE

To support the Fair Hydro Plan, OPG is requesting that the Government of Ontario provide a guarantee to the OPG Financing Entity and prospective debt holders such that the funding obligations of the Financing Entity will be met by the Province under certain circumstances.

TERMS OF THE GUARANTEE

Events that would activate the Provincial Guarantee:

- Decisions by the Legislative Assembly, i.e., repeal of the Ontario Fair Hydro Plan Act, 2017, or amendments that adversely affect the OPG Financing Entity;
- A court decision that declares any funding obligations of the Financing Entity to be unenforceable; and
- Changes to the organization, structure or operations of IESO adversely impacting the Financing Entity.

Guarantee:

- The Province would take over the obligations of the Financing Entity including principal and interest payments on debt issued to date and any outstanding payments to service providers (i.e., trustees, auditors).
- The Provincial guarantee will continue until all obligations of the Financing Entity are fully discharged.

Recommendation:

- Pending review by MOF Legal, Energy Legal and external counsel (Blake's), recommend TB/MBC approve the terms of the Guarantee as set out in the term sheet and further detailed in the draft guarantee document to be provided by OPG.

OTHER FINANCING/ACCOUNTING RISKS TO BE RESOLVED

Commingling Risk:

- Refers to the risk associated with unrated/below investment grade Local Distribution Companies (LDCs) not remitting collections from ratepayers to the IESO.
- IESO to provide either a Letter of Credit or assume responsibility for this risk amounting to the expected Clean Energy Adjustment from these LDCs over the

next 45-60 days. OPG estimates the Letter of Credit to be approximately $50 million.
- IESO expressed concerns both from a mandate and accounting perspective on issuing either a Letter of Credit or assuming responsibility for the commingling risk.

Warehouse Takeout Risk:

- Refers to the risk associated with the Financing Entity unable to issue debt in order to pay down the short term financing provided by its banks.
- There may be potential costs to the ratepayer in the form of higher interest rates from the step–up pricing clause in the Financing Entity's agreement with the banks providing the short term financing.

NEXT STEPS

- MOF Legal, Energy Legal and external counsel (Blake's) to review term sheet and draft guarantee document
- OPG/IESO to consider outstanding financing/accounting issues
- TB/MBC decision on Provincial Guarantee (September TBC)

Ontario Financing Authority
August 15, 2017

FW_ Rate Mitigation Implementation Meeting - Au...(2).pdf

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
To: McKinlay, Tom (ENERGY); Rehob, James (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - August 10, 2017
Date: August 15, 2017 4:18:00 PM
Attachments: Provincial Guarantee and Other Financing Issues (OFA) 08152017.docx

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fyi

(I don't know what meeting is referred to below.)

-----Original Message-----
From: Katona, Keley (MOF)
Sent: August-15-17 3:36 PM
To: Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc: Cox, Hilary (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - August 10, 2017

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Sent: August 9, 2017 8:19 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); "jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); 'David Barrett'
Subject: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

Provincial Guarantee and Other Financing Issu_1.pdf

PROVINCIAL GUARANTEE AND OTHER FINANCING ISSUES

ISSUE

To support the Fair Hydro Plan, OPG is requesting that the Government of Ontario provide a guarantee to the OPG Financing Entity and prospective debt holders such that the funding obligations of the Financing Entity will be met by the Province under certain circumstances.

TERMS OF THE GUARANTEE

Events that would activate the Provincial Guarantee:

- Decisions by the Legislative Assembly, i.e., repeal of the Ontario Fair Hydro Plan Act, 2017, or amendments that adversely affect the OPG Financing Entity;
- A court decision that declares any funding obligations of the Financing Entity to be unenforceable; and
- Changes to the organization, structure or operations of IESO adversely impacting the Financing Entity.

Guarantee:

- The Province would take over the obligations of the Financing Entity including principal and interest payments on debt issued to date and any outstanding payments to service providers (i.e., trustees, auditors).
- The Provincial guarantee will continue until all obligations of the Financing Entity are fully discharged.

Recommendation:

- Pending review by MOF Legal, Energy Legal and external counsel (Blake's), recommend TB/MBC approve the terms of the Guarantee as set out in the term sheet and further detailed in the draft guarantee document to be provided by OPG.

OTHER FINANCING/ACCOUNTING RISKS TO BE RESOLVED

Commingling Risk:

- Refers to the risk associated with unrated/below investment grade Local Distribution Companies (LDCs) not remitting collections from ratepayers to the IESO.
- IESO to provide either a Letter of Credit or assume responsibility for this risk amounting to the expected Clean Energy Adjustment from these LDCs over the

next 45-60 days. OPG estimates the Letter of Credit to be approximately $50 million.
- IESO expressed concerns both from a mandate and accounting perspective on issuing either a Letter of Credit or assuming responsibility for the commingling risk.

Warehouse Takeout Risk:

- Refers to the risk associated with the Financing Entity unable to issue debt in order to pay down the short term financing provided by its banks.
- There may be potential costs to the ratepayer in the form of higher interest rates from the step–up pricing clause in the Financing Entity's agreement with the banks providing the short term financing.

NEXT STEPS

- MOF Legal, Energy Legal and external counsel (Blake's) to review term sheet and draft guarantee document
- OPG/IESO to consider outstanding financing/accounting issues
- TB/MBC decision on Provincial Guarantee (September TBC)

Ontario Financing Authority
August 15, 2017

FW_ Rate Mitigation Implementation Meeting - Au...(3).pdf

From: Edwards, Matthew (ENERGY)
To: Bradbeer, Linda (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - August 24, 2017
Date: August 23, 2017 10:15:01 PM
Attachments: 2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx
Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx
2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

FYI

_____

From: Schlaepfer, Martin (ENERGY)
Sent: Wednesday, August 23, 2017 6:50 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Chander, Sunita (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); "jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)
Subject: Rate Mitigation Implementation Meeting - August 24, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017-07-11 Consolidated - OFHP Matrix - Week _5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

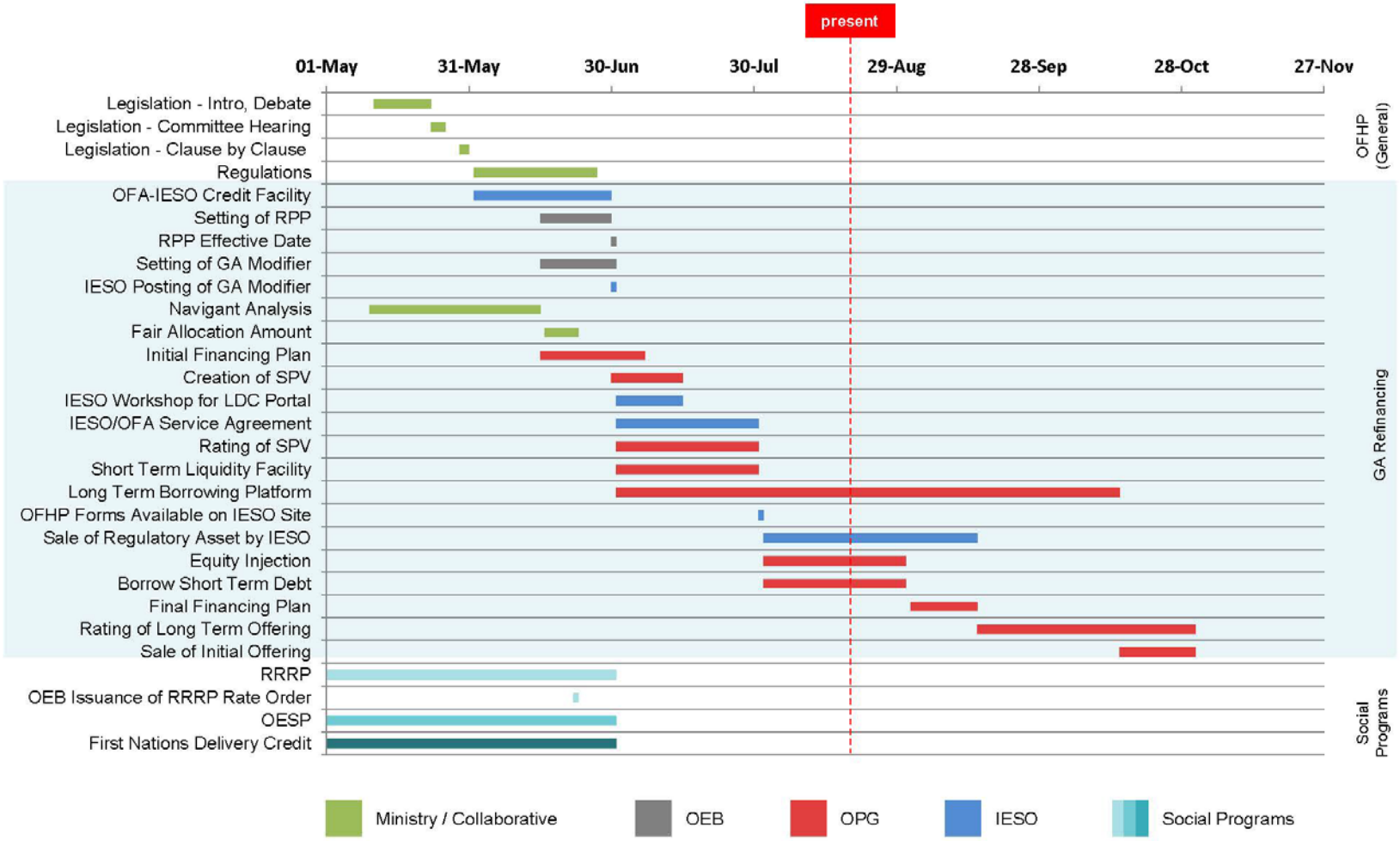
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 26 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__6.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Provincial Guarantees (OFA/OPG)
    - o Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Rate Mitigation Implementation Meeting - Au...(4).pdf

From:	Hume, Steen (ENERGY)
To:	Cayley, Daniel (ENERGY)
Cc:	Teixeira, Wanda (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - August 24, 2017
Date:	August 24, 2017 7:59:04 AM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx 2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

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FYI

From: Schlaepfer, Martin (ENERGY)
Sent: August 23, 2017 6:51 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Chander, Sunita (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)
Subject: Rate Mitigation Implementation Meeting - August 24, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017-07-11 Consolidated - OFHP Matrix - Week _6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
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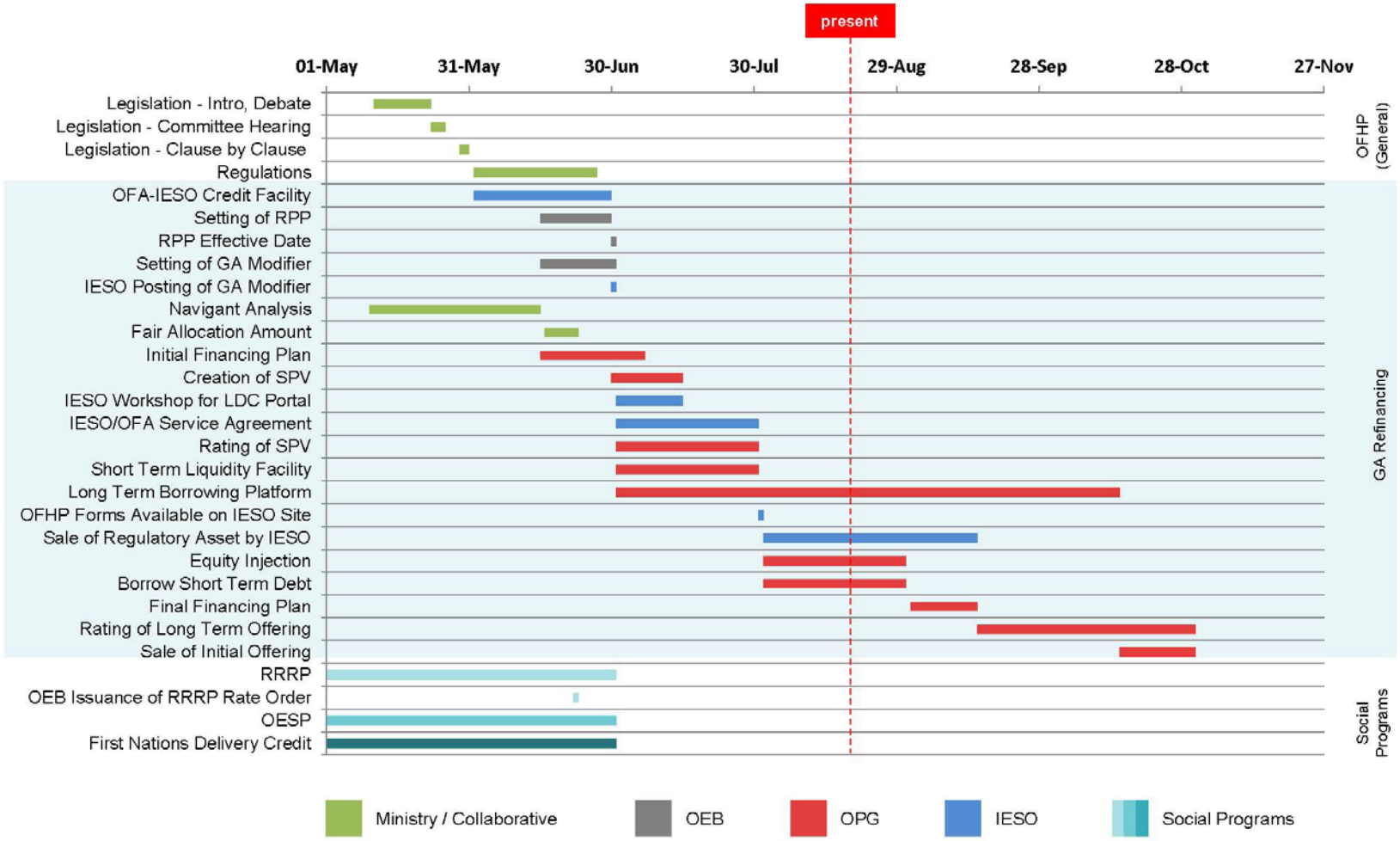
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • Third-party hired to undertake electronic search of records • TBS advises that AG is tracking 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__7.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Provincial Guarantees (OFA/OPG)
    - o Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_4.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Rate Mitigation Implementation Meeting - Au...(5).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Thouin, Alena (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - August 31, 2017
Date:	August 31, 2017 8:29:00 AM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx Fees Rider 28 August 2017.docx 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx

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For this morning's meeting.

From: Schlaepfer, Martin (ENERGY)
Sent: August-30-17 8:21 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS); Michael Boll
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)
Subject: Rate Mitigation Implementation Meeting - August 31, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017-07-11 Consolidated - OFHP Matrix - Week _7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 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 o Supporting Agreement (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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Supporting Agreement (TBD) • Late November 2017 – OPG Financing (TBD)

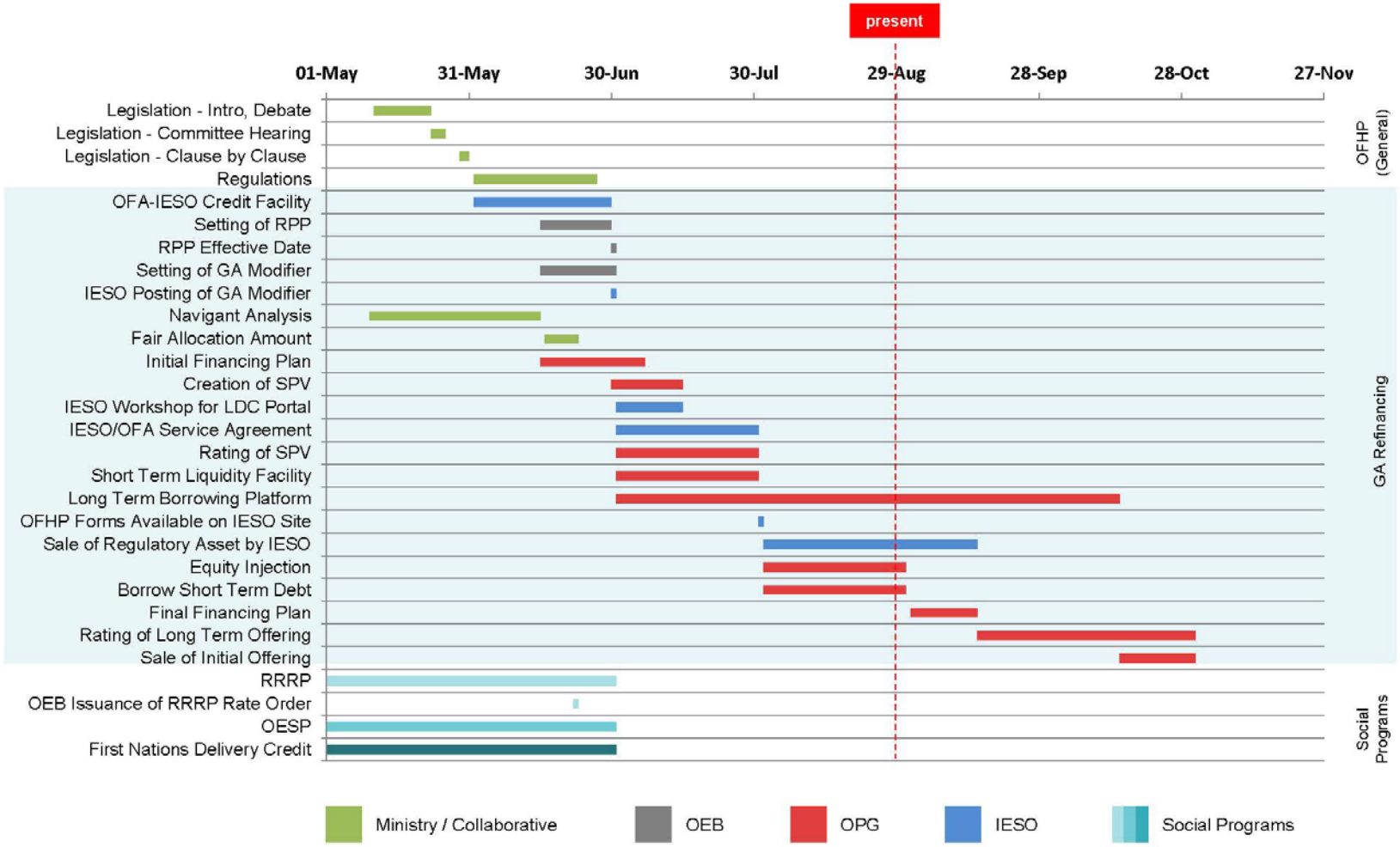
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__8.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 31, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Fees Rider 28 August 2017.pdf

FEES RIDER – subs. 19 (3) of the Act – August 28, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.

(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of all tranches of incremental annual funding obligations,

B = the forecasted weighted interest rate of incremental annual funding obligations, and

C = the actual weighted interest rate of incremental annual funding obligations.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year, including senior debt and subordinated debt.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (5% × the incremental annual funding obligations), or

2. less than -1% of (5% × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (1).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

Note: Draft language provided for the purpose of instructions to Ontario Legislative Counsel. Final content of regulation is subject to drafting by OLC.

5.(1) Section 3 applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

2017 Outstanding Business Issues - Week of A_5.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

FW_ Rate Mitigation Implementation Meeting - Au....pdf

From:	Feather, Adam (ENERGY)
To:	Smith, Mike (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - August 10, 2017
Date:	August 10, 2017 8:52:00 AM
Attachments:	2017 Consolidated - OFHP Matrix - Week of August 8.docx 2017 Outstanding Business Issues - Week of Aug 8.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 10.docx

Materials.

From: Schlaepfer, Martin (ENERGY)
Sent: August 9, 2017 8:19 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 Consolidated - OFHP Matrix - Week of Aug.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 8, 2017

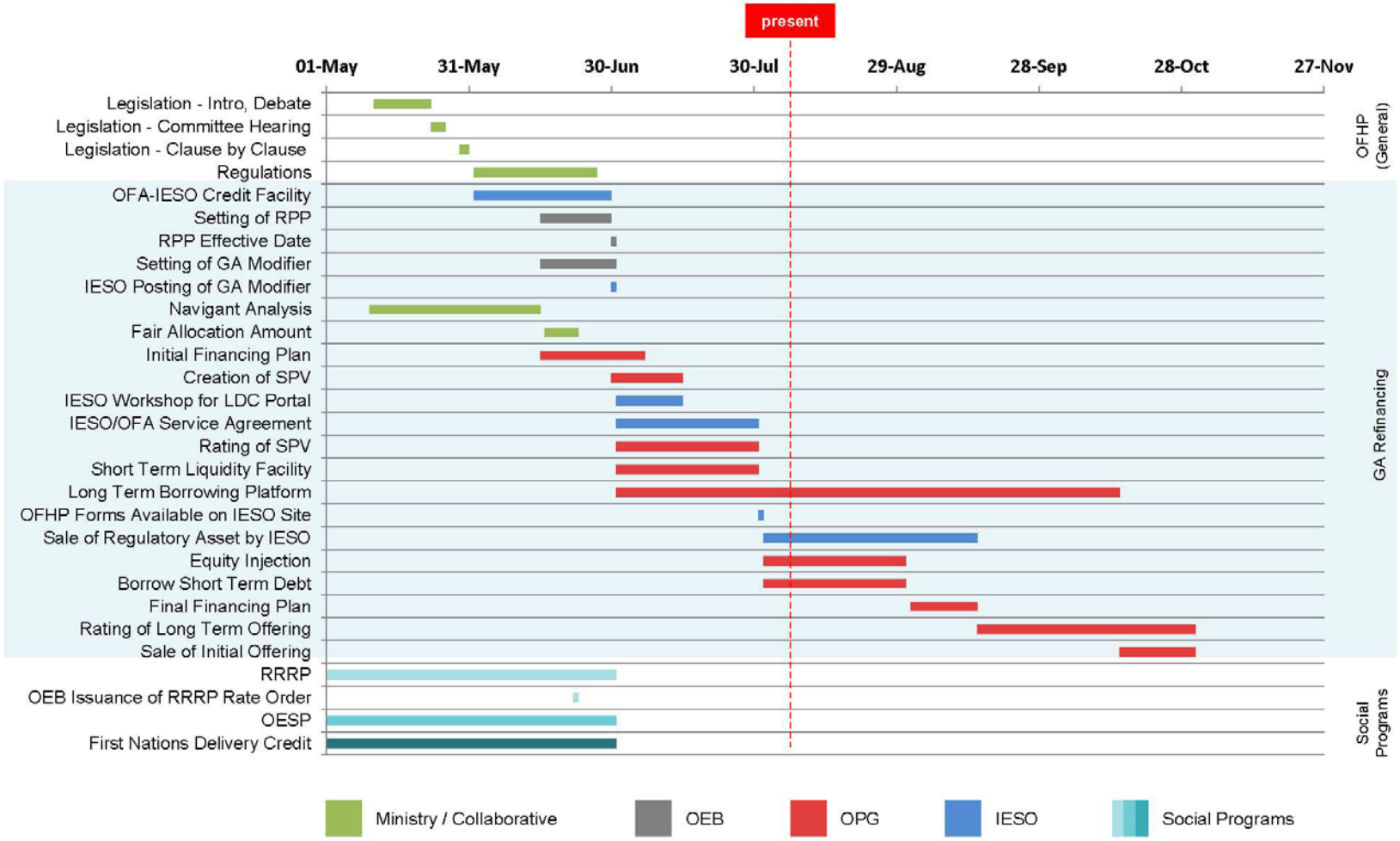
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 Outstanding Business Issues - Week of A_6.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Agenda_Weekly Rate Mitig Implmentation Group__9.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 10, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) August 16th Meeting
    - o Provincial Guarantee Update

3) AG Update

4) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

FW_ Rate Mitigation Implementation Meeting - Ju...(1).pdf

From:	Hume, Steen (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - June 1, 2017
Date:	June 2, 2017 8:26:00 AM
Attachments:	Action Items_June 1.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx

Good morning. If we haven't started already, can we get an updated matrix for end of day.

Should incorporate feedback from divisions and action items list.

Thank you,

From: Schlaepfer, Martin (ENERGY)
Sent: June-01-17 7:55 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 1, 2017

Please find attached the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 31, 2017 7:03 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 1_5.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

Consolidated - OFHP Matrix - Week of May 29 C.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

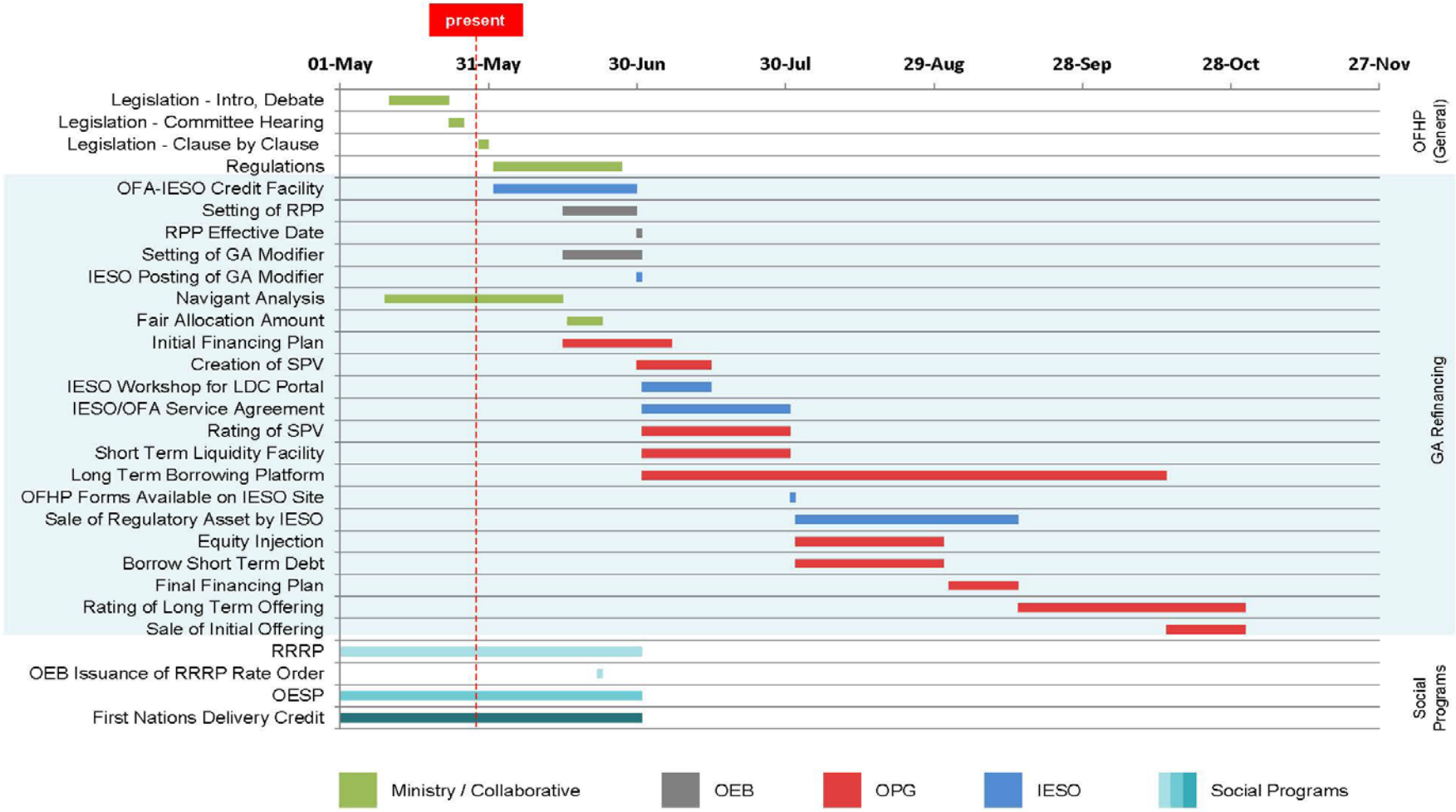
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Implementation Meeting - Ju...(2).pdf

From: Feather, Adam (ENERGY)
To: Chander, Sunita (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - June 8, 2017
Date: June 9, 2017 5:32:00 PM

FYI

From: Schlaepfer, Martin (ENERGY)
Sent: June-09-17 5:32 PM
To: Hume, Steen (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Great. That sounds like a packed agenda.

I've shared the TB / LRC submissions and regulations with the MO, so I suspect we'll hear from Andrew over the weekend.

From: Hume, Steen (ENERGY)
Sent: June 9, 2017 5:28 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Hi. We might want to talk about the TB / LRC submissions and the regulations. I suspect edits will come in over the weekend.

I might also have an updated Matrix. And finally, the Minister's briefing on Tuesday.

A few things. Steen

From: Schlaepfer, Martin (ENERGY)
Sent: June-09-17 5:25 PM
To: Hume, Steen (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Thanks, Steen. I agree let's use some of our time on Monday to discuss this with the DM and COS before responding.

Do we have anything else we can table on Monday?

Martin

From: Hume, Steen (ENERGY)
Sent: June 9, 2017 5:22 PM

To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Hi Martin: per our discussion, attached is the TB chart I mentioned. I've added an additional column for ENERGY comments and reorganized the items, but the content in the attached is TBS.

Before we fill it out, we might want to talk to the DM and COS on Monday about it.

Thanks, Steen

From: Schlaepfer, Martin (ENERGY)
Sent: June-09-17 12:53 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - June 8, 2017

Hey, TBS thinks there is a request for Energy to send back our timeline re: the report backs to TB. This doesn't ring a bell to me, but maybe this has come up in your conversations with them. Are we working on something?

From: Veinot, Cindy (TBS)
Sent: June 9, 2017 12:33 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Hosick, Sarah (TBS)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Hi Martin – There is also a request for Energy to send back their timeline re: the report backs to TB (the word doc table handed out at last week's meeting). I don't think that is the same thing as the roadmap that you have noted, so it should be on the agenda for the next meeting if not sent through by then.

Thanks,

Cindy

From: Schlaepfer, Martin (ENERGY)
Sent: June 8, 2017 7:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY';

Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Hi everyone,

Attached are the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: June 7, 2017 8:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

FW_ Rate Mitigation Implementation Meeting - Ju...(3).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Barbaro, Rachel (ENERGY)
Cc:	Evans, Karen (ENERGY); Lyon, Sam (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - June 22, 2017
Date:	June 21, 2017 8:40:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 22.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx 2017 06 22 Business Issues v02.docx

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Hi Rachel,

I just wanted to confirm that we were all lined up to show the ad at the start of the meeting tomorrow morning? As you will see in the attached agenda we have the ad as the first item.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: June 21, 2017 8:39 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - June 22, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__10.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 22, 2017

Agenda

1) OFHP ADs

2) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (OFA / IGS)

3) AG
    - Recent Activities / Requests (All)

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 19__3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

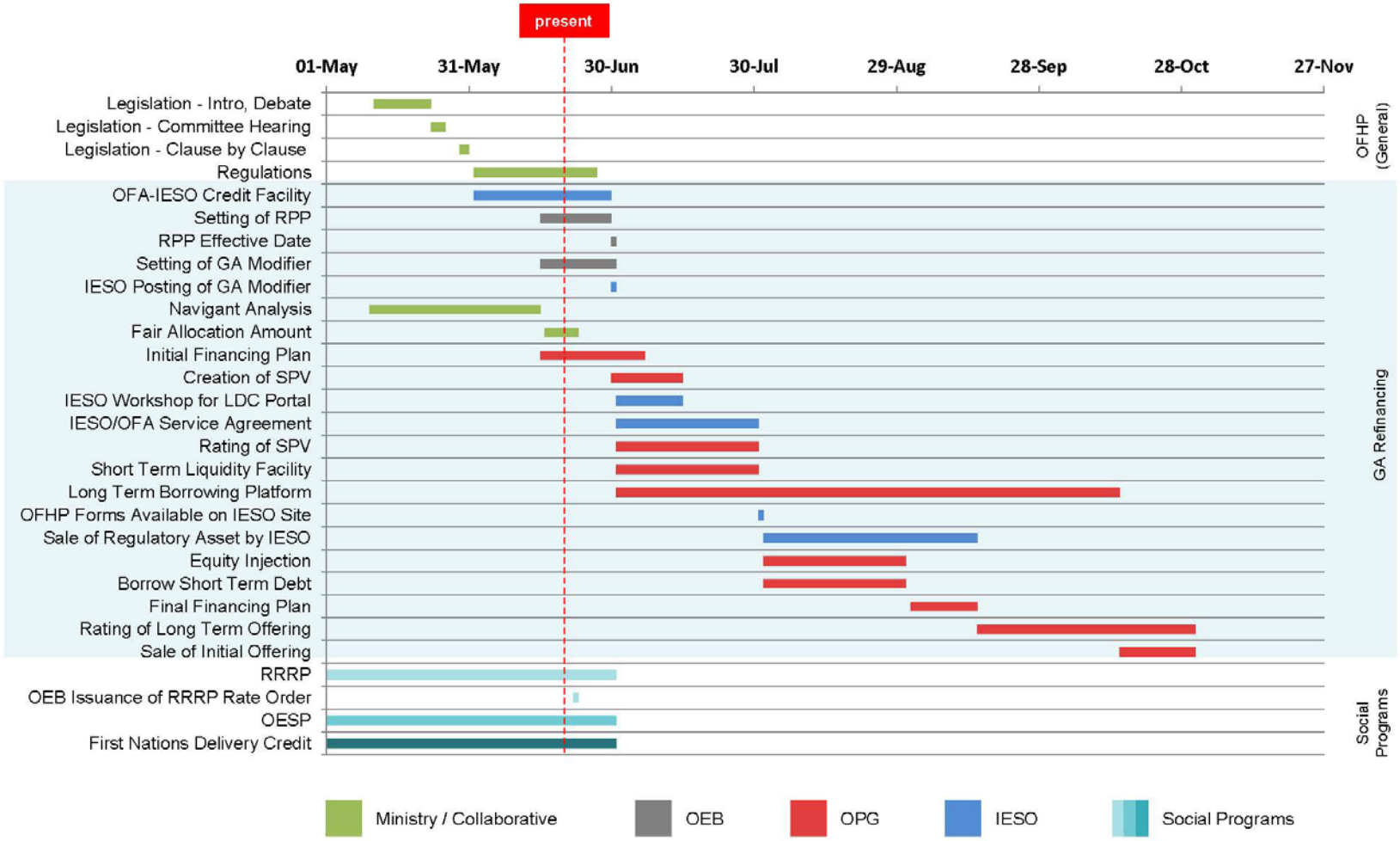
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to

Item	Key Deliverables / Considerations	Timing / Next Steps
	accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	AG • June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	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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2017 06 22 Business Issues v02.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Rate Mitigation Implementation Meeting - Ju...(4).pdf

From: Teliszewsky, Andrew (ENERGY)
To: Schlaepfer, Martin (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: FW: Rate Mitigation Implementation Meeting - June 22, 2017
Date: June 25, 2017 3:26:12 PM
Attachments: Action Items_June 22.docx

Good Afternoon:

Several updates from my end:

A. Spoke with Finance MO and underscored the need to have the issue of S.28 / Indemnity resolved within the next few days. They agreed and promised that things are tracking well on their end for their Minister's review / approval on Wednesday. To that end, wondering if we could please have all appropriate documents for Minister Thibeault to execute on Tuesday (after Cabinet is fine); given that 27 June is his only day in Toronto this week.
B. Would also like to craft a cover letter in plain language to both Chairs (IESO and OPG) as part of the official transmission of these indemnities. To that end, would it please be possible to get correspondence drafted for CoS review for early Tuesday (morning) please?
C. Had a call with OPG Chair and CEO regarding the outstanding business issues on the fair allocation / regulation / provincial guarantees / what they actually need versus what they think they would like to have. Let's make sure we discuss tomorrow during OFHP update meeting.

Many thanks, in advance.

Andrew Teliszewsky

Chief of Staff | Office of Hon. Glenn Thibeault
Ministry of Energy
andrew.teliszewsky@ontario.ca
416-327-3550 (o)
416-436-6370 (m)

From: Schlaepfer, Martin (ENERGY)
Sent: June-23-17 10:34 AM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS); Evans, Karen (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: RE: Rate Mitigation Implementation Meeting - June 22, 2017

Hi everyone,

Attached are the action items from yesterday's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: June 21, 2017 8:39 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Subject: Rate Mitigation Implementation Meeting - June 22, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 22_2.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – Communication product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Next turn going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs

    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back
        - OPG legal agreements in progress
            - OPG to provide a detailed list of legal agreements to Ministry
        - OEB releasing RPP prices June 22, 2017 / Noon, as well as RRRP amounts

    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief its Minister on Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with equity injection process, but OFA would coordinate on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG
        - AG to provide opinion on August 18, 2017
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to its Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review

FW_ Rate Mitigation Implementation Meeting - Ju...(5).pdf

From: Schlaepfer, Martin (ENERGY)
To: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: FW: Rate Mitigation Implementation Meeting - June 22, 2017
Date: June 27, 2017 1:20:26 PM

Hi Carolyn,

I am assuming we would wait to share the indemnities with IESO and OPG until after we have Sec. 28 approval?

Also, are you planning to craft transmittal memos?

Thanks,
Martin

From: Teliszewsky, Andrew (ENERGY)
Sent: June 27, 2017 12:54 PM
To: Schlaepfer, Martin (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: Re: Rate Mitigation Implementation Meeting - June 22, 2017

Good Afternoon:

Just wondering - did we get these documents? The Indemnity as well as draft "cover letters" to both IESO and OPG Board Chair, please?

Andrew

From: Teliszewsky, Andrew (ENERGY)
Sent: Sunday, June 25, 2017 3:26 PM
To: Schlaepfer, Martin (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: FW: Rate Mitigation Implementation Meeting - June 22, 2017

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Several updates from my end:

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allocation / regulation / provincial guarantees / what they actually need versus what they think they would like to have. Let's make sure we discuss tomorrow during OFHP update meeting.

Many thanks, in advance.

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Chief of Staff | Office of Hon. Glenn Thibeault
Ministry of Energy
andrew.teliszewsky@ontario.ca
416-327-3550 (o)
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Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
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Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - June 22, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

FW_ Rate Mitigation Implementation Meeting - Ju...(6).pdf

From:	Hume, Steen (ENERGY)
To:	Hume, Steen (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - July 13
Date:	July 14, 2017 5:53:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx Agenda_Weekly Rate Mitig Implmentation Group_July 13.docx 2017-07-12 Bill Presentment Presentation v01.pptx

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From: Armstrong, Hillary (ENERGY)
Sent: July 12, 2017 6:52 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com'; HARTWICK Ken - FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Kim Marshall (Kim.Marshall@ieso.ca); Angus, Helen (TBS); Davidson, Steven (CAB); Thompson, Scott (MOF); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); Hughes, Karen (TBS); Veinot, Cindy (TBS); 'LEE John - TREASURY'
Cc: Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); Jordan Penic; Bungaro-Yemec, Francesca (ENERGY); 'Sarah Branco'; Turnevicius, Lorraine; KING Catriona -CORPEXECOPS (catriona.king@opg.com); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Laughton, Patrick (TBS); Edwards, Matthew (ENERGY); David Barrett (david.barrett@ieso.ca)
Subject: Rate Mitigation Implementation Meeting - July 13

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Hillary

On behalf of Martin Shlaepfer

Hillary Armstrong | Long-Term Energy Plan Coordinator
Deputy Minister's Office
Ministry of Energy
Phone: 416-327-6738
E-mail: hillary.armstrong@ontario.ca

2017 07 07 Business Issues v01_7.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

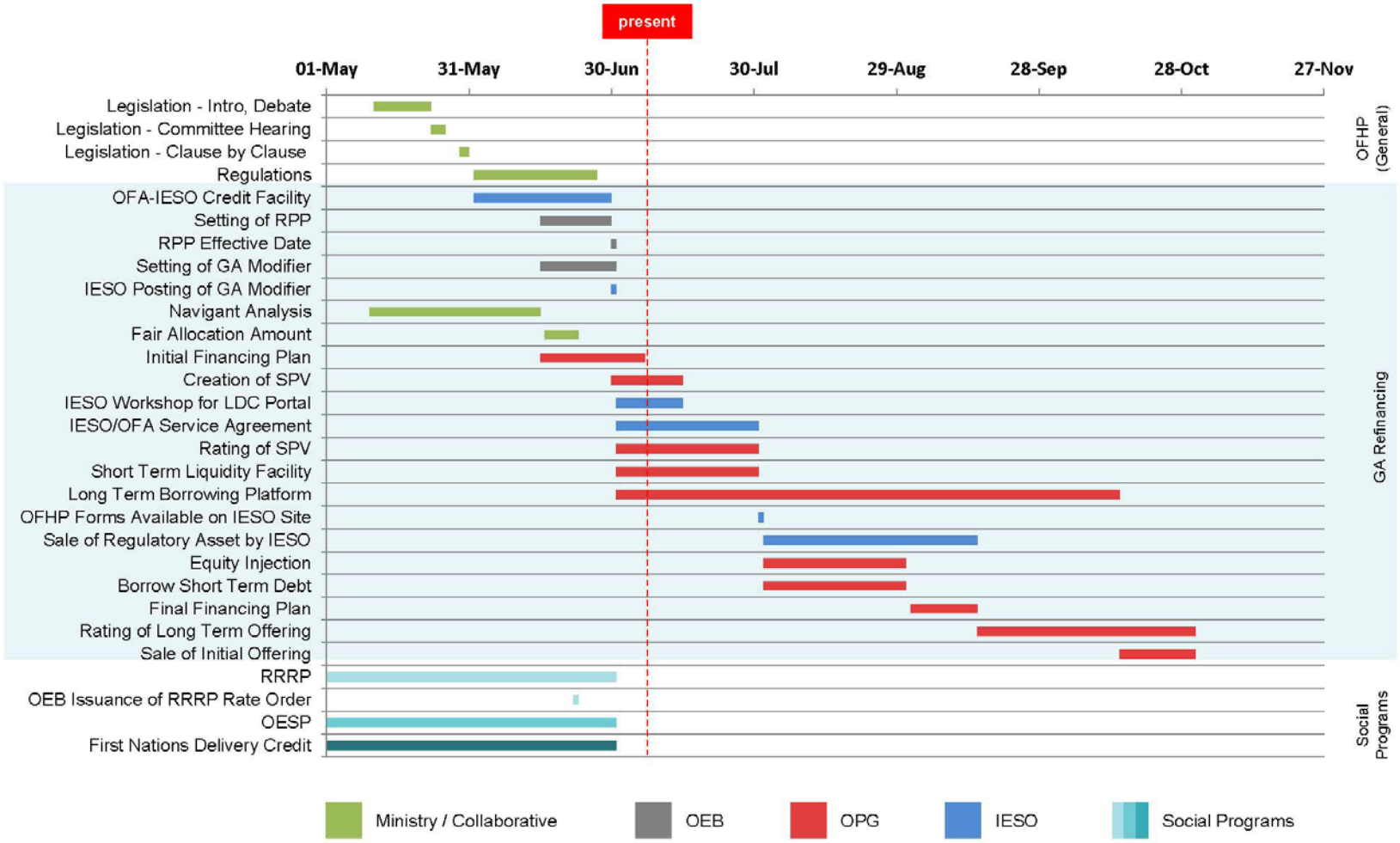
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__11.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 13, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO / OEB)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Bill Presentment – Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-12 Bill Presentment Presentation v01_1.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

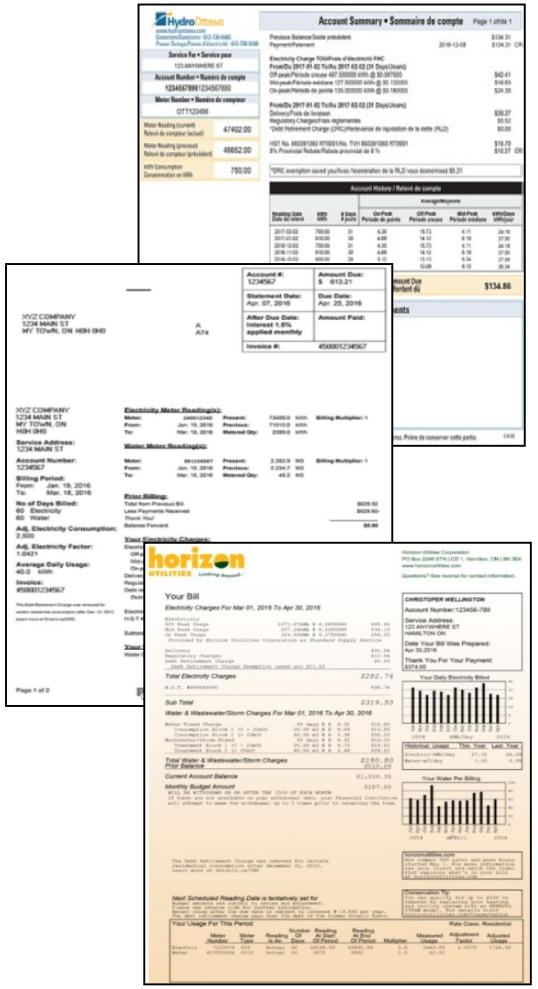
July 2017

Contents

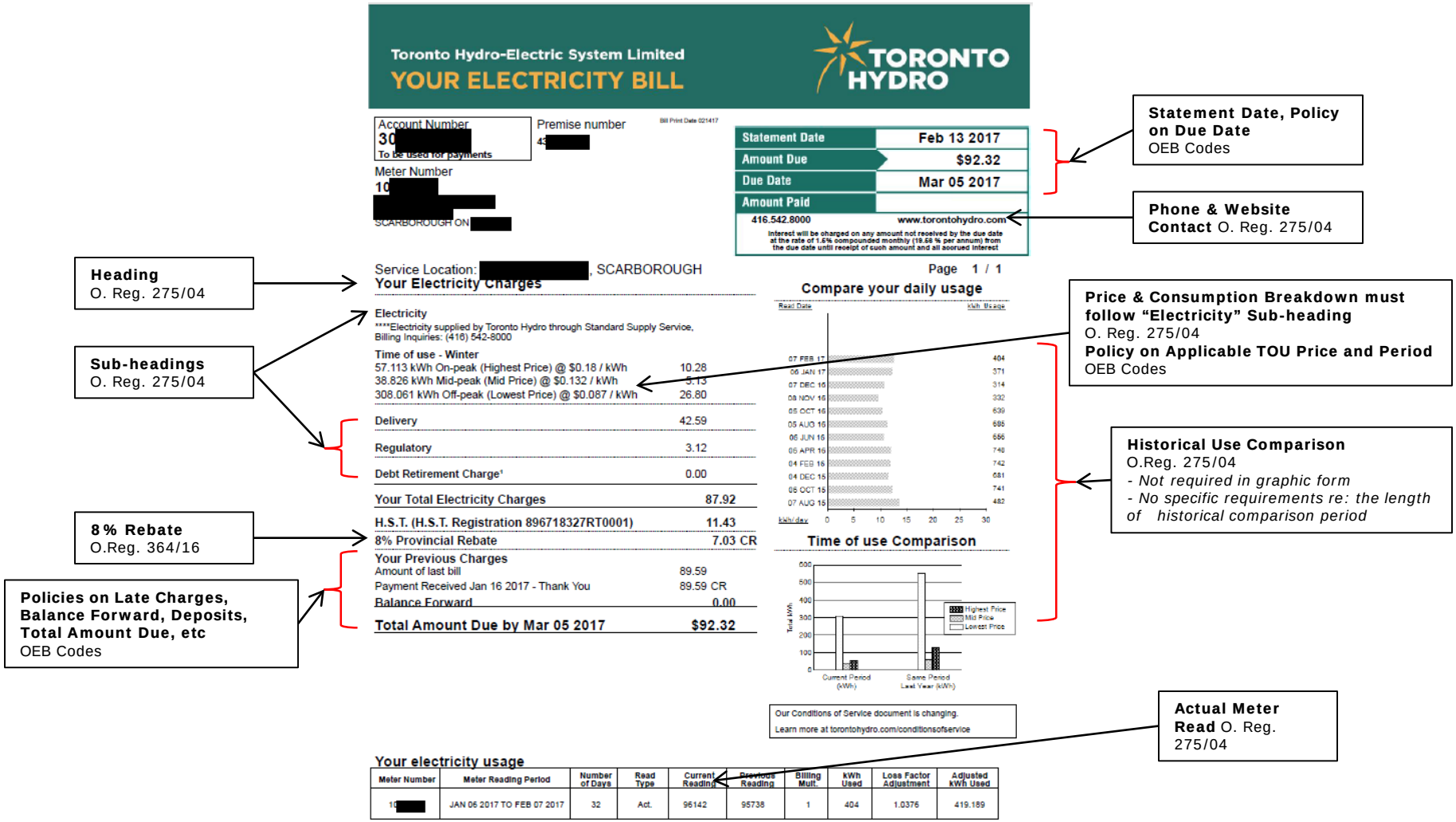
- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (LDC).
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
    - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



Bill Example – Front



Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison
O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

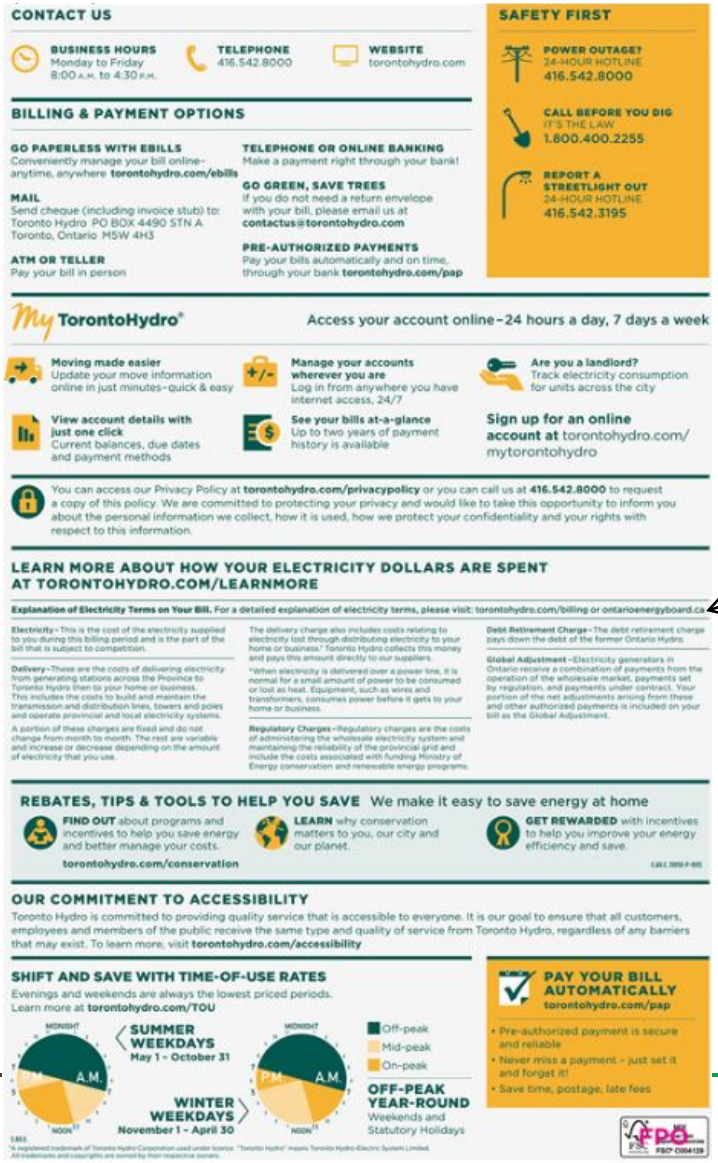
Actual Meter Read O. Reg. 275/04

Bill Example – Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes



CONTACT US

BUSINESS HOURS
Monday to Friday
8:00 A.M. to 4:30 P.M.

TELEPHONE
416.542.8000

WEBSITE
torontohydro.com

SAFETY FIRST

POWER OUTAGE?
24-HOUR HOTLINE
416.542.8000

CALL BEFORE YOU DIG
IT'S THE LAW
1.800.400.2255

REPORT A STREETLIGHT OUT
24-HOUR HOTLINE
416.542.3195

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Toronto, Ontario M5W 4H3

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Make a payment right through your bank!

GO GREEN, SAVE TREES
If you do not need a return envelope with your bill, please email us at **contactus@torontohydro.com**

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Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
Log in from anywhere you have internet access, 24/7

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Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

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You can access our Privacy Policy at **torontohydro.com/privacypolicy** or you can call us at **416.542.8000** to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity – This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery – These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges – Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge – The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment – Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

REBATES, TIPS & TOOLS TO HELP YOU SAVE We make it easy to save energy at home

FIND OUT about programs and incentives to help you save energy and better manage your costs.
torontohydro.com/conservation

LEARN why conservation matters to you, our city and our planet.

GET REWARDED with incentives to help you improve your energy efficiency and save.

OUR COMMITMENT TO ACCESSIBILITY

Toronto Hydro is committed to providing quality service that is accessible to everyone. It is our goal to ensure that all customers, employees and members of the public receive the same type and quality of service from Toronto Hydro, regardless of any barriers that may exist. To learn more, visit **torontohydro.com/accessibility**

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torontohydro.com/pap

- Pre-authorized payment is secure and reliable
- Never miss a payment – just set it and forget it!
- Save time, postage, late fees

Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
  - ✓ include standardized **on-bill OFHP messaging**;
  - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
  - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert

Ontario

ONTARIO'S FAIR HYDRO PLAN

Bringing electricity bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

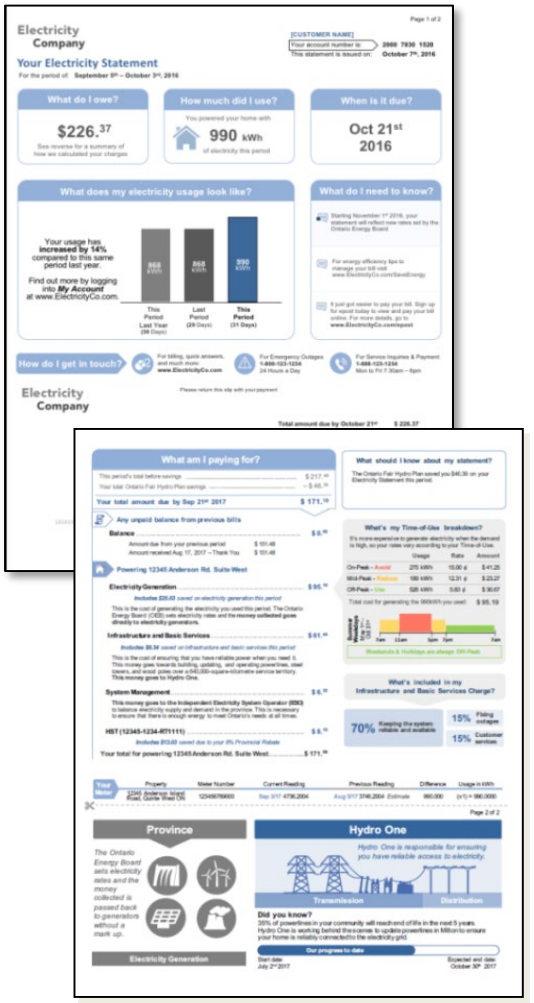
To find out more, visit **ontario.ca/FairHydroPlan**

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
  - Enhancing the customer experience;
  - Better communicating government initiatives and programs;
  - Consolidating the regulatory framework; and
  - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a **"RAP Working Group"** in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a "personalized" message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
    - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
    - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

Pre-July 1, 2017
OFHP Bill Inserts

- Requirement for LDCs to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging revoked from O. Reg. 364/16.
- LDCs voluntarily issue OFHP bill inserts in late June ahead of finalized OFHP regulations (inserts printed by ENERGY).

July 1, 2017
OFHP Required Messaging

- OFHP regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include a FNDC line item, where applicable; and
  4. Remove outdated on-bill messaging (e.g., DRC exemption).
- Hydro One exempted from O. Reg. 275/04 and specified OFHP invoicing requirements.

Aug. – Sept. 2017
RAP Consultations

- ENERGY to convene a RAP Working Group in August, including Hydro One, the EDA, the OEB, the Coalition of Large Distributors, as well as other LDCs and industry assoc.
- ENERGY to seek feedback on changes to bill presentment, regulatory reform, and gather information on behavioural economics, consumer advocacy, and billing system design.

Fall – Winter 2017
RAP Regulatory Amendments

- Following RAP consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- Hydro One to begin rolling out its redesigned electricity bills in Q4 2017.

Winter 2018 –
RAP Implementation

- New/amended invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills to its low volume consumers by Q2 2018.
- New regulations to include ample transition period for LDCs to adopt new regulatory invoicing requirements.

FW_ Rate Mitigation Implementation Meeting - Ju...(7).pdf

From:	Feather, Adam (ENERGY)
To:	Chander, Sunita (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 26, 2017 9:26:00 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

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From: Schlaepfer, Martin (ENERGY)
Sent: July 26, 2017 9:23 AM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - July 27, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 07 07 Business Issues v01_8.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

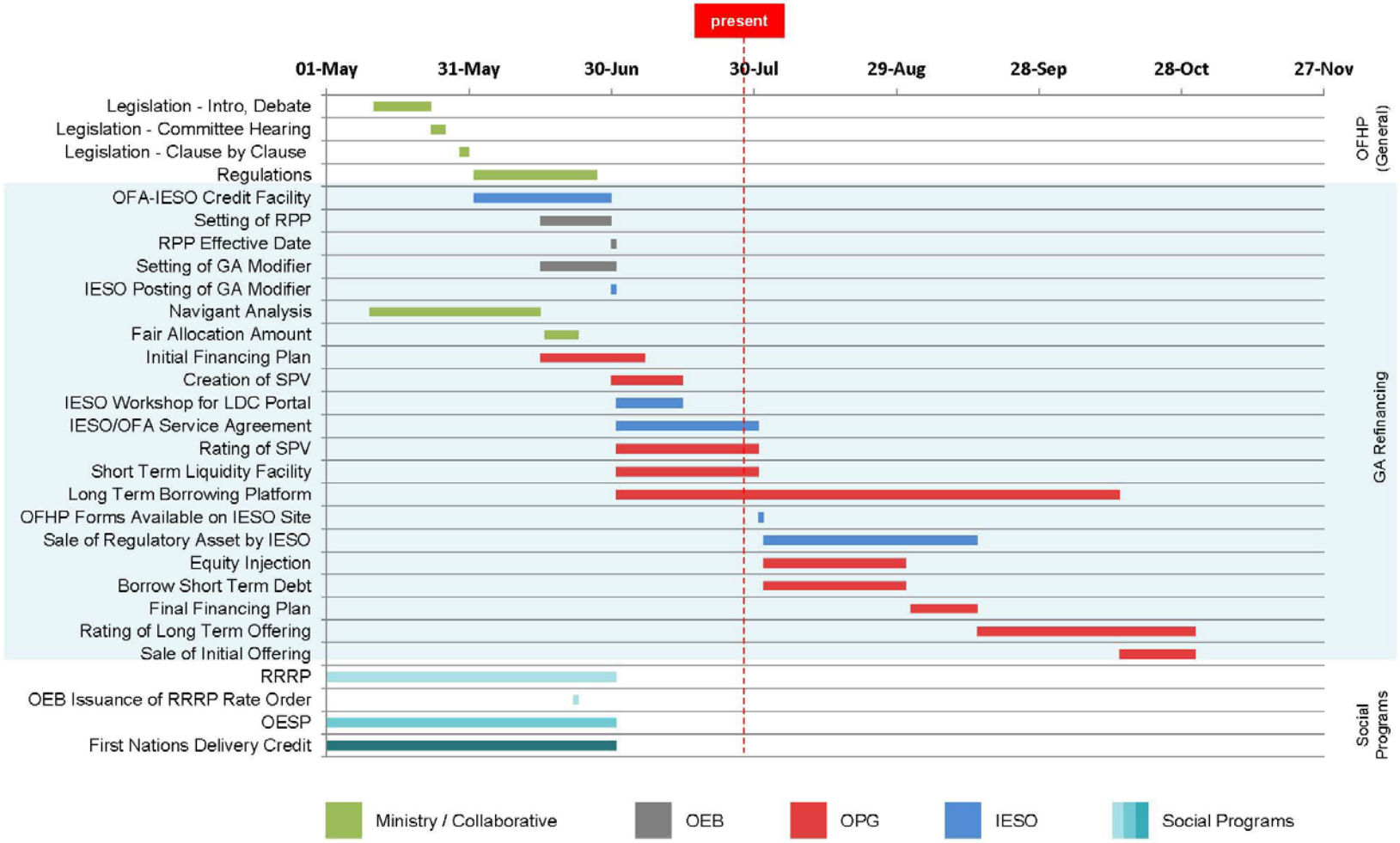
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__12.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

FW_ Rate Mitigation Implementation Meeting - Ju....pdf

From:	Thompson, Erin (ENERGY)
To:	Kitchen, Matthew (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - June 1, 2017
Date:	May 31, 2017 7:13:12 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx 2017 05 31 Outstanding Business Issues Ontario Fair Hydro Plan - v03.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx

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From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Date: Wednesday, May 31, 2017, 7:03 PM
To: Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>, Sermat-Harding, Kaili (ENERGY) <Kaili.Sermat-Harding@ontario.ca>, Reid, Michael (ENERGY) <Michael.Reid@ontario.ca>, Calwell, Carolyn (ENERGY/MEDEI/MRI) <Carolyn.Calwell@ontario.ca>, Nelms, Scott (MOF) <Scott.Nelms@ontario.ca>, "jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)' <jeffrey.lyash@opg.com>, 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)' <ken.hartwick@opg.com>, 'Rosemaire Leclair' <rosemarie.leclair@ontarioenergyboard.ca>, 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)' <maryanne.aldred@ontarioenergyboard.ca>, 'Campbell, Bruce (bruce.campbell@ieso.ca)' <bruce.campbell@ieso.ca>, 'Kim Marshall (Kim.Marshall@ieso.ca)' <Kim.Marshall@ieso.ca>, Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>, Angus, Helen (TBS) <Helen.Angus@ontario.ca>, Davidson, Steven (CAB) <Steven.Davidson@ontario.ca>, 'Martine Band' <Martine.Band@ontarioenergyboard.ca>, 'CROZZOLI Carlo -CBUSDEV&STRT' <carlo.crozzoli@opg.com>, Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>, 'LEE John - TREASURY' <john.s.lee@opg.com>, Hughes, Karen (TBS) <Karen.Hughes@ontario.ca>, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>, Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>, Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>, Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>, MacIntyre, Kyle (TBS) <Kyle.MacIntyre@ontario.ca>, McLean, David (MOF) <David.McLean@ontario.ca>, Foster, Robert (CAB) <Robert.Foster@ontario.ca>, 'jordan.penic@ieso.ca' <jordan.penic@ieso.ca>, 'sarah.branco@ontarioenergyboard.ca' <sarah.branco@ontarioenergyboard.ca>, 'Turnevicius, Lorraine' <lorraine.turnevicius@ieso.ca>, 'catriona.king@opg.com' <catriona.king@opg.com>, Bungaro-Yemec, Francesca (ENERGY) <Francesca.Bungaro-Yemec@ontario.ca>, Feather, Adam (ENERGY) <Adam.Feather@ontario.ca>, Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>, Thompson, Erin (ENERGY) <Erin.Thompson@ontario.ca>
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__13.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 1, 2017

Agenda

1) GA Refinancing
    - Committee Debrief (LSB)
    - Regulation Drafting (Energy / All)
    - Critical Paths (OPG / IESO / OEB)
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017 05 31 Outstanding Business Issues Ontar.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

Provide an overview of a few of the key remaining outstanding business issues that OPG and the Province are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments.
   - **Next Steps:**
     - OPG and OFA have discussed a draft term sheet and the OFA, MOF and Blakes will work together to provide comments
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July.

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers.
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan.
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity.
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
     - Torys prepared a memo on the item
     - Timing: MOF will be setting up a call with tax policy, OPG and Torys to discuss a memo Torys prepared on the item in the next few days

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province.
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT.
    - **Next Steps:**
        - The Ministry of Energy, OFA and OPG are working through the short term mechanics of this process, which will ultimately feed into a Master Subscription Agreement. A draft term sheet is underway.
        - Timing: OPG will require the ability to issue equity in July, so mechanics and agreements should be finalized in June.

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - OPG and OEB are currently working together on a management fee structure that balances the interests of minimizing costs and satisfying accounting consolidation requirements.
    - There are two components to the model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes.
        - Performance management fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount.
    - **Next Steps:**
        - OPG and OEB will bring forward a recommended framework for developing management fees.
        - Timing: TBD

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt

- Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
- OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
- **Next Steps:**
    - OPG and OFA will bring forward a recommended framework for determining interest rates
    - Timing: TBD

6. IESO – Increased OFA Credit Facilities

- THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs.
- There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for.
- In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it.
- IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
- **Next Steps:**
    - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility.
    - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. OPG Indemnity

- OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing.
- Indemnification will need to ensure separation between the Province and OPG is maintained
- **Next Steps:**

- Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing.
- Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
- Timing: If an OIC is required this would be included in the June 27th, 2017 submission

Consolidated - OFHP Matrix - Week of May 29 C_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

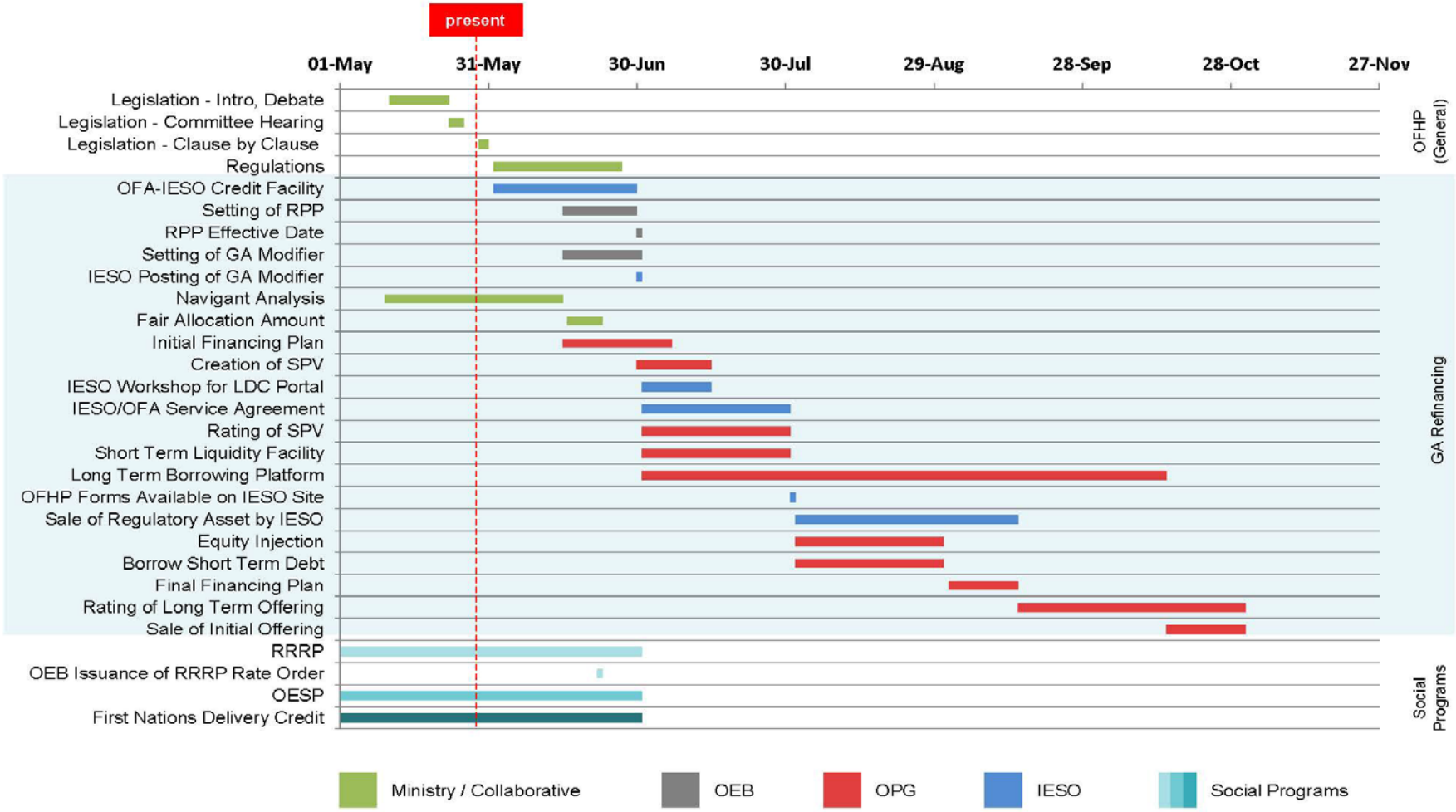
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Implementation Meeting - Ma...(1).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	WILSON, JUDY
Subject:	FW: Rate Mitigation Implementation Meeting - March 9, 2017
Date:	March 8, 2017 5:47:00 PM
Attachments:	OFHP Gov and Delievery Structure - March 9.docx Agenda_Weekly Rate Mitig Implmentation Group_March 9cc.docx 2017-03-08 Consolidated - OFHP Matrix - March 9_v2 ksh.docx

Judy, here are materials for tomorrow's Implementation Group meeting.

From: Katona, Keley (ENERGY)
Sent: March-08-17 5:32 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; McLean, David (MOF); MacIntyre, Kyle (TBS); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY)
Subject: Rate Mitigation Implementation Meeting - March 9, 2017

Good evening,

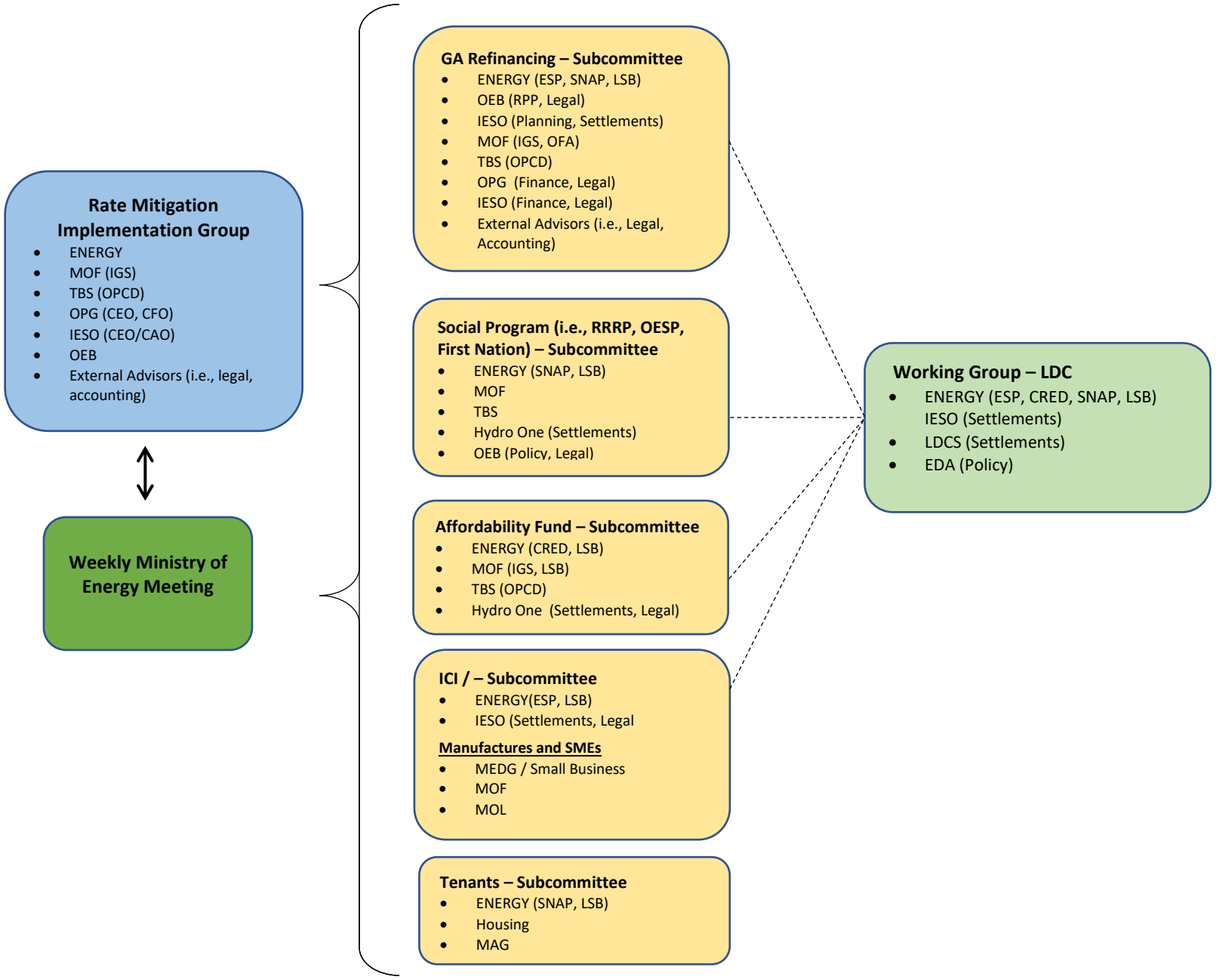
Please find attached material for discussion at tomorrow morning's meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

OFHP Gov and Delievery Structure - March 9.pdf

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Agenda_Weekly Rate Mitig Implmentation Group__14.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 9, 2017

Agenda

1) Governance / Delivery Structure – Overview (ESPD)

2) GA Refinancing
    - Overview of US models (Blakes)
    - OPG Update
    - IESO Update
    - Legislative Drafting (LSB)

3) Affordability Fund (CRED)

4) RRRP, OESP and FN (SNAP)

5) ICI (ESPD)

Notes:

2017-03-08 Consolidated - OFHP Matrix - March.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 6, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB and OEB	• Legislation • Regulation (TBD) <u>Considerations</u> • Reach out to OEB to consider whether surplus funding of ~$100M could be used to increase OESP credits by 50%. Regulation can be updated quickly (need to consider whether posting on EBR is required). • Consider whether revised directive needed to continue having OEB administer program. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**Week of March 6, 2017:** • TBC/MBC approval (March 6th) • CAB approval (March 8th) • Follow up calls with several LDCs and EDA to provide updates and outline proposed principles for the Fund (Ongoing engagement with Hydro One, LSB, OPCD, CSD on principles and establishment of Trust and development of Transfer Payment Agreement (TPA) (including sharing of drafts for comment); **Week of March 13, 2017:** • Hydro One to finalize establishment of Trust by March 17th • Continue development of TPA, including circulating near to final version by March 17th **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st

Item	Key Deliverables / Considerations	Timing / Next Steps
		April to May 2017: • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • RR posting is typically a minimum of 45-days for all regulatory changes affecting business to allow for review/comment. **Note:** RR posting is not a legal requirement but a best practice. • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC [DATE] • Effective May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) FAO Engagement		
• ENERGY, MOF/OFA, FAO	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion.

FW_ Rate Mitigation Implementation Meeting - Ma...(10).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	WONG Leslie -LAWDIV
Subject:	FW: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	May 24, 2017 6:06:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 25.docx OFHP Work Plan.pptx Fair Hydro Act Motions Consultation (May 24 2017) v3.docx Regulations 17 May 2017.docx

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Les, you may see this consultation package from your colleagues who attend the meeting. Work on s. 20 continues – this version of the motion will not go forward. "Readjustment amount" is also being worked on.

I wanted to give you this heads up so the Torys/Oslers/US team doesn't spring to action on false assumptions.

From: Schlaepfer, Martin (ENERGY)
Sent: May-24-17 6:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 25, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__15.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 25, 2017

Agenda

1) GA Refinancing
    - Committee process/motions (LSB)
    - Regulation drafting (LSB)
    - Workplan (ENERGY)
    - Updates (OPG/IESO/OEB)
        - Critical Paths
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Guarantees for dealers (OPG/OFA)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

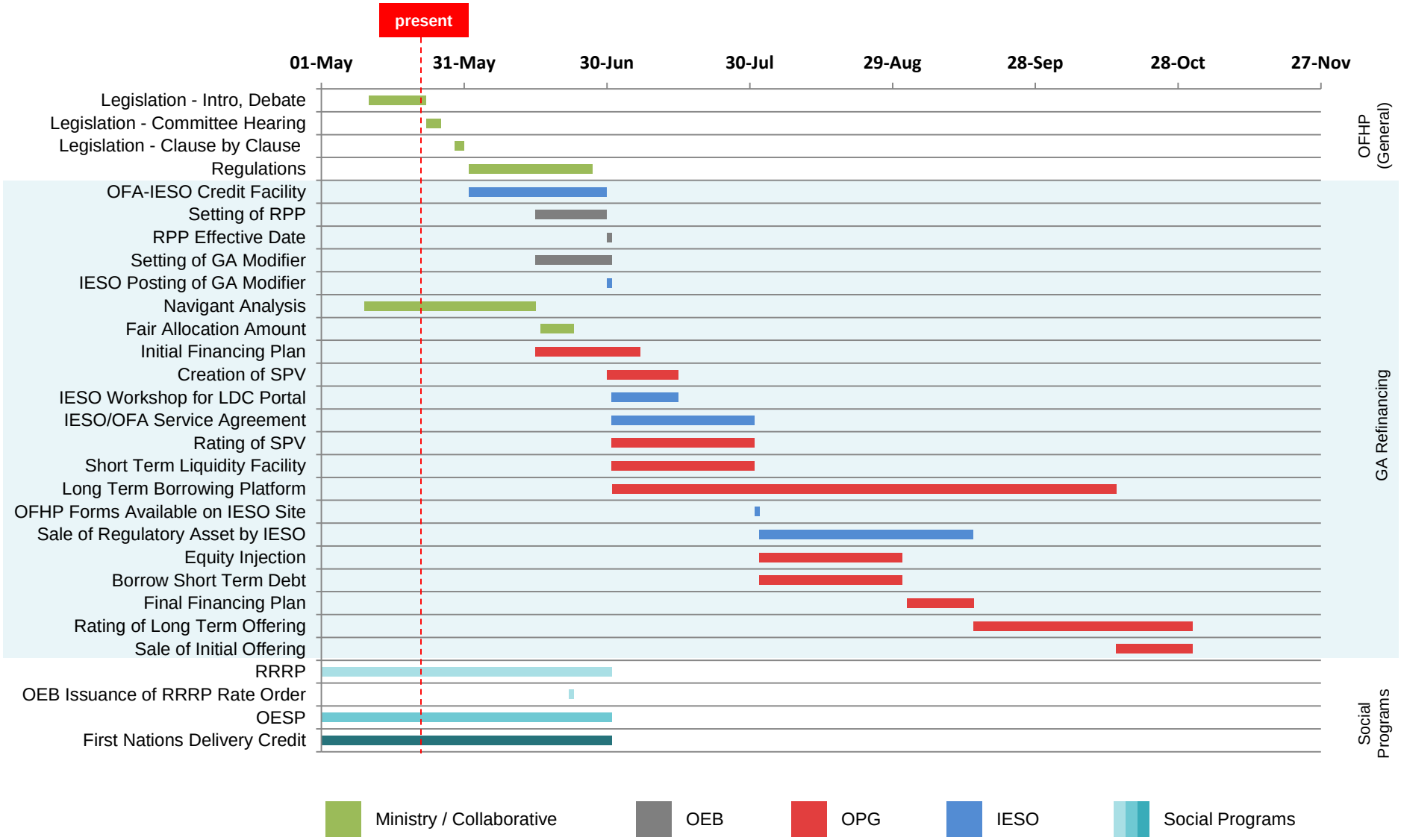
Notes:

OFHP Work Plan.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

Fair Hydro Act Motions Consultation (May 24 2.pdf

Version 3

This confidential draft document is provided for discussion purposes only. It should not be construed as representing the position adopted by the Government of Ontario on any of the topics included or not included in this document. The notes included in this document are intended only to help facilitate a discussion of the topics to which they relate. Any potential legislation is subject to the approval of the Ontario Legislature.

Proposed Bill 132 Draft Motions

Proposed Draft Government Motions

Proposed Draft Bill 132 Motions

Motion 1

Schedule 1 to the Bill, subsection 1 (1)

The following definition is added:

"readjustment amount" means, in respect of a reference period, the amount payable by specified consumers in respect of that reference period as a result of a determination of the Board under Part II to reduce electricity rates [so that the sum of the amount charged to specified consumers and the finance amount is less than] the fair allocation amount in respect of the reference period; ("French")

Proposed Draft Bill 132 Motions

Motion 2

Schedule 1 to the Bill, section 7

Section 7 would be struck out and the following substituted:

Regulated rate consumers, first adjustments

7. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, the electricity rates payable by regulated rate consumers for the period beginning on July 1, 2017 and ending on April 30, 2018 are the rates determined by the Board under this section and in accordance with the regulations.

Determination by Board

(2) The rates mentioned in subsection (1) shall be the rates that would result in a hypothetical regulated rate consumer who meets the prescribed criteria being invoiced a total amount, consisting of such types of amounts as may be prescribed, that is 25 per cent less than the total amount, consisting of such types of amounts as may be prescribed, that the consumer would have been invoiced under the comparison rates described in subsection (3).

Comparison rates

(3) The comparison rates are the rates that would have been effective May 1, 2017 if they had been determined by the Board for the consumer mentioned in subsection (2) using the method prescribed by the regulations made under clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, without taking into account any forecasted impact of any other provisions of this Act.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 3

Schedule 1 to the Bill, section 8

Section 8 would be struck out and the following substituted:

Other specified consumers, first adjustments

8. For the period beginning on July 1, 2017 and ending on April 30, 2018, the adjustments made under section 25.33 of the *Electricity Act*, *1998* shall, with respect to specified consumers who are not regulated rate consumers, be further adjusted by electricity vendors in accordance with the determinations made by the Board in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 4

Schedule 1 to the Bill, section 11

Section 11 would be struck out and the following substituted:

Subsequent adjustments

11. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998* and subject to subsection (2), the Lieutenant Governor in Council may prescribe methodologies to be applied by the Board after April 30, 2018 for the purpose of determining,

(a) electricity rates for regulated rate consumers; or

(b) further adjustments to be applied by electricity vendors, in accordance with the regulations and in accordance with the Board's determinations, to the adjustments made under section 25.33 of the *Electricity Act, 1998* in respect of specified consumers who are not regulated rate consumers.

Regulations

(2) The Lieutenant Governor in Council shall have regard to the following in making the regulations:

1. The purposes of this Act.

2. The clean energy costs borne by specified consumers over time.

3. Such other matters as may be prescribed.

Same

(3) The regulations may prescribe,

(a) different methodologies for different prescribed classes of specified consumers and in respect of different periods of time; and

(b) different adjustments to be applied in respect of prescribed classes of specified consumers who are not regulated rate consumers and in respect of different periods of time.

Proposed Draft Bill 132 Motions

Motion 5

Schedule 1 to the Bill, subsections 12 (2) and (3)

Subsection 12 (2) would be struck out and the following substituted:

Same

(2) If an invoice for the electricity is issued to the person by the specified consumer or a unit sub-meter provider providing unit sub-metering for the specified consumer, the amounts or rates payable for the electricity by the person who is liable to pay the invoice shall be determined in accordance with the regulations.

Same

(3) The regulations may prescribe different amounts or rates for different prescribed classes of specified consumers.

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Proposed Draft Bill 132 Motions

Motion 6

Schedule 1 to the Bill, subsection 13 (2)

Subsection 13 (2) would be struck out and the following substituted:

Same

(2) For greater certainty, subsection (1) applies regardless of whether any estimate, projection or other input used in calculating the clean energy adjustment was erroneous or out of date at the time of the calculation and regardless of whether any of those estimates, projections or other inputs is subsequently amended, updated or corrected.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 7

Schedule 1 to the Bill, section 18

Section 18 would be struck out and the following substituted:

Appointment

18. Ontario Power Generation Inc. is appointed as the Financial Services Manager for the purposes of this Act, unless it is unable or unwilling to do so, in which case the Minister may appoint a different Financial Services Manager in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 8

Schedule 1 to the Bill, section 20

Section 20 would be struck out and the following substituted:

Minister to calculate fair allocation amount

20. (1) Before the first funding obligation is incurred, the Minister shall calculate a fair allocation amount in respect of each reference period as follows:

1. Determine, in accordance with the following steps and the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs to be allocated to specified consumers in respect of the reference period:

    i. Determine the clean energy costs incurred or expected to be incurred in respect of the reference period.

    ii. Determine the clean energy benefits and allocate that value across the prescribed period and each reference period.

    iii. Allocate clean energy costs in respect of reference periods in proportion to such relative attributions of clean energy benefits determined in subparagraph ii.

2. Subject to subsection (2), determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated finance amount in respect of the reference period.

3. Determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs that would have been payable, in the absence of this Act, by specified consumers in respect of the reference period.

4. Determine the amount, if any, by which the sum of the determinations under paragraphs 1 and 2 exceeds the determination under paragraph 3.

5. Calculate the sum of the amount determined under paragraph 4 and such other amounts as may be prescribed in respect of the reference period.

Part II adjustments

(2) If the Board has made a determination under section 9 or 11 in respect of the reference period or in respect of a prior reference period and, as a result of the determination, the prescribed circumstances arise, the Minister shall take the prescribed steps to make the prescribed adjustments to the determination made under paragraph 2 of subsection (1).

Minister's considerations

(3) In calculating a fair allocation amount, the Minister shall have regard to the purposes of this Act and such other matters as may be prescribed.

Minister to report to Financial Services Manager

(4) The Minister shall provide a report setting out the fair allocation amount in respect of each reference period to the Financial Services Manager.

Recalculation

(5) The calculation of a fair allocation amount under this Part may be changed by such person as may be prescribed, subject to the following requirements:

1. The prescribed person shall comply with such requirements as may be prescribed.

2. Subsections (1), (2) and (3) apply to the new calculation, with necessary modifications, as if that person were the Minister.

Same

(5) No change under subsection (5) shall affect any clean energy adjustment that arises as a result of a funding obligation that has been incurred before the change.

Information

(6) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed in accordance with the regulations for the purposes of facilitating a change under subsection (5).

Proposed Draft Bill 132 Motions

Motion 9

Schedule 1 to the Bill, subsection 21 (1)

Subsection 21 (1) would be amended by striking out “for the purposes of acquiring and financing an investment asset” and substituting “for the purposes of a financing entity acquiring and financing an investment interest”.

Proposed Draft Bill 132 Motions

Motion 10

Schedule 1 to the Bill, paragraph 1 of subsection 21 (3)

Paragraph 1 of subsection 21 (3) would be amended by striking out “to reflect determinations of the Board under Part II in respect of the reference period” at the end and substituting “by the amount of any readjustment amount in respect of the reference period”.

Proposed Draft Bill 132 Motions

Motion 11

Schedule 1 to the Bill, subsection 21 (4)

Subsection 21 (4) would be amended by striking out clauses (a) and (b) and substituting the following:

(a) the amounts are payable in respect of a reference period in respect of which the Board has not made any determinations under Part II that resulted in a readjustment amount; or

(b) if the Board has made a determination under Part II in respect of the reference period that resulted in a readjustment amount, the amounts payable in respect of the clean energy adjustment in respect of the reference period do not exceed the fair allocation amount in respect of the reference period after subtracting the readjustment amount.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 12

Schedule 1 to the Bill, subsection 21 (6)

Subsection 21 (6) would be amended by adding “but no such amendment shall affect any clean energy adjustment that has already been determined under section 15 or any funding obligations that have already been incurred before the amendment” at the end.

Proposed Draft Bill 132 Motions

Motion 13

Schedule 1 to the Bill, subsection 22 (3)

Subsection 22 (3) would be amended by striking out “The Financial Services Manager shall not” at the beginning and substituting “Neither the Financial Services Manager nor a financing entity shall”.

Proposed Draft Bill 132 Motions

Motion 14

Schedule 1 to the Bill, section 40.1

The following section would be added:

Compliance and restraining orders
Application to court

40.1 (1) On the application of an investment interest owner, the Superior Court of Justice may make an order described in subsection (2) if it is satisfied that an electricity vendor, the IESO or the Financial Services Manager has failed to comply with or contravened this Act or the regulations or that one of those entities will fail to comply with or will contravene this Act or the regulations.

Order

(2) The Superior Court of Justice may, by order,

(a) direct the electricity vendor, the IESO or the Financial Services Manager to comply with this Act or the regulations;

(b) restrain the electricity vendor, the IESO or the Financial Services Manager from contravening this Act or the regulations; or

(c) require compensation to be provided by the electricity vendor, the IESO or the Financial Services Manager to the investment interest owner.

Same

(3) An application under subsection (1) may be made by an investment asset owner in addition to exercising any other right of the investment interest owner.

Proposed Draft Bill 132 Motions

Motion 15

Schedule 1 to the Bill, paragraph 7 of subsection 41 (1)

Paragraph 7 of subsection 41 (1) would be amended by striking out “a breach under section 29” and substituting “the failure of any person or entity to give effect to the rights and interests provided for under section 29”.

Regulations 17 May 2017.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

FW_ Rate Mitigation Implementation Meeting - Ma...(11).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Rehob, James (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	May 24, 2017 6:09:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 25.docx OFHP Work Plan.pptx Fair Hydro Act Motions Consultation (May 24 2017) v3.docx Regulations 17 May 2017.docx

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fyi

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: May-24-17 6:06 PM
To: WONG Leslie -LAWDIV
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Les, you may see this consultation package from your colleagues who attend the meeting. Work on s. 20 continues – this version of the motion will not go forward. "Readjustment amount" is also being worked on.

I wanted to give you this heads up so the Torys/Oslers/US team doesn't spring to action on false assumptions.

From: Schlaepfer, Martin (ENERGY)
Sent: May-24-17 6:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 25, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__16.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 25, 2017

Agenda

1) GA Refinancing
    - Committee process/motions (LSB)
    - Regulation drafting (LSB)
    - Workplan (ENERGY)
    - Updates (OPG/IESO/OEB)
        - Critical Paths
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Guarantees for dealers (OPG/OFA)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

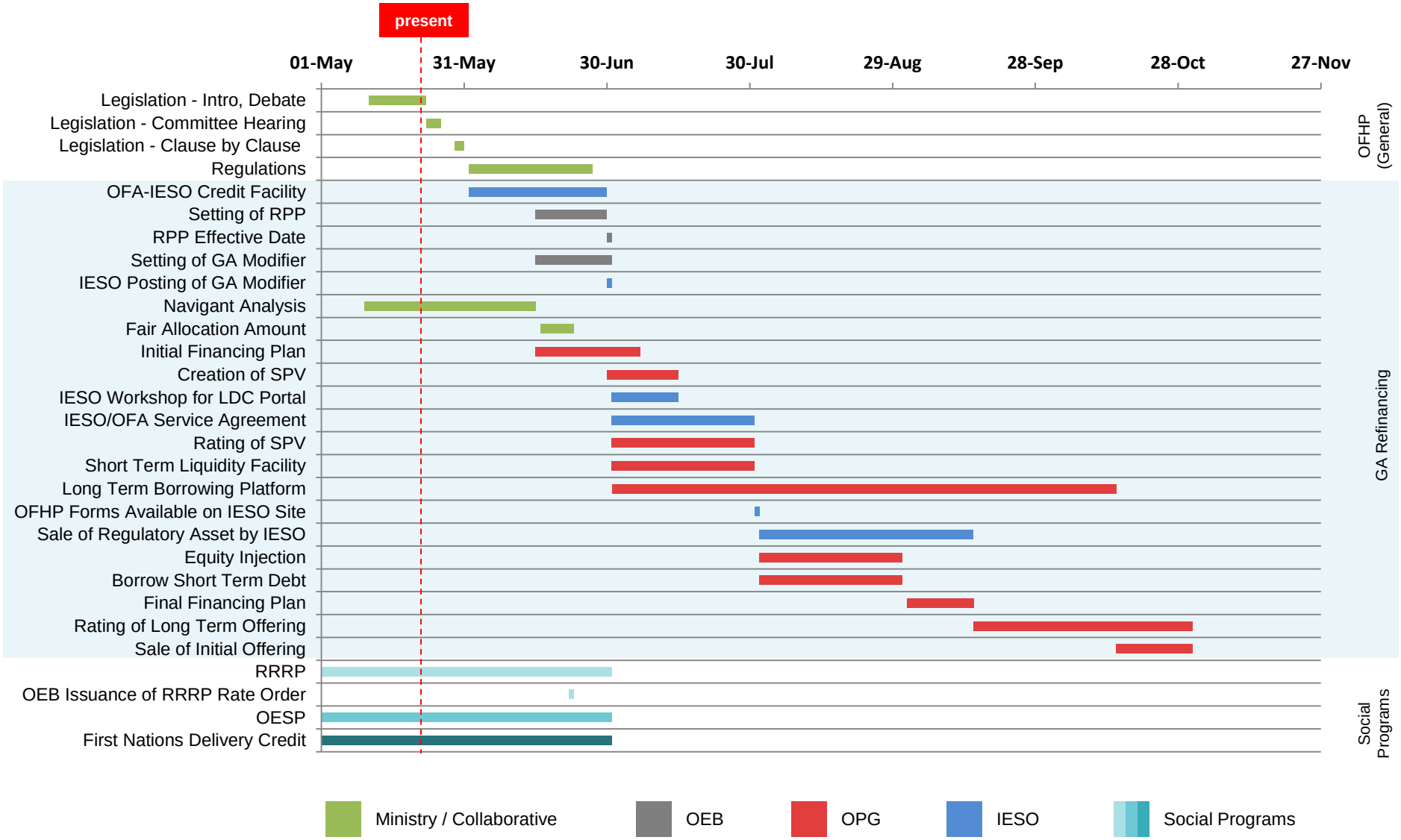
Notes:

OFHP Work Plan_1.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

Fair Hydro Act Motions Consultation (May 24 2_1.pdf

Version 3

This confidential draft document is provided for discussion purposes only. It should not be construed as representing the position adopted by the Government of Ontario on any of the topics included or not included in this document. The notes included in this document are intended only to help facilitate a discussion of the topics to which they relate. Any potential legislation is subject to the approval of the Ontario Legislature.

Proposed Bill 132 Draft Motions

Proposed Draft Government Motions

Proposed Draft Bill 132 Motions

Motion 1

Schedule 1 to the Bill, subsection 1 (1)

The following definition is added:

"readjustment amount" means, in respect of a reference period, the amount payable by specified consumers in respect of that reference period as a result of a determination of the Board under Part II to reduce electricity rates [so that the sum of the amount charged to specified consumers and the finance amount is less than] the fair allocation amount in respect of the reference period; ("French")

Proposed Draft Bill 132 Motions

Motion 2

Schedule 1 to the Bill, section 7

Section 7 would be struck out and the following substituted:

Regulated rate consumers, first adjustments

7. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, the electricity rates payable by regulated rate consumers for the period beginning on July 1, 2017 and ending on April 30, 2018 are the rates determined by the Board under this section and in accordance with the regulations.

Determination by Board

(2) The rates mentioned in subsection (1) shall be the rates that would result in a hypothetical regulated rate consumer who meets the prescribed criteria being invoiced a total amount, consisting of such types of amounts as may be prescribed, that is 25 per cent less than the total amount, consisting of such types of amounts as may be prescribed, that the consumer would have been invoiced under the comparison rates described in subsection (3).

Comparison rates

(3) The comparison rates are the rates that would have been effective May 1, 2017 if they had been determined by the Board for the consumer mentioned in subsection (2) using the method prescribed by the regulations made under clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, without taking into account any forecasted impact of any other provisions of this Act.

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Proposed Draft Bill 132 Motions

Motion 3

Schedule 1 to the Bill, section 8

Section 8 would be struck out and the following substituted:

Other specified consumers, first adjustments

8. For the period beginning on July 1, 2017 and ending on April 30, 2018, the adjustments made under section 25.33 of the *Electricity Act*, *1998* shall, with respect to specified consumers who are not regulated rate consumers, be further adjusted by electricity vendors in accordance with the determinations made by the Board in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 4

Schedule 1 to the Bill, section 11

Section 11 would be struck out and the following substituted:

Subsequent adjustments

11. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998* and subject to subsection (2), the Lieutenant Governor in Council may prescribe methodologies to be applied by the Board after April 30, 2018 for the purpose of determining,

(a) electricity rates for regulated rate consumers; or

(b) further adjustments to be applied by electricity vendors, in accordance with the regulations and in accordance with the Board's determinations, to the adjustments made under section 25.33 of the *Electricity Act, 1998* in respect of specified consumers who are not regulated rate consumers.

Regulations

(2) The Lieutenant Governor in Council shall have regard to the following in making the regulations:

1. The purposes of this Act.

2. The clean energy costs borne by specified consumers over time.

3. Such other matters as may be prescribed.

Same

(3) The regulations may prescribe,

(a) different methodologies for different prescribed classes of specified consumers and in respect of different periods of time; and

(b) different adjustments to be applied in respect of prescribed classes of specified consumers who are not regulated rate consumers and in respect of different periods of time.

Proposed Draft Bill 132 Motions

Motion 5

Schedule 1 to the Bill, subsections 12 (2) and (3)

Subsection 12 (2) would be struck out and the following substituted:

Same

(2) If an invoice for the electricity is issued to the person by the specified consumer or a unit sub-meter provider providing unit sub-metering for the specified consumer, the amounts or rates payable for the electricity by the person who is liable to pay the invoice shall be determined in accordance with the regulations.

Same

(3) The regulations may prescribe different amounts or rates for different prescribed classes of specified consumers.

Proposed Draft Bill 132 Motions

Motion 6

Schedule 1 to the Bill, subsection 13 (2)

Subsection 13 (2) would be struck out and the following substituted:

Same

(2) For greater certainty, subsection (1) applies regardless of whether any estimate, projection or other input used in calculating the clean energy adjustment was erroneous or out of date at the time of the calculation and regardless of whether any of those estimates, projections or other inputs is subsequently amended, updated or corrected.

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Proposed Draft Bill 132 Motions

Motion 7

Schedule 1 to the Bill, section 18

Section 18 would be struck out and the following substituted:

Appointment

18. Ontario Power Generation Inc. is appointed as the Financial Services Manager for the purposes of this Act, unless it is unable or unwilling to do so, in which case the Minister may appoint a different Financial Services Manager in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 8

Schedule 1 to the Bill, section 20

Section 20 would be struck out and the following substituted:

Minister to calculate fair allocation amount

20. (1) Before the first funding obligation is incurred, the Minister shall calculate a fair allocation amount in respect of each reference period as follows:

1. Determine, in accordance with the following steps and the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs to be allocated to specified consumers in respect of the reference period:

    i. Determine the clean energy costs incurred or expected to be incurred in respect of the reference period.

    ii. Determine the clean energy benefits and allocate that value across the prescribed period and each reference period.

    iii. Allocate clean energy costs in respect of reference periods in proportion to such relative attributions of clean energy benefits determined in subparagraph ii.

2. Subject to subsection (2), determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated finance amount in respect of the reference period.

3. Determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs that would have been payable, in the absence of this Act, by specified consumers in respect of the reference period.

4. Determine the amount, if any, by which the sum of the determinations under paragraphs 1 and 2 exceeds the determination under paragraph 3.

5. Calculate the sum of the amount determined under paragraph 4 and such other amounts as may be prescribed in respect of the reference period.

Part II adjustments

(2) If the Board has made a determination under section 9 or 11 in respect of the reference period or in respect of a prior reference period and, as a result of the determination, the prescribed circumstances arise, the Minister shall take the prescribed steps to make the prescribed adjustments to the determination made under paragraph 2 of subsection (1).

Minister's considerations

(3) In calculating a fair allocation amount, the Minister shall have regard to the purposes of this Act and such other matters as may be prescribed.

Minister to report to Financial Services Manager

(4) The Minister shall provide a report setting out the fair allocation amount in respect of each reference period to the Financial Services Manager.

Recalculation

(5) The calculation of a fair allocation amount under this Part may be changed by such person as may be prescribed, subject to the following requirements:

1. The prescribed person shall comply with such requirements as may be prescribed.

2. Subsections (1), (2) and (3) apply to the new calculation, with necessary modifications, as if that person were the Minister.

Same

(5) No change under subsection (5) shall affect any clean energy adjustment that arises as a result of a funding obligation that has been incurred before the change.

Information

(6) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed in accordance with the regulations for the purposes of facilitating a change under subsection (5).

Proposed Draft Bill 132 Motions

Motion 9

Schedule 1 to the Bill, subsection 21 (1)

Subsection 21 (1) would be amended by striking out “for the purposes of acquiring and financing an investment asset” and substituting “for the purposes of a financing entity acquiring and financing an investment interest”.

Proposed Draft Bill 132 Motions

Motion 10

Schedule 1 to the Bill, paragraph 1 of subsection 21 (3)

Paragraph 1 of subsection 21 (3) would be amended by striking out “to reflect determinations of the Board under Part II in respect of the reference period” at the end and substituting “by the amount of any readjustment amount in respect of the reference period”.

Proposed Draft Bill 132 Motions

Motion 11

Schedule 1 to the Bill, subsection 21 (4)

Subsection 21 (4) would be amended by striking out clauses (a) and (b) and substituting the following:

(a) the amounts are payable in respect of a reference period in respect of which the Board has not made any determinations under Part II that resulted in a readjustment amount; or

(b) if the Board has made a determination under Part II in respect of the reference period that resulted in a readjustment amount, the amounts payable in respect of the clean energy adjustment in respect of the reference period do not exceed the fair allocation amount in respect of the reference period after subtracting the readjustment amount.

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Proposed Draft Bill 132 Motions

Motion 12

Schedule 1 to the Bill, subsection 21 (6)

Subsection 21 (6) would be amended by adding “but no such amendment shall affect any clean energy adjustment that has already been determined under section 15 or any funding obligations that have already been incurred before the amendment” at the end.

Proposed Draft Bill 132 Motions

Motion 13

Schedule 1 to the Bill, subsection 22 (3)

Subsection 22 (3) would be amended by striking out “The Financial Services Manager shall not” at the beginning and substituting “Neither the Financial Services Manager nor a financing entity shall”.

Proposed Draft Bill 132 Motions

Motion 14

Schedule 1 to the Bill, section 40.1

The following section would be added:

Compliance and restraining orders
Application to court

40.1 (1) On the application of an investment interest owner, the Superior Court of Justice may make an order described in subsection (2) if it is satisfied that an electricity vendor, the IESO or the Financial Services Manager has failed to comply with or contravened this Act or the regulations or that one of those entities will fail to comply with or will contravene this Act or the regulations.

Order

(2) The Superior Court of Justice may, by order,

(a) direct the electricity vendor, the IESO or the Financial Services Manager to comply with this Act or the regulations;

(b) restrain the electricity vendor, the IESO or the Financial Services Manager from contravening this Act or the regulations; or

(c) require compensation to be provided by the electricity vendor, the IESO or the Financial Services Manager to the investment interest owner.

Same

(3) An application under subsection (1) may be made by an investment asset owner in addition to exercising any other right of the investment interest owner.

Proposed Draft Bill 132 Motions

Motion 15

Schedule 1 to the Bill, paragraph 7 of subsection 41 (1)

Paragraph 7 of subsection 41 (1) would be amended by striking out “a breach under section 29” and substituting “the failure of any person or entity to give effect to the rights and interests provided for under section 29”.

Regulations 17 May 2017_1.pdf

May 17, 2017

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• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

FW_ Rate Mitigation Implementation Meeting - Ma...(12).pdf

From:	Hume, Steen (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI); Christie, Tim (ENERGY)
Cc:	Cox, Hilary (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	June 5, 2017 8:35:54 AM
Attachments:	Clean energy adjustment vs Debt Retirement Charge_May31.docx

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Good morning all. Hope folks had a good weekend.

At last week's OFHP implementation meeting, OFA/Ron tabled the attached. It's a comparison between Clean Energy Adjustment and DRC. Ron/Cindy are planning to share with AG as some point. One of the action items coming out of last week's meeting was for ENERGY to review / fact check the Clean Energy Adjustment content for this week.

Could I ask that folks review and pass on along edits/comments on the OFA doc to Hilary for mid-week.

Thank you, Steen

Clean energy adjustment vs Debt Retirement Ch.pdf

FAIR HYDRO PLAN'S CLEAN ENERGY ADJUSTMENT AND THE OEFC'S DEBT RETIREMENT CHARGE

ISSUE

To provide background and key points in a comparison between the Clean Energy Adjustment (CEA) under the Fair Hydro Plan (FHP) and the Debt Retirement Charge that was implemented to help service and retire the Ontario Electricity Financial Corporation's (OEFC) debt and other liabilities.

Fair Hydro Plan and the Clean Energy Adjustment	**1999 Ontario Hydro Restructuring and the Debt Retirement Charge**
Key Points	
• The Fair Hydro Plan ("FHP") is being established in the context of an almost fully regulated or contracted market. o The Global Adjustment ("GA", a portion of the commodity cost of electricity) deferral portion of the FHP is to more fairly allocate the cost recovery from ratepayers of the cost of certain investments in generation assets and conservation that are expected to last longer than their typically 20-year contract terms.	• The 1999 electricity sector restructuring was under the *Energy Competition Act, 1998*, ("ECA") to move Ontario's electricity sector to a competitive structure, including providing for private sector involvement and a market price for the electricity commodity.
• This GA deferral portion of the FHP is being established under legislation and a regulatory framework, underpinning the establishment of a regulatory asset, with a deferral account for the deferred portion of GA costs and the associated financing costs.	• The Debt Retirement Charge ("DRC") was provided for under legislation; however, it was not under a regulatory structure (e.g., with no role for the OEB), and the Province did not establish a defined deferral account balance or a particular amount to be recovered under the DRC. The DRC was authorized under the Electricity Act, 1998, until the "residual stranded debt" ("RSD") was retired, as determined by the Minister of Finance. o Because of the ECA's purpose was to provide for a competitive market, the actual annual amounts of other dedicated revenues (e.g., PILs, electricity sector dedicated income – "ESDI") to be paid to OEFC was uncertain, since it depended on the successor companies' actual financial performance. Therefore, the timeframe for retiring RSD was uncertain – so the length and total amount of DRC required was uncertain.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
• The Clean Energy Adjustment ("CEA") reflects the recovery of the deferral account balance, with a legal/regulatory structure supporting certainty on the ability to recover, and as defined over a particular timeframe to be defined under the FHP Act. o The total Clean Energy Adjustment payable shall be determined by Ontario Power Generation (Financial Services Manager) and recovered from ratepayers.	• The DRC reflects a portion of the disaggregation of the old "bundled rate" of the old Ontario Hydro that included cost recovery related to generation, transmission and central market services, and including debt costs. o The DRC reflected the break-up of the old Ontario Hydro, vertically-integrated monopoly and its bundled rates into commodity, delivery, central market, and a portion of legacy debt service components. It was not considered a "new" or additional cost for the all-in price of electricity. o As such, the intention of establishing the DRC framework was not to shift in time the cost recovery of the old Ontario Hydro debt and other liabilities.
• As a result of the deferral, financing is required, resulting in additional gross debt under the FHP structure.	• "Unbundling" the rates did not in itself create new debt. Though the estimated liability for non-utility generator contracts became recognized on OEFC's balance sheet, cost recovery of those contracts had been part of the old Ontario Hydro bundled rates.
• The Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	• The DRC was set by the government, under the *Electricity Act, 1998*, at 0.7 cents per kilowatt-hour for most electricity consumed in Ontario. It is paid to OEFC, and, under an MOU, administered by the Ministry of Finance (originally by the former Ministry of Revenue). • Having the old Ontario Hydro debt and other liabilities managed by OEFC, and the DRC paid to OEFC, with separate, audited financial statements, provided for transparency and accountability. o [Note: An argument was made back in the 1999 and 2000 period that OEFC's revenues over time, as dedicated to it under legislation, could be reflected as assets on OEFC's balance sheet. In the end, this was not the accounting treatment established for OEFC. The Provincial accounting treatment agreed to was to charge the Province's accumulated deficit for the amount of the stranded debt]

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Detailed Context	
The CEA arises from the Government's policy to shift a portion of GA costs to the future in order to relieve current ratepayers of some of the burden of paying for investments the benefits of which will continue to accrue to future generations. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment charge on electricity bills. The GA charge includes covering the costs of electricity infrastructure investments on an ongoing basis. The size and timing of these investments led to significant increases in electricity bills through the GA charge. While the majority of the contracted generation is for a 20-year term, the generating assets are expected to have ongoing useful life beyond that term, and certain conservation investments are also expected to benefit future ratepayers, justifying the planned longer timeframe for recovery under the Fair Hydro Plan. The government's Fair Hydro Plan will relieve some of the current GA cost burden on today's ratepayers and share costs more fairly, by refinancing a portion of the GA, and recovering costs in the future through a deferral account. This will provide immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA will be refinanced to reduce pressure on today's electricity ratepayers. In later years, in addition to the deferred amounts of GA costs, the cost of refinancing will be recovered from ratepayers. This recovery is the clean energy adjustment (CEA). It is the amount that will be recovered from consumers in the future to pay principal, interest, transaction costs and	The OEFC stranded debt arose in 1999 as a result of the restructuring of the electricity sector under the *Energy Competition Act, 1998*. • The underlying policy intent was to create competition in the sector, including the break-up of the former Ontario Hydro and creating a tax-payments-in-lieu of taxes level playing field for private and public sector owned electricity companies. • The Act also provided for the Debt Retirement Charge (DRC), to help manage the legacy debt and other liabilities of the former Ontario Hydro. When the former Ontario Hydro was restructured on April 1, 1999, the Ontario Electricity Financial Corporation (OEFC) was established with the mandate to manage and retire the former Ontario Hydro's debt and other liabilities, totaling $38.1 billion. The $38.1 billion in debt and liabilities had been accumulated in building Ontario's electricity generation and transmission infrastructure. A portion of the $38.1 billion could be supported, in the context of a restructured market, by the assets of Ontario Hydro successor companies, in particular OPG, Hydro One and IESO, however, OEFC was left with $20.9 billion in stranded debt. Conceptually, stranding was generated by two factors: • "Commercial" stranding, as level-playing field "PILs" were put in place, resulting in the successor companies having less cash flow to support debt, and as the commercial successor companies would have a higher cost of capital {a higher, commercial, return on equity (ROE) – as regulated for Hydro One, and as for comparable competitive generators for OPG}. • "Competition" stranding, where the projected future commodity price of electricity was estimated to be lower than the former rate-regulated price, such that OPG could support a lower level of debt, and a liability was created with respect to

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
administrative costs associated with the fair adjustment and consistent with the fair allocation amount. The debt that the CEA will retire, is not pre-existing but arises out of the policy choice to shift a portion of contract cost recovery, along with the cost of financing that shift, from current monthly settlements to the future in order to more fairly distribute the costs associated with the benefit of electricity infrastructure investment costs. There was an existing policy in place to recover these costs within a 12 month period and that policy has changed to recover these costs within a 30 year period.	the legacy power purchase agreements (PPAs) with non-utility generators (NUGs). To allow OEFC to service and retire $38.1 billion in total debt, including the $20.9 billion in stranded debt, the Province established a long-term plan where debt servicing and repayment would be through dedicated revenues from electricity-sector companies. • This included dedicating the amounts to OEFC related to the "commercial" stranding: PILs to OEFC and the "Electricity Sector Dedicated Income" in respect of the net income (i.e., ROE) in excess of the Province's financing cost for the equity. • As PILs were dedicated to OEFC, they were not considered to be a net pressure on all-in prices, simply replacing a portion of debt-service costs that had been embedded in the old regulated prices of Ontario Hydro. The higher ROE was also effectively recycled too. • As of April 1, 1999, the present value of these revenue streams was estimated at $13.1 billion, leaving an estimated $7.8 billion of "residual stranded debt". • Due to the uncertainty discussed above, the Act provided for the Minister of Finance to update the RSD determination from time to time. The Debt Retirement Charge (DRC) on electricity bills was established under the Electricity Act, 1998, to be paid to the OEFC until the *residual stranded debt* was retired (as determined by the Minister of Finance). • As this was related to "competition" stranding, which created price room due from the lower projected commodity price, the DRC was not considered to be creating price pressure, but was in effect just a disaggregation of a portion of the debt service costs embedded in the old regulated rates of Ontario Hydro.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Fiscal Impact to the Province	
Under the FHP financing structure, transactions related to GA refinancing, including CEA payments, will be reflected on the Province's consolidated results through the consolidation of OPG and the IESO. Based on the anticipated accounting treatment, the CEA transactions will not have a net impact on the Province's surplus or deficit, annually or over time (at least not materially). o Note: OPG's net income is expected to increase by the amount of the interest it charges to the Trust on the debt issued to the Trust funded by the 44% equity injection. That net income increase will provide a fiscal offset to the Province's increased IOD from the Province's borrowings related to the equity injection.	The DRC, paid by electricity rate payers, is a revenue to the OEFC and in turn the Province upon consolidation. The DRC increases revenues, and helps offset debt service costs of OEFC (and the Province, on consolidation). Over time, where OEFC has an excess of revenues (including DRC) over expense, this decreases OEFC's unfunded liability (sometimes called "stranded debt"). Note: Stranded debt is included in the measurement of the Province's net debt
Payment Amounts	
The annual Clean Energy Adjustment payment amount will be determined by the Financial Services Manager and is not yet determined. Once the total Clean Energy Adjustment payable is determined by Ontario Power Generation (Financial Services Manager), the Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	The Debt Retirement Charge is presently and has been paid by most electricity consumers at a rate of 0.7 cents per kilowatt hour.
Payment End Date	
The reference period as stated in the Fair Hydro Act will end on either April 30, 2047 or a later date as may be prescribed in regulation. Correspondingly the Clean Energy Adjustment would also end on April 30, 2047 or a later date.	Initially, under the *Electricity Act, 1998*, the DRC payment period was open ended with the intention to end the DRC once the residual stranded debt is retired.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
	The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption. As included in the 2014 Budget, the government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The government introduced legislation, passed on December 10, 2015, the Budget Measures Act, 2015 to legislate a fixed end-date for the DRC of April 1, 2018, for commercial, industrial and all other users.

APPENDIX

Excerpt from Remarks by Auditor General Bonnie Lysyk to the Standing Committee on Justice Policy on Bill 132 *Ontario Fair Hydro Plan Act, 2017*

MAY 24 ,2017

"The accounting transaction is structured in a complex manner. In simple terms, the government plans to record as an asset the expected recovery of the 25% in electricity costs from future ratepayers that it will borrow for and pay to power producers today. In essence, it is setting up as an asset an accounts receivable that it expects to collect from future ratepayers between 2022 and 2047 that is not yet an accounts receivable because the consumer has not yet used the electricity.

A similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s. At that time, the government did not want the net impact of the stranded debt, which had already been incurred, to be reflected on the Province's financial statements. Because it anticipated that ratepayers would pay down this debt, it wanted to create an asset to reflect those future anticipated revenues from electricity ratepayers. This approach would have fully offset the total stranded debt, such that there would have been no net debt impact reflected on the Province's consolidated financial statements. The Auditor General's opinion, as stated in our Office's 2000 Annual Report, was that this [quote] "would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned." [end quote] The government heard these concerns and was prudent in making the decision to not create an asset for future anticipated ratepayer payments. I believe those concerns are equally applicable today."

Excerpt from *Auditor General of Ontario 2000 Annual Report*

"In last year's Annual Report, I indicated that the government intended to offset Ontario Hydro's stranded debt with a deferred charge on OEFC's statement of financial position in accordance with accounting standards for rate-regulated utilities. I further indicated at that time that the details of this accounting had not been finalized. In this year's audit, we found that the Ministry of Finance had not adequately supported recognition of the deferred charge as an asset. Accordingly, we found it necessary to conduct extensive accounting research. Based on a full assessment of the proposed accounting, an exhaustive review of Canadian and U.S. accounting standards, discussions with ministry staff and external advice, we concluded that the deferred charge could not be recorded as an asset.

The deferred charge approach would have excluded the stranded debt entirely from the measure of the government's net debt. It would have also excluded the electricity sector's annual operating income or loss from the measure of the government's annual surplus or deficit. Failing to recognize an existing liability, particularly one of the magnitude of OEFC's stranded debt, as well as the ongoing income or loss from a significant government sector because of the expectation that this debt would eventually be discharged by means of future dedicated revenue streams would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned.

Our research also indicated that certain provisions for loss deferral allowed only for rate-regulated utilities were not applicable to Ontario's situation. Work on resolving this complex issue was not finalized until late October. The final financial statements included the net assets/ liabilities and operating results of the four electricity entities owned by the province, and we concluded that this accounting resulted in a fair presentation of the province's financial position and operating results."

Corporate and Electricity Finance Division
May 31, 2017

FW_ Rate Mitigation Implementation Meeting - Ma...(13).pdf

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
To: Shear, Dan (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017
Date: June 5, 2017 8:56:00 AM
Attachments: Clean energy adjustment vs Debt Retirement Charge_May31.docx

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Dan, could you please take a look at this and send me your mark up? Thank you.

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: June-05-17 8:36 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Christie, Tim (ENERGY)
Cc: Cox, Hilary (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Good morning all. Hope folks had a good weekend.

At last week's OFHP implementation meeting, OFA/Ron tabled the attached. It's a comparison between Clean Energy Adjustment and DRC. Ron/Cindy are planning to share with AG as some point. One of the action items coming out of last week's meeting was for ENERGY to review / fact check the Clean Energy Adjustment content for this week.

Could I ask that folks review and pass on along edits/comments on the OFA doc to Hilary for mid-week.

Thank you, Steen

Clean energy adjustment vs Debt Retirement Ch_1.pdf

FAIR HYDRO PLAN'S CLEAN ENERGY ADJUSTMENT AND THE OEFC'S DEBT RETIREMENT CHARGE

ISSUE

To provide background and key points in a comparison between the Clean Energy Adjustment (CEA) under the Fair Hydro Plan (FHP) and the Debt Retirement Charge that was implemented to help service and retire the Ontario Electricity Financial Corporation's (OEFC) debt and other liabilities.

Fair Hydro Plan and the Clean Energy Adjustment	**1999 Ontario Hydro Restructuring and the Debt Retirement Charge**
Key Points	
• The Fair Hydro Plan ("FHP") is being established in the context of an almost fully regulated or contracted market. o The Global Adjustment ("GA", a portion of the commodity cost of electricity) deferral portion of the FHP is to more fairly allocate the cost recovery from ratepayers of the cost of certain investments in generation assets and conservation that are expected to last longer than their typically 20-year contract terms.	• The 1999 electricity sector restructuring was under the *Energy Competition Act, 1998*, ("ECA") to move Ontario's electricity sector to a competitive structure, including providing for private sector involvement and a market price for the electricity commodity.
• This GA deferral portion of the FHP is being established under legislation and a regulatory framework, underpinning the establishment of a regulatory asset, with a deferral account for the deferred portion of GA costs and the associated financing costs.	• The Debt Retirement Charge ("DRC") was provided for under legislation; however, it was not under a regulatory structure (e.g., with no role for the OEB), and the Province did not establish a defined deferral account balance or a particular amount to be recovered under the DRC. The DRC was authorized under the Electricity Act, 1998, until the "residual stranded debt" ("RSD") was retired, as determined by the Minister of Finance. o Because of the ECA's purpose was to provide for a competitive market, the actual annual amounts of other dedicated revenues (e.g., PILs, electricity sector dedicated income – "ESDI") to be paid to OEFC was uncertain, since it depended on the successor companies' actual financial performance. Therefore, the timeframe for retiring RSD was uncertain – so the length and total amount of DRC required was uncertain.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
• The Clean Energy Adjustment ("CEA") reflects the recovery of the deferral account balance, with a legal/regulatory structure supporting certainty on the ability to recover, and as defined over a particular timeframe to be defined under the FHP Act. o The total Clean Energy Adjustment payable shall be determined by Ontario Power Generation (Financial Services Manager) and recovered from ratepayers.	• The DRC reflects a portion of the disaggregation of the old "bundled rate" of the old Ontario Hydro that included cost recovery related to generation, transmission and central market services, and including debt costs. o The DRC reflected the break-up of the old Ontario Hydro, vertically-integrated monopoly and its bundled rates into commodity, delivery, central market, and a portion of legacy debt service components. It was not considered a "new" or additional cost for the all-in price of electricity. o As such, the intention of establishing the DRC framework was not to shift in time the cost recovery of the old Ontario Hydro debt and other liabilities.
• As a result of the deferral, financing is required, resulting in additional gross debt under the FHP structure.	• "Unbundling" the rates did not in itself create new debt. Though the estimated liability for non-utility generator contracts became recognized on OEFC's balance sheet, cost recovery of those contracts had been part of the old Ontario Hydro bundled rates.
• The Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	• The DRC was set by the government, under the *Electricity Act, 1998*, at 0.7 cents per kilowatt-hour for most electricity consumed in Ontario. It is paid to OEFC, and, under an MOU, administered by the Ministry of Finance (originally by the former Ministry of Revenue). • Having the old Ontario Hydro debt and other liabilities managed by OEFC, and the DRC paid to OEFC, with separate, audited financial statements, provided for transparency and accountability. o [Note: An argument was made back in the 1999 and 2000 period that OEFC's revenues over time, as dedicated to it under legislation, could be reflected as assets on OEFC's balance sheet. In the end, this was not the accounting treatment established for OEFC. The Provincial accounting treatment agreed to was to charge the Province's accumulated deficit for the amount of the stranded debt]

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Detailed Context	
The CEA arises from the Government's policy to shift a portion of GA costs to the future in order to relieve current ratepayers of some of the burden of paying for investments the benefits of which will continue to accrue to future generations. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment charge on electricity bills. The GA charge includes covering the costs of electricity infrastructure investments on an ongoing basis. The size and timing of these investments led to significant increases in electricity bills through the GA charge. While the majority of the contracted generation is for a 20-year term, the generating assets are expected to have ongoing useful life beyond that term, and certain conservation investments are also expected to benefit future ratepayers, justifying the planned longer timeframe for recovery under the Fair Hydro Plan. The government's Fair Hydro Plan will relieve some of the current GA cost burden on today's ratepayers and share costs more fairly, by refinancing a portion of the GA, and recovering costs in the future through a deferral account. This will provide immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA will be refinanced to reduce pressure on today's electricity ratepayers. In later years, in addition to the deferred amounts of GA costs, the cost of refinancing will be recovered from ratepayers. This recovery is the clean energy adjustment (CEA). It is the amount that will be recovered from consumers in the future to pay principal, interest, transaction costs and	The OEFC stranded debt arose in 1999 as a result of the restructuring of the electricity sector under the *Energy Competition Act, 1998*. • The underlying policy intent was to create competition in the sector, including the break-up of the former Ontario Hydro and creating a tax-payments-in-lieu of taxes level playing field for private and public sector owned electricity companies. • The Act also provided for the Debt Retirement Charge (DRC), to help manage the legacy debt and other liabilities of the former Ontario Hydro. When the former Ontario Hydro was restructured on April 1, 1999, the Ontario Electricity Financial Corporation (OEFC) was established with the mandate to manage and retire the former Ontario Hydro's debt and other liabilities, totaling $38.1 billion. The $38.1 billion in debt and liabilities had been accumulated in building Ontario's electricity generation and transmission infrastructure. A portion of the $38.1 billion could be supported, in the context of a restructured market, by the assets of Ontario Hydro successor companies, in particular OPG, Hydro One and IESO, however, OEFC was left with $20.9 billion in stranded debt. Conceptually, stranding was generated by two factors: • "Commercial" stranding, as level-playing field "PILs" were put in place, resulting in the successor companies having less cash flow to support debt, and as the commercial successor companies would have a higher cost of capital {a higher, commercial, return on equity (ROE) – as regulated for Hydro One, and as for comparable competitive generators for OPG}. • "Competition" stranding, where the projected future commodity price of electricity was estimated to be lower than the former rate-regulated price, such that OPG could support a lower level of debt, and a liability was created with respect to

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
administrative costs associated with the fair adjustment and consistent with the fair allocation amount. The debt that the CEA will retire, is not pre-existing but arises out of the policy choice to shift a portion of contract cost recovery, along with the cost of financing that shift, from current monthly settlements to the future in order to more fairly distribute the costs associated with the benefit of electricity infrastructure investment costs. There was an existing policy in place to recover these costs within a 12 month period and that policy has changed to recover these costs within a 30 year period.	the legacy power purchase agreements (PPAs) with non-utility generators (NUGs). To allow OEFC to service and retire $38.1 billion in total debt, including the $20.9 billion in stranded debt, the Province established a long-term plan where debt servicing and repayment would be through dedicated revenues from electricity-sector companies. • This included dedicating the amounts to OEFC related to the "commercial" stranding: PILs to OEFC and the "Electricity Sector Dedicated Income" in respect of the net income (i.e., ROE) in excess of the Province's financing cost for the equity. • As PILs were dedicated to OEFC, they were not considered to be a net pressure on all-in prices, simply replacing a portion of debt-service costs that had been embedded in the old regulated prices of Ontario Hydro. The higher ROE was also effectively recycled too. • As of April 1, 1999, the present value of these revenue streams was estimated at $13.1 billion, leaving an estimated $7.8 billion of "residual stranded debt". • Due to the uncertainty discussed above, the Act provided for the Minister of Finance to update the RSD determination from time to time. The Debt Retirement Charge (DRC) on electricity bills was established under the Electricity Act, 1998, to be paid to the OEFC until the *residual stranded debt* was retired (as determined by the Minister of Finance). • As this was related to "competition" stranding, which created price room due from the lower projected commodity price, the DRC was not considered to be creating price pressure, but was in effect just a disaggregation of a portion of the debt service costs embedded in the old regulated rates of Ontario Hydro.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Fiscal Impact to the Province	
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Payment Amounts	
The annual Clean Energy Adjustment payment amount will be determined by the Financial Services Manager and is not yet determined. Once the total Clean Energy Adjustment payable is determined by Ontario Power Generation (Financial Services Manager), the Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	The Debt Retirement Charge is presently and has been paid by most electricity consumers at a rate of 0.7 cents per kilowatt hour.
Payment End Date	
The reference period as stated in the Fair Hydro Act will end on either April 30, 2047 or a later date as may be prescribed in regulation. Correspondingly the Clean Energy Adjustment would also end on April 30, 2047 or a later date.	Initially, under the *Electricity Act, 1998*, the DRC payment period was open ended with the intention to end the DRC once the residual stranded debt is retired.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
	The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption. As included in the 2014 Budget, the government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The government introduced legislation, passed on December 10, 2015, the Budget Measures Act, 2015 to legislate a fixed end-date for the DRC of April 1, 2018, for commercial, industrial and all other users.

APPENDIX

Excerpt from Remarks by Auditor General Bonnie Lysyk to the Standing Committee on Justice Policy on Bill 132 *Ontario Fair Hydro Plan Act, 2017*

MAY 24 ,2017

"The accounting transaction is structured in a complex manner. In simple terms, the government plans to record as an asset the expected recovery of the 25% in electricity costs from future ratepayers that it will borrow for and pay to power producers today. In essence, it is setting up as an asset an accounts receivable that it expects to collect from future ratepayers between 2022 and 2047 that is not yet an accounts receivable because the consumer has not yet used the electricity.

A similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s. At that time, the government did not want the net impact of the stranded debt, which had already been incurred, to be reflected on the Province's financial statements. Because it anticipated that ratepayers would pay down this debt, it wanted to create an asset to reflect those future anticipated revenues from electricity ratepayers. This approach would have fully offset the total stranded debt, such that there would have been no net debt impact reflected on the Province's consolidated financial statements. The Auditor General's opinion, as stated in our Office's 2000 Annual Report, was that this [quote] "would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned." [end quote] The government heard these concerns and was prudent in making the decision to not create an asset for future anticipated ratepayer payments. I believe those concerns are equally applicable today."

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The deferred charge approach would have excluded the stranded debt entirely from the measure of the government's net debt. It would have also excluded the electricity sector's annual operating income or loss from the measure of the government's annual surplus or deficit. Failing to recognize an existing liability, particularly one of the magnitude of OEFC's stranded debt, as well as the ongoing income or loss from a significant government sector because of the expectation that this debt would eventually be discharged by means of future dedicated revenue streams would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned.

Our research also indicated that certain provisions for loss deferral allowed only for rate-regulated utilities were not applicable to Ontario's situation. Work on resolving this complex issue was not finalized until late October. The final financial statements included the net assets/ liabilities and operating results of the four electricity entities owned by the province, and we concluded that this accounting resulted in a fair presentation of the province's financial position and operating results."

Corporate and Electricity Finance Division
May 31, 2017

FW_ Rate Mitigation Implementation Meeting - Ma...(14).pdf

From:	Cox, Hilary (ENERGY)
To:	Christie, Tim (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc:	Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	June 7, 2017 2:10:22 PM
Attachments:	Clean energy adjustment vs Debt Retirement Charge_May31.docx

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Hi Folks -
Hoping to get your input/edits on this by EOD.

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: June-05-17 8:36 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Christie, Tim (ENERGY)
Cc: Cox, Hilary (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

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Thank you, Steen

Clean energy adjustment vs Debt Retirement Ch_2.pdf

FAIR HYDRO PLAN'S CLEAN ENERGY ADJUSTMENT AND THE OEFC'S DEBT RETIREMENT CHARGE

ISSUE

To provide background and key points in a comparison between the Clean Energy Adjustment (CEA) under the Fair Hydro Plan (FHP) and the Debt Retirement Charge that was implemented to help service and retire the Ontario Electricity Financial Corporation's (OEFC) debt and other liabilities.

Fair Hydro Plan and the Clean Energy Adjustment	**1999 Ontario Hydro Restructuring and the Debt Retirement Charge**
Key Points	
• The Fair Hydro Plan ("FHP") is being established in the context of an almost fully regulated or contracted market. o The Global Adjustment ("GA", a portion of the commodity cost of electricity) deferral portion of the FHP is to more fairly allocate the cost recovery from ratepayers of the cost of certain investments in generation assets and conservation that are expected to last longer than their typically 20-year contract terms.	• The 1999 electricity sector restructuring was under the *Energy Competition Act, 1998*, ("ECA") to move Ontario's electricity sector to a competitive structure, including providing for private sector involvement and a market price for the electricity commodity.
• This GA deferral portion of the FHP is being established under legislation and a regulatory framework, underpinning the establishment of a regulatory asset, with a deferral account for the deferred portion of GA costs and the associated financing costs.	• The Debt Retirement Charge ("DRC") was provided for under legislation; however, it was not under a regulatory structure (e.g., with no role for the OEB), and the Province did not establish a defined deferral account balance or a particular amount to be recovered under the DRC. The DRC was authorized under the Electricity Act, 1998, until the "residual stranded debt" ("RSD") was retired, as determined by the Minister of Finance. o Because of the ECA's purpose was to provide for a competitive market, the actual annual amounts of other dedicated revenues (e.g., PILs, electricity sector dedicated income – "ESDI") to be paid to OEFC was uncertain, since it depended on the successor companies' actual financial performance. Therefore, the timeframe for retiring RSD was uncertain – so the length and total amount of DRC required was uncertain.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
• The Clean Energy Adjustment ("CEA") reflects the recovery of the deferral account balance, with a legal/regulatory structure supporting certainty on the ability to recover, and as defined over a particular timeframe to be defined under the FHP Act. o The total Clean Energy Adjustment payable shall be determined by Ontario Power Generation (Financial Services Manager) and recovered from ratepayers.	• The DRC reflects a portion of the disaggregation of the old "bundled rate" of the old Ontario Hydro that included cost recovery related to generation, transmission and central market services, and including debt costs. o The DRC reflected the break-up of the old Ontario Hydro, vertically-integrated monopoly and its bundled rates into commodity, delivery, central market, and a portion of legacy debt service components. It was not considered a "new" or additional cost for the all-in price of electricity. o As such, the intention of establishing the DRC framework was not to shift in time the cost recovery of the old Ontario Hydro debt and other liabilities.
• As a result of the deferral, financing is required, resulting in additional gross debt under the FHP structure.	• "Unbundling" the rates did not in itself create new debt. Though the estimated liability for non-utility generator contracts became recognized on OEFC's balance sheet, cost recovery of those contracts had been part of the old Ontario Hydro bundled rates.
• The Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	• The DRC was set by the government, under the *Electricity Act, 1998*, at 0.7 cents per kilowatt-hour for most electricity consumed in Ontario. It is paid to OEFC, and, under an MOU, administered by the Ministry of Finance (originally by the former Ministry of Revenue). • Having the old Ontario Hydro debt and other liabilities managed by OEFC, and the DRC paid to OEFC, with separate, audited financial statements, provided for transparency and accountability. o [Note: An argument was made back in the 1999 and 2000 period that OEFC's revenues over time, as dedicated to it under legislation, could be reflected as assets on OEFC's balance sheet. In the end, this was not the accounting treatment established for OEFC. The Provincial accounting treatment agreed to was to charge the Province's accumulated deficit for the amount of the stranded debt]

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Detailed Context	
The CEA arises from the Government's policy to shift a portion of GA costs to the future in order to relieve current ratepayers of some of the burden of paying for investments the benefits of which will continue to accrue to future generations. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment charge on electricity bills. The GA charge includes covering the costs of electricity infrastructure investments on an ongoing basis. The size and timing of these investments led to significant increases in electricity bills through the GA charge. While the majority of the contracted generation is for a 20-year term, the generating assets are expected to have ongoing useful life beyond that term, and certain conservation investments are also expected to benefit future ratepayers, justifying the planned longer timeframe for recovery under the Fair Hydro Plan. The government's Fair Hydro Plan will relieve some of the current GA cost burden on today's ratepayers and share costs more fairly, by refinancing a portion of the GA, and recovering costs in the future through a deferral account. This will provide immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA will be refinanced to reduce pressure on today's electricity ratepayers. In later years, in addition to the deferred amounts of GA costs, the cost of refinancing will be recovered from ratepayers. This recovery is the clean energy adjustment (CEA). It is the amount that will be recovered from consumers in the future to pay principal, interest, transaction costs and	The OEFC stranded debt arose in 1999 as a result of the restructuring of the electricity sector under the *Energy Competition Act, 1998*. • The underlying policy intent was to create competition in the sector, including the break-up of the former Ontario Hydro and creating a tax-payments-in-lieu of taxes level playing field for private and public sector owned electricity companies. • The Act also provided for the Debt Retirement Charge (DRC), to help manage the legacy debt and other liabilities of the former Ontario Hydro. When the former Ontario Hydro was restructured on April 1, 1999, the Ontario Electricity Financial Corporation (OEFC) was established with the mandate to manage and retire the former Ontario Hydro's debt and other liabilities, totaling $38.1 billion. The $38.1 billion in debt and liabilities had been accumulated in building Ontario's electricity generation and transmission infrastructure. A portion of the $38.1 billion could be supported, in the context of a restructured market, by the assets of Ontario Hydro successor companies, in particular OPG, Hydro One and IESO, however, OEFC was left with $20.9 billion in stranded debt. Conceptually, stranding was generated by two factors: • "Commercial" stranding, as level-playing field "PILs" were put in place, resulting in the successor companies having less cash flow to support debt, and as the commercial successor companies would have a higher cost of capital {a higher, commercial, return on equity (ROE) – as regulated for Hydro One, and as for comparable competitive generators for OPG}. • "Competition" stranding, where the projected future commodity price of electricity was estimated to be lower than the former rate-regulated price, such that OPG could support a lower level of debt, and a liability was created with respect to

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
administrative costs associated with the fair adjustment and consistent with the fair allocation amount. The debt that the CEA will retire, is not pre-existing but arises out of the policy choice to shift a portion of contract cost recovery, along with the cost of financing that shift, from current monthly settlements to the future in order to more fairly distribute the costs associated with the benefit of electricity infrastructure investment costs. There was an existing policy in place to recover these costs within a 12 month period and that policy has changed to recover these costs within a 30 year period.	the legacy power purchase agreements (PPAs) with non-utility generators (NUGs). To allow OEFC to service and retire $38.1 billion in total debt, including the $20.9 billion in stranded debt, the Province established a long-term plan where debt servicing and repayment would be through dedicated revenues from electricity-sector companies. • This included dedicating the amounts to OEFC related to the "commercial" stranding: PILs to OEFC and the "Electricity Sector Dedicated Income" in respect of the net income (i.e., ROE) in excess of the Province's financing cost for the equity. • As PILs were dedicated to OEFC, they were not considered to be a net pressure on all-in prices, simply replacing a portion of debt-service costs that had been embedded in the old regulated prices of Ontario Hydro. The higher ROE was also effectively recycled too. • As of April 1, 1999, the present value of these revenue streams was estimated at $13.1 billion, leaving an estimated $7.8 billion of "residual stranded debt". • Due to the uncertainty discussed above, the Act provided for the Minister of Finance to update the RSD determination from time to time. The Debt Retirement Charge (DRC) on electricity bills was established under the Electricity Act, 1998, to be paid to the OEFC until the *residual stranded debt* was retired (as determined by the Minister of Finance). • As this was related to "competition" stranding, which created price room due from the lower projected commodity price, the DRC was not considered to be creating price pressure, but was in effect just a disaggregation of a portion of the debt service costs embedded in the old regulated rates of Ontario Hydro.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Fiscal Impact to the Province	
Under the FHP financing structure, transactions related to GA refinancing, including CEA payments, will be reflected on the Province's consolidated results through the consolidation of OPG and the IESO. Based on the anticipated accounting treatment, the CEA transactions will not have a net impact on the Province's surplus or deficit, annually or over time (at least not materially). o Note: OPG's net income is expected to increase by the amount of the interest it charges to the Trust on the debt issued to the Trust funded by the 44% equity injection. That net income increase will provide a fiscal offset to the Province's increased IOD from the Province's borrowings related to the equity injection.	The DRC, paid by electricity rate payers, is a revenue to the OEFC and in turn the Province upon consolidation. The DRC increases revenues, and helps offset debt service costs of OEFC (and the Province, on consolidation). Over time, where OEFC has an excess of revenues (including DRC) over expense, this decreases OEFC's unfunded liability (sometimes called "stranded debt"). Note: Stranded debt is included in the measurement of the Province's net debt
Payment Amounts	
The annual Clean Energy Adjustment payment amount will be determined by the Financial Services Manager and is not yet determined. Once the total Clean Energy Adjustment payable is determined by Ontario Power Generation (Financial Services Manager), the Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	The Debt Retirement Charge is presently and has been paid by most electricity consumers at a rate of 0.7 cents per kilowatt hour.
Payment End Date	
The reference period as stated in the Fair Hydro Act will end on either April 30, 2047 or a later date as may be prescribed in regulation. Correspondingly the Clean Energy Adjustment would also end on April 30, 2047 or a later date.	Initially, under the *Electricity Act, 1998*, the DRC payment period was open ended with the intention to end the DRC once the residual stranded debt is retired.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
	The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption. As included in the 2014 Budget, the government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The government introduced legislation, passed on December 10, 2015, the Budget Measures Act, 2015 to legislate a fixed end-date for the DRC of April 1, 2018, for commercial, industrial and all other users.

APPENDIX

Excerpt from Remarks by Auditor General Bonnie Lysyk to the Standing Committee on Justice Policy on Bill 132 *Ontario Fair Hydro Plan Act, 2017*

MAY 24 ,2017

"The accounting transaction is structured in a complex manner. In simple terms, the government plans to record as an asset the expected recovery of the 25% in electricity costs from future ratepayers that it will borrow for and pay to power producers today. In essence, it is setting up as an asset an accounts receivable that it expects to collect from future ratepayers between 2022 and 2047 that is not yet an accounts receivable because the consumer has not yet used the electricity.

A similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s. At that time, the government did not want the net impact of the stranded debt, which had already been incurred, to be reflected on the Province's financial statements. Because it anticipated that ratepayers would pay down this debt, it wanted to create an asset to reflect those future anticipated revenues from electricity ratepayers. This approach would have fully offset the total stranded debt, such that there would have been no net debt impact reflected on the Province's consolidated financial statements. The Auditor General's opinion, as stated in our Office's 2000 Annual Report, was that this [quote] "would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned." [end quote] The government heard these concerns and was prudent in making the decision to not create an asset for future anticipated ratepayer payments. I believe those concerns are equally applicable today."

Excerpt from *Auditor General of Ontario 2000 Annual Report*

"In last year's Annual Report, I indicated that the government intended to offset Ontario Hydro's stranded debt with a deferred charge on OEFC's statement of financial position in accordance with accounting standards for rate-regulated utilities. I further indicated at that time that the details of this accounting had not been finalized. In this year's audit, we found that the Ministry of Finance had not adequately supported recognition of the deferred charge as an asset. Accordingly, we found it necessary to conduct extensive accounting research. Based on a full assessment of the proposed accounting, an exhaustive review of Canadian and U.S. accounting standards, discussions with ministry staff and external advice, we concluded that the deferred charge could not be recorded as an asset.

The deferred charge approach would have excluded the stranded debt entirely from the measure of the government's net debt. It would have also excluded the electricity sector's annual operating income or loss from the measure of the government's annual surplus or deficit. Failing to recognize an existing liability, particularly one of the magnitude of OEFC's stranded debt, as well as the ongoing income or loss from a significant government sector because of the expectation that this debt would eventually be discharged by means of future dedicated revenue streams would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned.

Our research also indicated that certain provisions for loss deferral allowed only for rate-regulated utilities were not applicable to Ontario's situation. Work on resolving this complex issue was not finalized until late October. The final financial statements included the net assets/ liabilities and operating results of the four electricity entities owned by the province, and we concluded that this accounting resulted in a fair presentation of the province's financial position and operating results."

Corporate and Electricity Finance Division
May 31, 2017

FW_ Rate Mitigation Implementation Meeting - Ma...(2).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Johnson, Paul (ENERGY/MEDEI/MRI); Rehob, James (ENERGY); Shear, Dan (ENERGY); Kacaba, Jennifer (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - March 15, 2017
Date:	March 15, 2017 3:51:00 PM
Attachments:	Action Items_March 15.docx

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fyi

From: Katona, Keley (ENERGY)
Sent: March-15-17 3:06 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); Greenberg, Martha (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; catriona.king@opg.com; Neil Brodie; Turnevicius, Lorraine; 'Sarah Branco'
Subject: RE: Rate Mitigation Implementation Meeting - March 15, 2017

Good afternoon,

Further to this morning's meeting, attached are the follow ups and next steps. These will be tabled for discussion at next week's meeting.

Keley

From: Katona, Keley (ENERGY)
Sent: March-14-17 3:47 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'catriona.king@opg.com'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Sarah Branco'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Turnevicius, Lorraine'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB)
Subject: Rate Mitigation Implementation Meeting - March 15, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
th

4 Floor, Hearst Block, 900 Bay Street

Action Items_March 15_2.pdf

Rate Mitigation Implementation Follow Ups / Next Steps: Wednesday March 15, 2017

1) **GA Financing**

a) OPG
   a. OPG to continue to work with lead banks / rating agencies / OFA on financing issues
   b. OPG to confirm accounting if OFA were to act as lead on borrowing
   c. ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
   d. OPG special Board committee to meet on March 17, 2017
   e. OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board members

b) IESO
   a. IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
   b. IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available

c) OEB
   a. OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP
   b. OEB to draft RPP communique to be released publicly by April 20, 2017
   c. OEB to issue OESP orders in early April

d) Legislative drafting
   a. LSB / Blakes will continue to work through legislative drafting issues
   b. LSB to consider contempt of legislature issue

2) **Affordability Fund**

   a. Blakes to review draft TPA and Trust deed
   b. Tracking to have TPA / other documents finalized by end of next week
   c. CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation

3) RRRP / OESP / FN

a. SNAP to continue to work through OESP automatic qualification with MCSS / OEB
b. SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF
c. SNAP to convene first RRRP sub-committee meeting next week
d. SNAP to continue to monitor rate hearings for RRRP LDCs
e. SNAP to move forward with including COO in FN rate implementation / work through implementation issues

4) ICI

a. ESP working to finalize materials for LRC on April 11, 2017
b. Communications to finalize TPA with OCC / ESP to consider providing support to CME
c. ESP to work with other ministries regarding other measures that can be considered for SMEs
d. ESP to consider implications of dropping below 500kw threshold due to investments in conservation

5) Other items

a. ENERGY to participate in briefing of OAGO

FW_ Rate Mitigation Implementation Meeting - Ma...(3).pdf

From:	Wilson, Betty (ENERGY)
To:	Feather, Adam (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - March 23, 2017
Date:	March 22, 2017 2:14:55 PM
Attachments:	Consolidated - OFHP Matrix - Week of March 20.docx Agenda_Weekly Rate Mitig Implmentation Group_March 23.docx

FYI - From Michael's e-mail.

I copied the attachments into his folder.

From: Katona, Keley (ENERGY)
Sent: March-22-17 2:08 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca
Subject: Rate Mitigation Implementation Meeting - March 23, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Consolidated - OFHP Matrix - Week of March 20.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Recent Action Items</u>
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Agenda_Weekly Rate Mitig Implmentation Group__17.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 23, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

5) Action Items and Next Steps

Notes:

FW_ Rate Mitigation Implementation Meeting - Ma...(4).pdf

From:	Christie, Tim (ENERGY)
To:	Cayley, Daniel (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - March 23, 2017
Date:	March 22, 2017 3:03:12 PM
Attachments:	Consolidated - OFHP Matrix - Week of March 20.docx Agenda_Weekly Rate Mitig Implmentation Group_March 23.docx

Hilary sent you the invite for this one right? You'll need to go – I think it starts at 830 or 9 tomorrow.

From: Cox, Hilary (ENERGY) **On Behalf Of** Hume, Steen (ENERGY)
Sent: March-22-17 2:37 PM
To: Christie, Tim (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - March 23, 2017

From: Katona, Keley (ENERGY)
Sent: March 22, 2017 2:08 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca
Subject: Rate Mitigation Implementation Meeting - March 23, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Consolidated - OFHP Matrix - Week of March 20_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Recent Action Items</u>
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Agenda_Weekly Rate Mitig Implmentation Group__18.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 23, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

5) Action Items and Next Steps

Notes:

FW_ Rate Mitigation Implementation Meeting - Ma...(5).pdf

From:	Cox, Hilary (ENERGY)
To:	Cayley, Daniel (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - March 23, 2017
Date:	March 22, 2017 5:14:31 PM
Attachments:	Consolidated - OFHP Matrix - Week of March 20.docx Agenda_Weekly Rate Mitig Implmentation Group_March 23.docx

Forgot that you're attending tomorrow. Docs attached.

HC

From: Cox, Hilary (ENERGY) **On Behalf Of** Hume, Steen (ENERGY)
Sent: March 22, 2017 2:37 PM
To: Christie, Tim (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - March 23, 2017

From: Katona, Keley (ENERGY)
Sent: March 22, 2017 2:08 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca
Subject: Rate Mitigation Implementation Meeting - March 23, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Consolidated - OFHP Matrix - Week of March 20_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Recent Action Items</u>
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Agenda_Weekly Rate Mitig Implmentation Group__19.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 23, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

5) Action Items and Next Steps

Notes:

FW_ Rate Mitigation Implementation Meeting - Ma...(6).pdf

From:	Wilson, Betty (ENERGY)
To:	Feather, Adam (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - March 30, 2017
Date:	March 30, 2017 6:31:59 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_March 30.docx Consolidated - OFHP Matrix - March 27 (3).docx

Good morning Adam,

FYI – Attachments are in today's folder.

From: Katona, Keley (ENERGY)
Sent: March-29-17 5:15 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com
Subject: Rate Mitigation Implementation Meeting - March 30, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Agenda_Weekly Rate Mitig Implmentation Group__20.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 30, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)
    - Mechanics and timing of moving RRPP from ratebase to taxbase

4) ICI (ESPD)

5) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - March 27 (3).pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FW_ Rate Mitigation Implementation Meeting - Ma...(7).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Bungaro-Yemec, Francesca (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - May 4, 2017
Date:	May 3, 2017 6:43:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May4.docx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Can you please add to sharepoint and the Deputy's Day Binder?

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May-03-17 6:43 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 4, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__21.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of May 1_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_3.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)
- June 2017 – LRC with Regulations

FW_ Rate Mitigation Implementation Meeting - Ma...(8).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Maguire, Lauren (ENERGY)
Subject:	FW: Rate Mitigation Implementation Meeting - May 4, 2017
Date:	May 4, 2017 8:21:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May4.docx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Hi Lauren,

Can you please file these?

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May-03-17 6:43 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 4, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__22.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of May 1_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_4.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)
- June 2017 – LRC with Regulations

FW_ Rate Mitigation Implementation Meeting - Ma...(9).pdf

From: Schlaepfer, Martin (ENERGY)
To: Maguire, Lauren (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 4, 2017
Date: May 4, 2017 8:33:00 PM
Attachments: Action Items - May 4.docx

Hi Lauren,

Can you please file this as well.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May-04-17 8:33 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - May 4, 2017

Please find attached action items from today's meeting.

From: Schlaepfer, Martin (ENERGY)
Sent: May-03-17 6:43 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 4, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items - May 4_2.pdf

Action Items – May 4

1) GA Refinancing
    - Leg Counsel finalizing legislation
    - LSB working on:
        - Committee motions
        - Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation
        - Indemnities for OPG and IESO Board members to be in place around Royal Assent
    - Ministry working on approval documents for Minister signature for end of week:
        - LRC / Cabinet Submission on OFH Legislation
        - TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
        - Ministry to share drafts by end of week
    - OPG and IESO's independent accounting work is complete:
        - OPG is finalizing E&Y's work
        - IESO has finalized KPMG's work
        - Agencies are each working a one page summary that could be released publically
    - OPG to meet with OAG next Thursday (TBC); OAG request to IESO for emails has been expanded
    - OPG on track with Board meeting on May 12 to approve recommendation
    - OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry received final legislation, which includes information sharing provision with MCSS
        - Ministry working with LDCs to finalize program design
    - Affordability Fund:
        - Advisory group reaching out to social agencies
    - ICI:
        - Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting)
        - Ministry discussing with CME ongoing

3) Other Items
    - OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations
    - Regulation tracking for direct to Cabinet on June 14th (TBC)
    - Ministry to follow up with stakeholder on rate cap

FW_ Rate Mitigation Implementation Meeting - Ma....pdf

From:	Katona, Keley (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject:	FW: Rate Mitigation Implementation Meeting - March 9, 2017
Date:	March 8, 2017 5:33:22 PM

You invited Blakes right?

From: Katona, Keley (ENERGY)
Sent: March-08-17 5:32 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; McLean, David (MOF); MacIntyre, Kyle (TBS); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY)
Subject: Rate Mitigation Implementation Meeting - March 9, 2017

Good evening,

Please find attached material for discussion at tomorrow morning's meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

FW_ Rate Mitigation Implementation Meeting on M....pdf

From: Kitchen, Matthew (ENERGY)
To: Syed, Usman (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting on Monday
Date: June 12, 2017 10:59:34 AM
Attachments: OFHP - Report backs Chart.docx
Agenda_Internal Rate Mitig Implmentation Weekly Meeting _June 12.docx
Consolidated - OFHP Matrix - Week of June 12_ Clean (2).docx

Here are the materials for the rate mitigation meeting at 130.

Agenda is as follows:

1) OFHP Regulations (June 13 /14)
   - o Draft Regulations
   - o LRC Submission
   - o TB Submission

2) AG
   - o Tranche 1 – Document (June 12)
   - o Tranche 2 – Documents (end of month)

3) TB Report Back Chart

The AF item in the report back chart is as follows:

Affordability Fund

- Direct the Ministry to report back through quarterly reporting process with program details, including performance management framework, and multi-year funding profile, and fiscal plan implications.

4) Minister's Briefing (June 13)

5) Business Items
   - o S.28 / Indemnities

Matt

From: Hume, Steen (ENERGY)
Sent: June-12-17 9:42 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: Rate Mitigation Implementation Meeting on Monday

Good morning Martin. For this afternoon's meeting. Attached is a short agenda of items that we might want to use to guide the discussion. I've also attached an updated OFHP matrix for this week. To make it more user-friendly, I've striped out some the "stale" and duplicative content and re-order the items.

If you have any questions, let us know. Steen

From: Schlaepfer, Martin (ENERGY)
Sent: June-09-17 5:48 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: FW: Rate Mitigation Implementation meeting on Monday

FYI. We may also want to talk about the indemnities if there has been any movement on those.

Have a great weekend everyone!

From: Schlaepfer, Martin (ENERGY)
Sent: June 9, 2017 5:44 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: Rate Mitigation Implementation meeting on Monday

Hi Andrew,

For Monday's meeting we are proposing that we discuss the following items:

- TB / LRC submissions and the regulations (already shared).
- Our comments on the TB Report back chart (attached). We've added an additional column for ENERGY comments and reorganized the items, but the content in the attached is TBS.
- The Minister's briefing on Tuesday (materials still tracking).

Thanks,
Martin

OFHP - Report backs Chart.pdf

Electricity Price Mitigation – TB/MBC Report Backs
(as per May 9 TB/MBC Minute)

Report Back Requirements	Expected Timing	ENERGY Comments
Ontario Fair Hydro Plan – Regulations - Report back to TB/MBC on the details of proposed regulations prior to going to LRC, and to provide the Board with an update towards completed legal, accounting and financing risk assessments	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14) Late June TB/MBC – Regulations for Global Adjustment (LRC/Cabinet – June 27)	
Electricity Social Programs and GA Financing - To report back with final program details for 2017-18 for GA Refinancing and Electricity Social Programs, including *fiscal plan implications* and *consumer impacts* with *detailed assumptions* and *methodologies* specified and documented	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
Risk Mitigation - To report back with updates to risk mitigation strategies that address key financial and operational risks.	TBD – Potentially details would be in the Regulations submissions	
RRRP − Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. − Establishing program performance management framework including targets for the broadened program now government funded − Report on and assessment of impacts of consolidation of LDCs − Assessment of distribution rates and implications for the program	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
On-Reserve First Nations Delivery Charge - Direct the Ministry to report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant Ontario Energy Board estimate of program costs, from $13M to $20M.	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
OESP − Identify eligibility criteria, and refinements being made. − Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. − Establishing program performance management framework including targets for the expanded program now government funded.	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	

Electricity Price Mitigation – TB/MBC Report Backs
(as per May 9 TB/MBC Minute)

Report Back Requirements	Expected Timing	ENERGY Comments
Sensitivity Analysis – Electricity Social Programs - Include electricity social programs with details of forecasting models and costing estimates, including assumptions, sensitivities analysis that would allow identification of risks to the fiscal plan for Broadening RRRP, OESP. The Ministry is to include similar information for the Ontario Rebate for Electricity Consumers.	August TB/MBC (TBC)	
Sensitivity Analysis – Global Adjustment Refinancing - Include a report related to GA Refinancing on findings from sensitivity analysis completed as assumptions vary, such as under different recovery rates, different interest rates, different demand, etc., and combinations of key factors, and then to quantify the likelihood of high/medium/low impact scenarios, with assumptions and methodologies clearly specified and documented.	August TB/MBC (TBC)	
Industrial Conservation Initiative - Direct the Ministry to report back through quarterly reporting process with results achieved versus expectations for the ICI program, impacts of the change for participation, and impact for ratepayers as costs are recovered from ratepayers.	Quarterly Reporting	
Affordability Fund - Direct the Ministry to report back through quarterly reporting process with program details, including performance management framework, and multi-year funding profile, and fiscal plan implications.	Quarterly Reporting	

Agenda_Internal Rate Mitig Implmentation Week.pdf

OFHP IMPLEMENTATION MEETING
June 12, 2017

Agenda

1) OFHP Regulations (June 13 /14)
    - Draft Regulations
    - LRC Submission
    - TB Submission

2) AG
    - Tranche 1 – Document (June 12)
    - Tranche 2 – Documents (end of month)

3) TB Report Back Chart

4) Minister's Briefing (June 13)

5) Business Items
    - S.28 / Indemnities

Notes:

Consolidated - OFHP Matrix - Week of June 12_.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 12, 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> • Regulations (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Performance / Payment Guarantees (i.e., term sheet) o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc • ENERGY to provide comments on OFA comparison of Clean Energy Adjustment to DRC; which when ready will be shared with AG	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates • July 1 – 25% takes effect

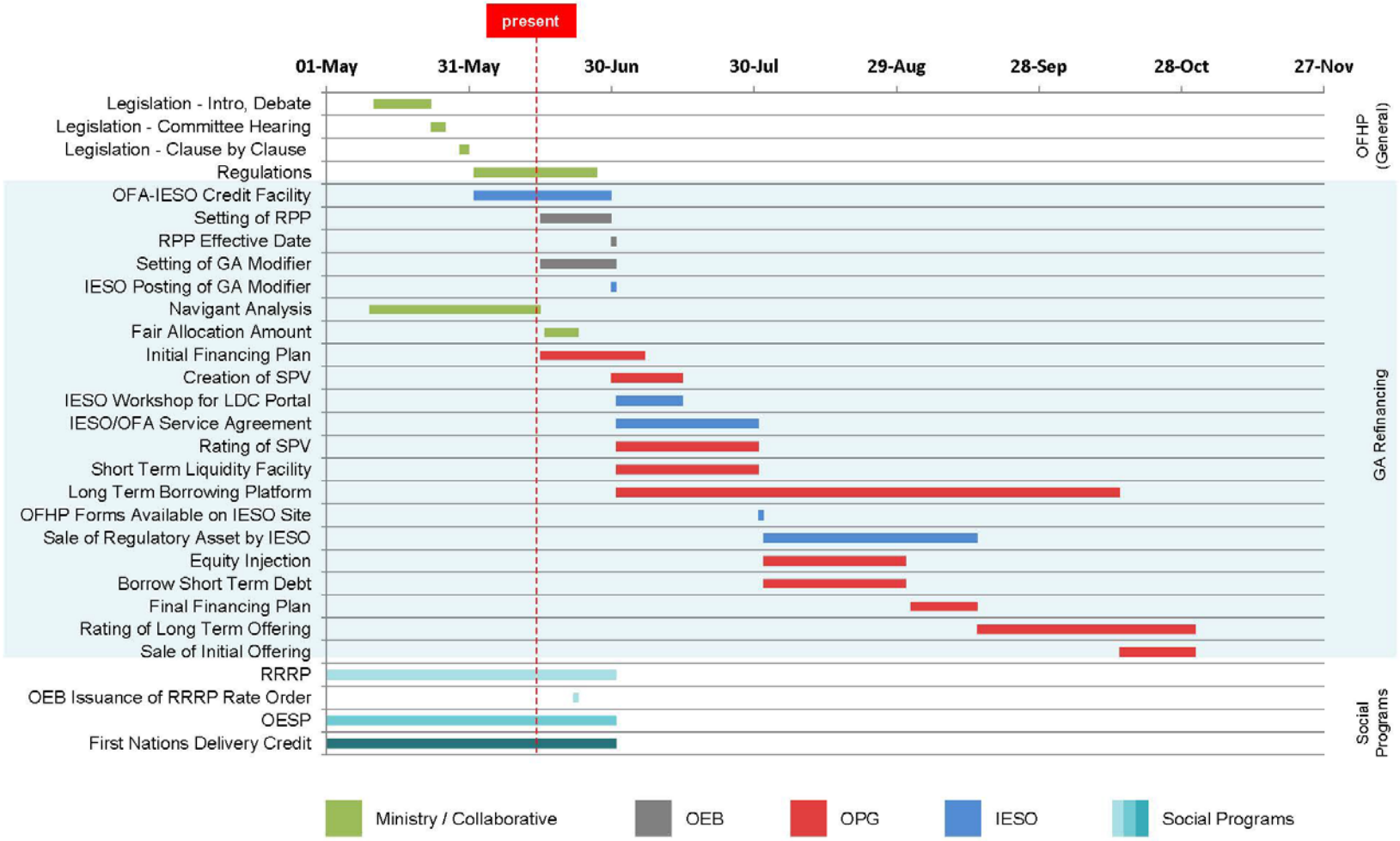
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• See above re approval timing • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29	• See above re approval timing

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	Tranche 2 responsive documents to be provided to AG • June 14 – AG meeting with IESO Board. KPMG to attend
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	<u>Recent Action Items</u> • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	<u>Recent Action Items</u> • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Implementation Weekly Meeting (1).pdf

From: Cox, Hilary (ENERGY)
To: Feather, Adam (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting
Date: March 14, 2017 8:11:58 PM
Attachments: Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx
Consolidated - OFHP Matrix -Week March 13.docx

From: Hume, Steen (ENERGY)
Sent: Tuesday, March 14, 2017 1:03 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Implementation Weekly Meeting

Hi Keley: attached a is draft agenda and our OFHP matrix (updated for this week; updates are highlighted in yellow).

Give me a call when you have a moment. Steen

Agenda_Weekly Rate Mitig Implmentation Group__23.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 15, 2017

Agenda

1) GA Refinancing
    - OPG Update
    - IESO Update
    - OPG Update
    - Legislative Drafting (LSB / Blakes)

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

Notes:

Consolidated - OFHP Matrix -Week March 13_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Considerations</u>
	• GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit.
	• Ongoing legal, accounting and financing risk assessments.
	• Impact on Electricity Sector Dedicated Income.
	• OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

Item	Key Deliverables / Considerations	Timing / Next Steps
		final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

FW_ Rate Mitigation Implementation Weekly Meeting .pdf

From: Thompson, Erin (ENERGY)
To: Bradbeer, Linda (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting
Date: March 14, 2017 5:37:00 PM
Attachments: Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx
Consolidated - OFHP Matrix -Week March 13.docx

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: March-14-17 5:37 PM
To: Thompson, Erin (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: March 14, 2017 1:03 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Implementation Weekly Meeting

Hi Keley: attached a is draft agenda and our OFHP matrix (updated for this week; updates are highlighted in yellow).

Give me a call when you have a moment. Steen

Agenda_Weekly Rate Mitig Implmentation Group__24.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 15, 2017

Agenda

1) GA Refinancing
    - OPG Update
    - IESO Update
    - OPG Update
    - Legislative Drafting (LSB / Blakes)

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

Notes:

Consolidated - OFHP Matrix -Week March 13_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Considerations</u>
	• GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit.
	• Ongoing legal, accounting and financing risk assessments.
	• Impact on Electricity Sector Dedicated Income.
	• OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
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		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

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• 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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
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• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

FW_ Rate Mitigation Meeting (1).pdf

From:	Hume, Steen (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: Rate Mitigation Meeting
Date:	August 28, 2017 8:24:00 AM
Attachments:	2017 Outstanding Business Issues - Week of Aug 21 - updates.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

Sorry. My mistake. These ones.

From: Hume, Steen (ENERGY)
Sent: August 25, 2017 7:19 PM
To: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Meeting

Hi. Attached are the materials for the rate mitigation meeting with DM and MO.

Thanks,

2017 Outstanding Business Issues - Week of A_7.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

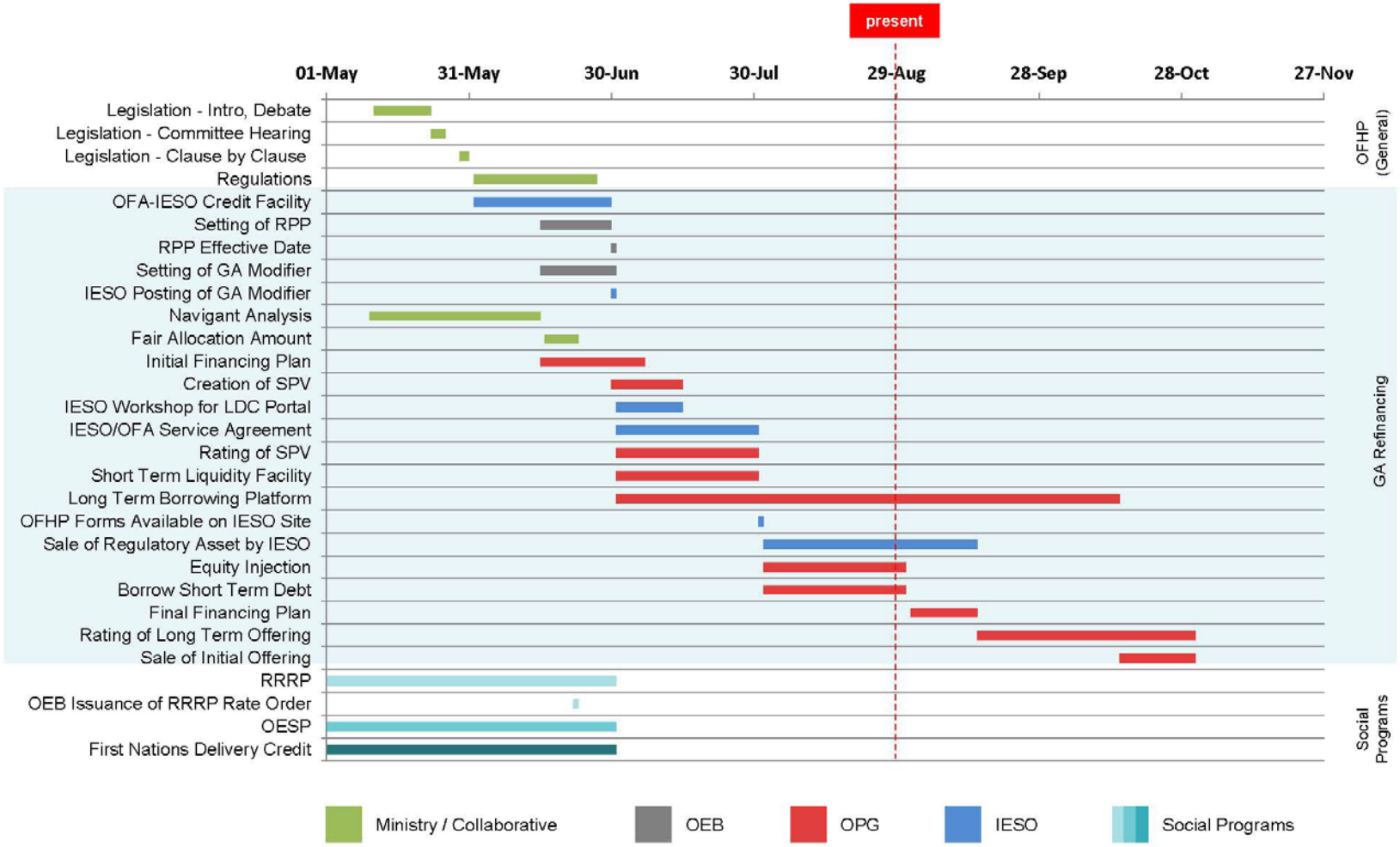
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Meeting (2).pdf

From: Cox, Hilary (ENERGY)
To: Katona, Keley (MOF)
Subject: FW: Rate Mitigation Meeting
Date: August 28, 2017 8:25:00 AM
Attachments: 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx
2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

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Here you go.

2017 Outstanding Business Issues - Week of A_8.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

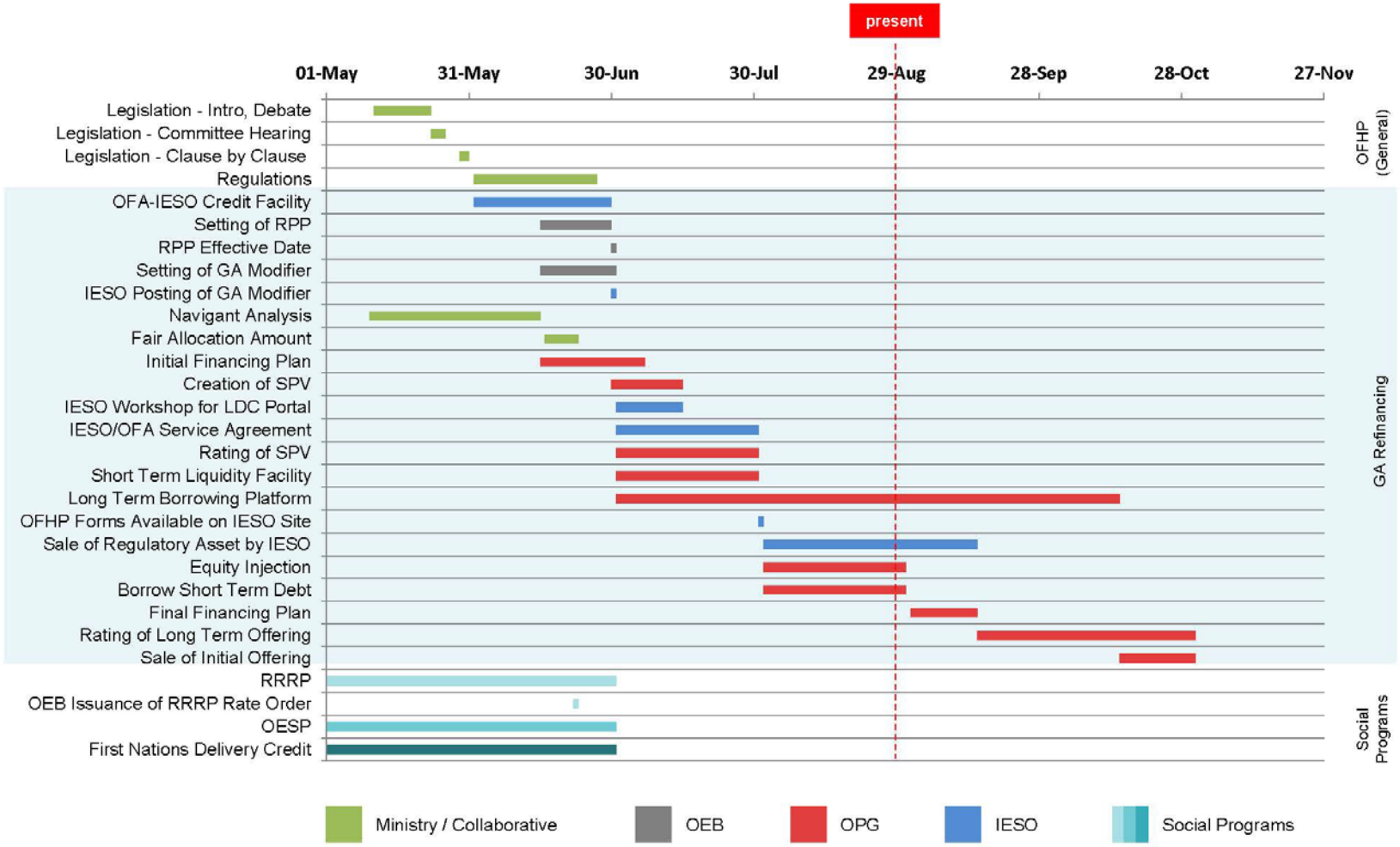
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Meeting (3).pdf

From: Cox, Hilary (ENERGY)
To: Cayley, Daniel (ENERGY)
Subject: FW: Rate Mitigation Meeting
Date: August 28, 2017 8:27:00 AM
Attachments: 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx
2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

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Hi Daniel –

Materials for the 9 am.

HC

2017 Outstanding Business Issues - Week of A_9.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _10.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	– 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • All LDCs have indicated they have implemented the program	• Will hold a wrap-up working group teleconference in August.
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Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
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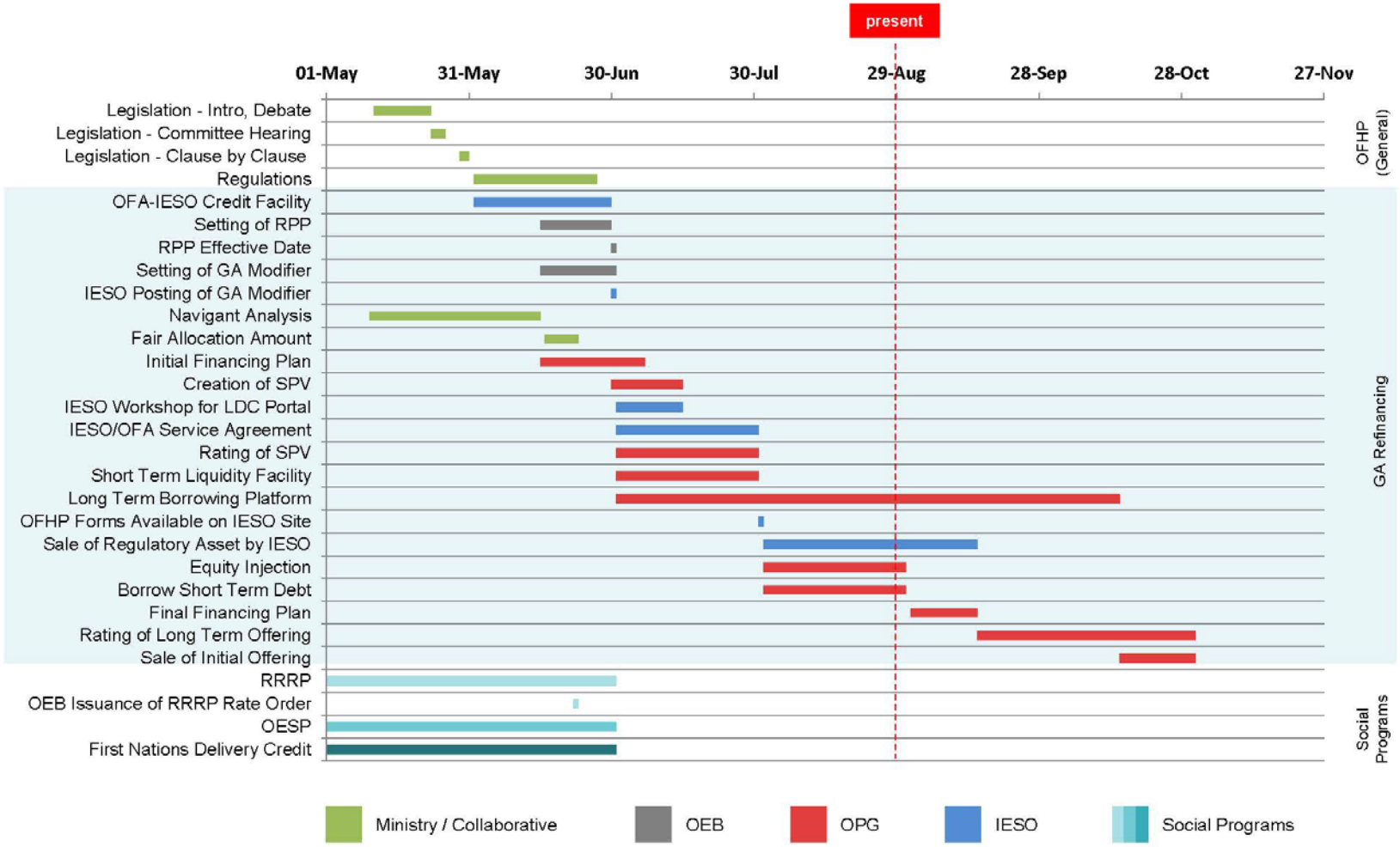
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • Third-party hired to undertake electronic search of records • TBS advises that AG is tracking 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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FW_ Rate Mitigation Meeting .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	FW: Rate Mitigation Meeting
Date:	August 25, 2017 9:00:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 21 - updates.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Fees Rider 25 August 2017.docx

FYI, thanks for sending these up. Draft reg came from legal.

Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 25, 2017 8:54 PM
To: Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>
Cc: Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca>; Whittington, Matt (ENERGY) <Matt.Whittington@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>
Subject: Rate Mitigation Meeting

Hi Andrew,

Attached are the materials for Monday morning's meeting: regular Matrix and Business Issues table, along with a draft fees reg.

Thanks,
Martin

2017 Outstanding Business Issues - Week of A_10.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
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OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _11.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

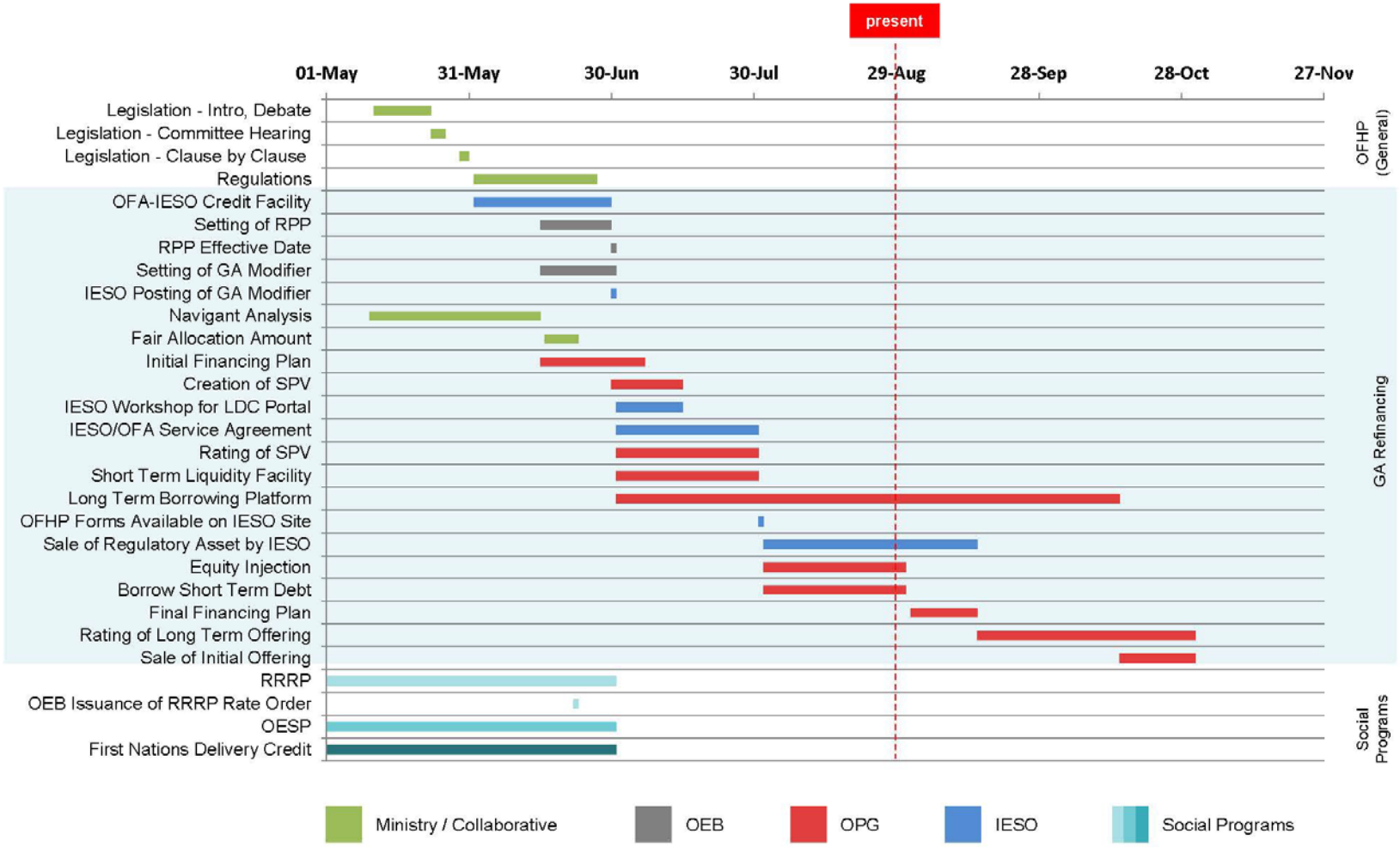
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Fees Rider 25 August 2017.pdf

FEES RIDER – subs. 19 (3) of the Act – August 25, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of the applicable tranche of incremental annual funding obligations,

B = the forecast interest rate for the applicable tranche of incremental annual funding obligations,

C = the actual interest rate for the applicable tranche of incremental annual funding obligations,

D = 5% or such other percentage that is approved by the Board.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (D × the incremental annual funding obligations), or

2. less than -1% of (D × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (x).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

5.(1) Section ■ applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

FW_ Rate Mitigation Meeting Materials (1).pdf

From:	Hume, Steen (ENERGY)
To:	Hume, Steen (ENERGY)
Subject:	FW: Rate Mitigation Meeting Materials
Date:	August 9, 2017 2:07:00 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31 (2).docx 2017 07 07 Business Issues v01-kc.docx

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From: Hume, Steen (ENERGY)
Sent: August 2, 2017 6:01 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Meeting Materials

Hi Martin: attached are updated materials for the meeting tomorrow (i.e., matrix and business issues). Edits are highlighted in yellow.

Have a good evening. Thanks

2017-07-07 Consolidated - OFHP Matrix - Week _10.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

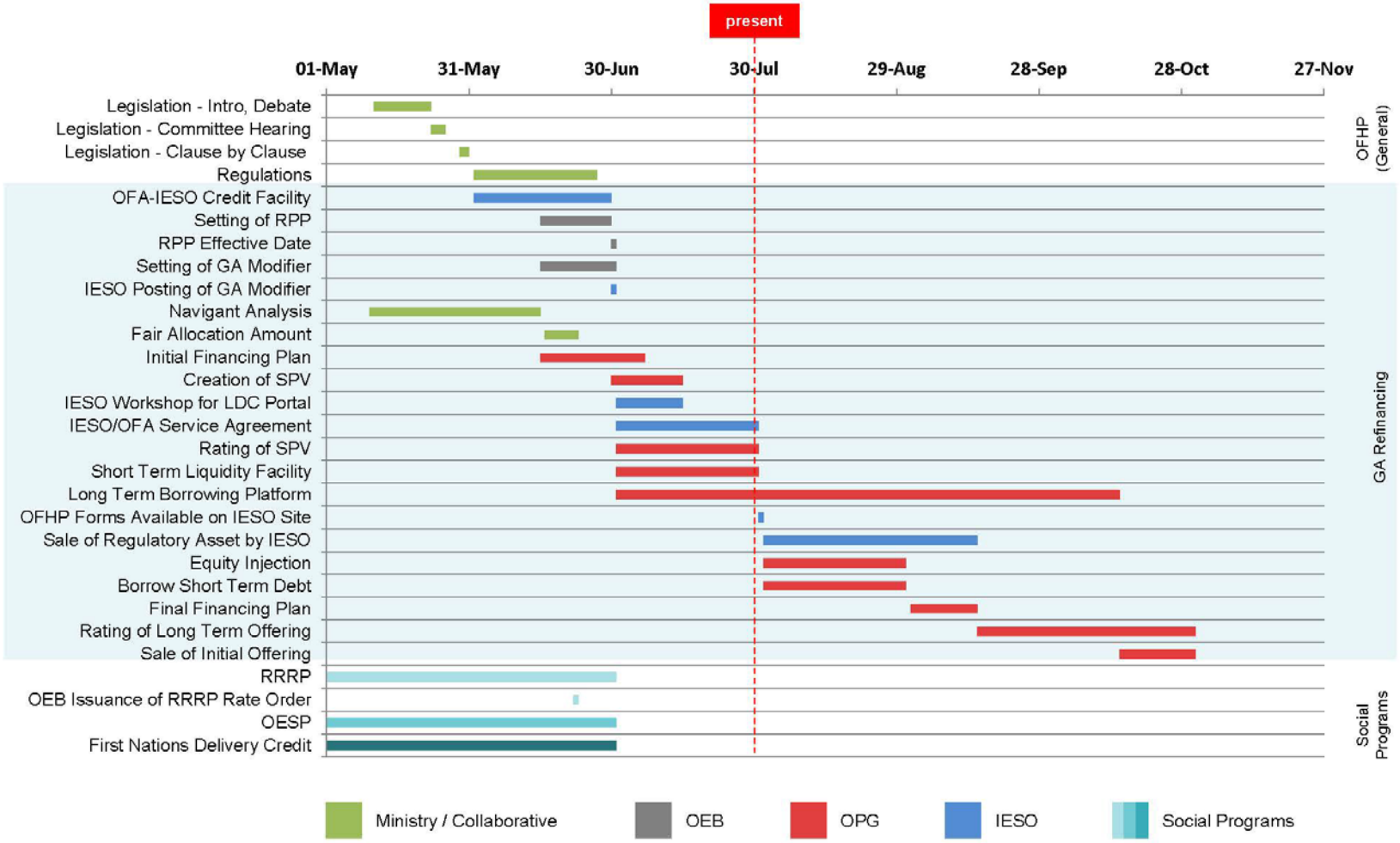
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01-kc.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Rate Mitigation Meeting Materials .pdf

From:	Cox, Hilary (ENERGY)
To:	Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Sermat-Harding, Kaili (ENERGY); Chander, Sunita (ENERGY); Cayley, Daniel (ENERGY); McKinlay, Tom (ENERGY)
Cc:	Chatterjee, Jeet (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject:	FW: Rate Mitigation Meeting Materials
Date:	August 3, 2017 2:44:00 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31 (2).docx 2017 07 07 Business Issues v01-kc.docx

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Hi All –

Attached are the DMO approved/final materials for this afternoon's rate mitigation implementation meeting.

HC

2017-07-07 Consolidated - OFHP Matrix - Week _11.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

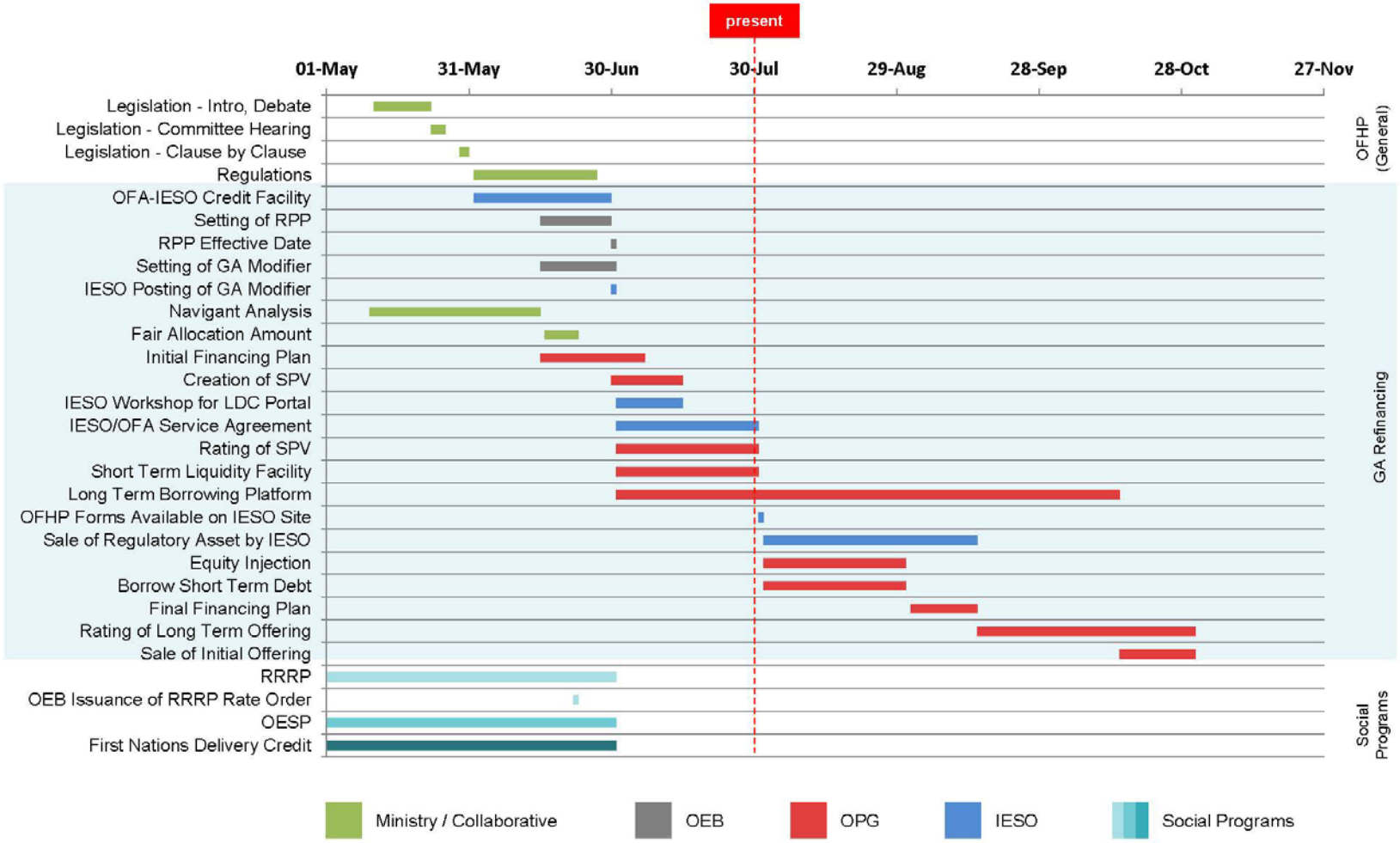
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01-kc_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

FW_ Rate Mitigation Meeting(1).pdf

From:	Christie, Tim (ENERGY)
To:	Cayley, Daniel (ENERGY); Ho, Larissa (ENERGY)
Subject:	FW: Rate Mitigation Meeting
Date:	May 3, 2017 2:12:55 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx Consolidated - OFHP Matrix - Week of April 24.docx

There should be some dates in this.

From: Cox, Hilary (ENERGY)
Sent: April-24-17 4:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY)
Subject: Fw: Rate Mitigation Meeting

FYI

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>
Sent: Monday, April 24, 2017 4:52 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Meeting

Hi Keley: apologies for the delay. Please find attached an agenda and OFHP Matrix for tomorrow's discussion (we're removed the highlighted sections).

Thanks, Steen

Agenda_Weekly Rate Mitig Implmentation Group__25.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 24_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

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	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ Rate Mitigation Meeting.pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc:	Johnson, Paul (ENERGY/MEDEI/MRI)
Subject:	FW: Rate Mitigation Meeting
Date:	April 25, 2017 7:47:05 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx Consolidated - OFHP Matrix - Week of April 24.docx

Hi Carolyn and Paul,

Please see the attached materials for today's Rate Mitigation Meeting at 10:00am. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 24, 2017 4:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY)
Subject: Fw: Rate Mitigation Meeting

FYI

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>
Sent: Monday, April 24, 2017 4:52 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Meeting

Hi Keley: apologies for the delay. Please find attached an agenda and OFHP Matrix for tomorrow's discussion (we're removed the highlighted sections).

Thanks, Steen

Agenda_Weekly Rate Mitig Implmentation Group__26.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 24_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

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• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

FW_ Requested by 3 pm - Consolidated - OFHP Mat...(1).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 9:05:36 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (2).docx

Hi Carolyn,

Please let me know if anyone else should be reviewing the OFHP Matrix in Paul's stead. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 13, 2017 8:53 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

FW_ Requested by 3 pm - Consolidated - OFHP Mat...(2).pdf

From:	Cayley, Daniel (ENERGY)
To:	O"Riordan, Eamon (ENERGY)
Cc:	DeSouza, Avril (ENERGY)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 9:26:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (2).docx

Please update for 1pm.

Thanks,

Daniel

From: Cox, Hilary (ENERGY)
Sent: April 13, 2017 8:53 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
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FW_ Requested by 3 pm - Consolidated - OFHP Mat...(3).pdf

From:	Kitchen, Matthew (ENERGY)
To:	Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY); Kassabian, Maral (ENERGY); Kolodziej, Monika (ENERGY)
Cc:	Thompson, Erin (ENERGY)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 10:34:17 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (2).docx

Hi everyone,

For review and updating as needed, please find attached ESP's OFHP Weekly Matrix.

Any updates are due to ADMO for approval by no later than **2:00pm today.**

Thanks,

Carl Ridd (A) for Matthew Kitchen
416-325-7065

From: Cox, Hilary (ENERGY)
Sent: April-13-17 8:53 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

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Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

FW_ Requested by 3 pm - Consolidated - OFHP Mat...(4).pdf

From:	Thompson, Erin (ENERGY)
To:	Kitchen, Matthew (ENERGY)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 10:45:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (2).docx

sorry

From: Thompson, Erin (ENERGY)
Sent: April-13-17 8:58 AM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: Fw: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Emma

Please update the attached matrix as necessary.

Due 2pm

(sorry if there is nothing for us, I am on BlackBerry so haven't opened the doc)

From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Thursday, April 13, 2017 8:52 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
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• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

FW_ Requested by 3 pm - Consolidated - OFHP Mat...(5).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 11:05:39 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 - LSB Edits.docx

Hi Carolyn,

My apologies, I forgot to cc you when I sent the updates to Hilary.

Thanks!

Joseph Pau

From: Pau, Joseph (MEDG/MRIS)
Sent: April 13, 2017 11:04 AM
To: Cox, Hilary (ENERGY); Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF)
Subject: RE: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi Hilary,

Please see the attached for edits from Legal.

Thanks,

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 13, 2017 8:53 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder ~~resolution~~ letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG ~~providing shareholder resolution~~provided draft letter to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • ~~Working group meetings Monday and Tuesday~~Next all hands meeting Monday, April 17 to review draft legislation • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on anya ~~second~~ constitutional law ~~opinion from Peter Hogg~~issues • TD engaged through OFA to provide financial advice Considerations • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

FW_ Requested by 3 pm - Consolidated - OFHP Mat....pdf

From:	Cox, Hilary (ENERGY)
To:	Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject:	FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 8:52:55 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 (2).docx

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Hi All –

Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

FW_ To Action Friday - OFHP MAtrix updates(1).pdf

From:	Cayley, Daniel (ENERGY)
To:	O"Riordan, Eamon (ENERGY)
Cc:	Ho, Larissa (ENERGY)
Subject:	FW: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 9:38:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Action Items_May 18.docx

Eamon - please update for noon.

Thanks,

Daniel

From: Cox, Hilary (ENERGY)
Sent: May 19, 2017 9:38 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thank you,

Jas

Consolidated - OFHP Matrix - Week of May 8_cl_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Action Items_May 18_1.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

FW_ To Action Friday - OFHP MAtrix updates(2).pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Johnson, Paul (ENERGY)
Subject:	FW: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 9:40:01 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Action Items_May 18.docx

Hi Paul,

Please let me know if you will be handling this matrix or who I should direct it to. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: May 19, 2017 9:38 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thank you,

Jas

Consolidated - OFHP Matrix - Week of May 8_cl_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Action Items_May 18_2.pdf

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    - RRRP, OESP and FN:
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3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

FW_ To Action Friday - OFHP MAtrix updates(3).pdf

From:	O"Riordan, Eamon (ENERGY)
To:	Cox, Hilary (ENERGY)
Cc:	Cayley, Daniel (ENERGY); Christie, Tim (ENERGY); Ho, Larissa (ENERGY)
Subject:	FW: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 12:42:59 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx

Hi Jas,

OFHP Matrix attached.

Eamon

From: Cayley, Daniel (ENERGY)
Sent: May-19-17 12:41 PM
To: O'Riordan, Eamon (ENERGY)
Cc: Ho, Larissa (ENERGY)
Subject: RE: To Action Friday - OFHP MAtrix updates

Approved. Please send to Jas/Hilary.

From: O'Riordan, Eamon (ENERGY)
Sent: May 19, 2017 11:21 AM
To: Cayley, Daniel (ENERGY)
Cc: Ho, Larissa (ENERGY)
Subject: RE: To Action Friday - OFHP MAtrix updates

Updated in yellow highlight and strikethrough throughout:

\\etcptovspifs003\PD\EnergyPolicy\Economics\Files\Rate Mitigation\20170316 Fair Hydro Plan Implementation\Tracking\Consolidated - OFHP Matrix - Week of May 8_clean.docx

Action Items:

\\etcptovspifs003\PD\EnergyPolicy\Economics\Files\Rate Mitigation\20170316 Fair Hydro Plan Implementation\Tracking\Action Items_May 18.docx

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From: Cayley, Daniel (ENERGY)
Sent: May-19-17 9:39 AM
To: O'Riordan, Eamon (ENERGY)
Cc: Ho, Larissa (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Eamon - please update for noon.

Thanks,

Daniel

From: Cox, Hilary (ENERGY)

Sent: May 19, 2017 9:38 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

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Thank you,

Jas

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Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Draft motions to be shared early week of May 22. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • ~~OPG is finalizing E&Y's work~~ OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach	

Item	Key Deliverables / Considerations	Timing / Next Steps
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2) Broadening Rural or Remote Rate Protection (RRRP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
(SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May

Item	Key Deliverables / Considerations	Timing / Next Steps
	plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u>	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislative changes not required.	for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• ~~Preliminary discussion on April 19, 2017~~ IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	

FW_ To Action Friday - OFHP MAtrix updates.pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc:	Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject:	FW: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 9:37:39 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Action Items_May 18.docx

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Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thank you,

Jas

Consolidated - OFHP Matrix - Week of May 8_cl_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Action Items_May 18_3.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

For ADM Review_ 2017-07-07 Consolidated - OFHP....pdf

From:	Edwards, Matthew (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Subject:	For ADM Review: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31
Date:	July 27, 2017 6:01:00 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31.docx Action Items_July 27.docx

Kaili,

Attached is the OFHP matrix for next week (Affordability Fund being the only item). Usman has reviewed and does not suggest any edits.

Is this OK to send back to ESP?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: July 27, 2017 11:47 AM
To: Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31

Hi Shahrokh and Matt –
I've updated the OFHP matrix for the action items coming out of yesterday's group meeting (also attached for information). Please review and ensure your items have been properly represented. Please also strip out any stale information.

HC

2017-07-07 Consolidated - OFHP Matrix - Week _12.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) ▪ OPG to set meeting with OFA and IFS to discuss dealers' questions on guarantee o▪ OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption ▪ MOF/Tax Policy working on comfort letter re: PILs for OPG • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value	• July 1 – 25% takes effect • August 16 - ENERGY and OFA to bring forward proposed approach to Provincial Guarantee to CO/PO, with a TB meeting/approval to follow • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)

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Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation • Ministry working on post card for FNDC	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

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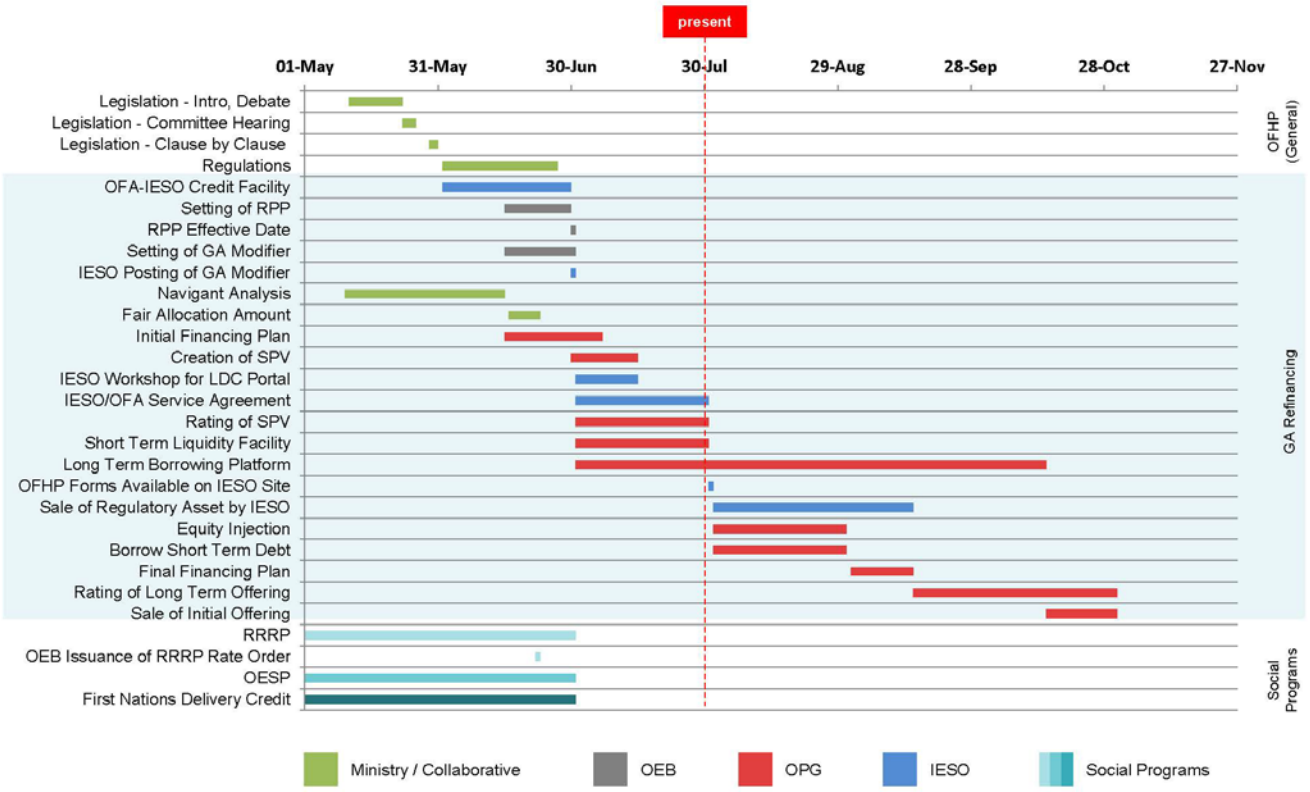
Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC outreach campaign 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Action Items_July 27_4.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work ~~with rating agencies~~ by end of September
        - OPG, IESO and ENERGY ~~and needs~~ to work through an approach to address ~~the~~interest payments during the ~~process/accounting of the~~ moratorium period
        - ~~OPG working to finalize work with rating agencies by end of September~~
        - ENERGY ~~Ministry~~ working through the details related to the ~~fair~~ Minister's Fair ~~allocation~~ Allocation Amount~~curve, including a looking at potential options for ranges~~
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA ~~Ministry~~ to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY ~~Ministry~~ legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - TBS advises ~~indicates~~ 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 s~~s~~tatutory dealine in September 27)
    - IESO indicates that ~~KPMG got a second opinion from~~ Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)

- Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities ~~with Utilities~~ is scheduled for ~~et up~~ August 1
- Trustees continue to work through program design concepts and details in order to launch the program ~~tails before launching but is working toward launching~~ as soon as possible
- Trustees have agreed to Hydro One's role as administrator ~~has been chosen to deliver the program~~

For ADM Review_ 2017-07-07 Consolidated - OFHP ....pdf

From: Edwards, Matthew (ENERGY)
To: Sermat-Harding, Kaili (ENERGY)
Subject: For ADM Review: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date: August 11, 2017 5:24:00 PM
Attachments: 2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

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Kaili,

Are you OK with Emma's updates to the OFHP Matrix for Affordability Fund?

OK to send to ESPD?

Thanks,

Matt

From: Schwab-Pflug, Emma (ENERGY)
Sent: August 11, 2017 5:22 PM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Cc: Syed, Usman (ENERGY) <Usman.Syed@ontario.ca>; Qureshi, Musab (ENERGY) <Musab.Qureshi@ontario.ca>
Subject: RE: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Matt, updated following the BoT call, edits tracked and highlighted yellow:

Thanks,
Emma

From: Edwards, Matthew (ENERGY)
Sent: August-11-17 11:23 AM
To: Schwab-Pflug, Emma (ENERGY)
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Can you update as necessary?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: August 11, 2017 11:22 AM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-11 Consolidated - OFHP Matrix - Week _12.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

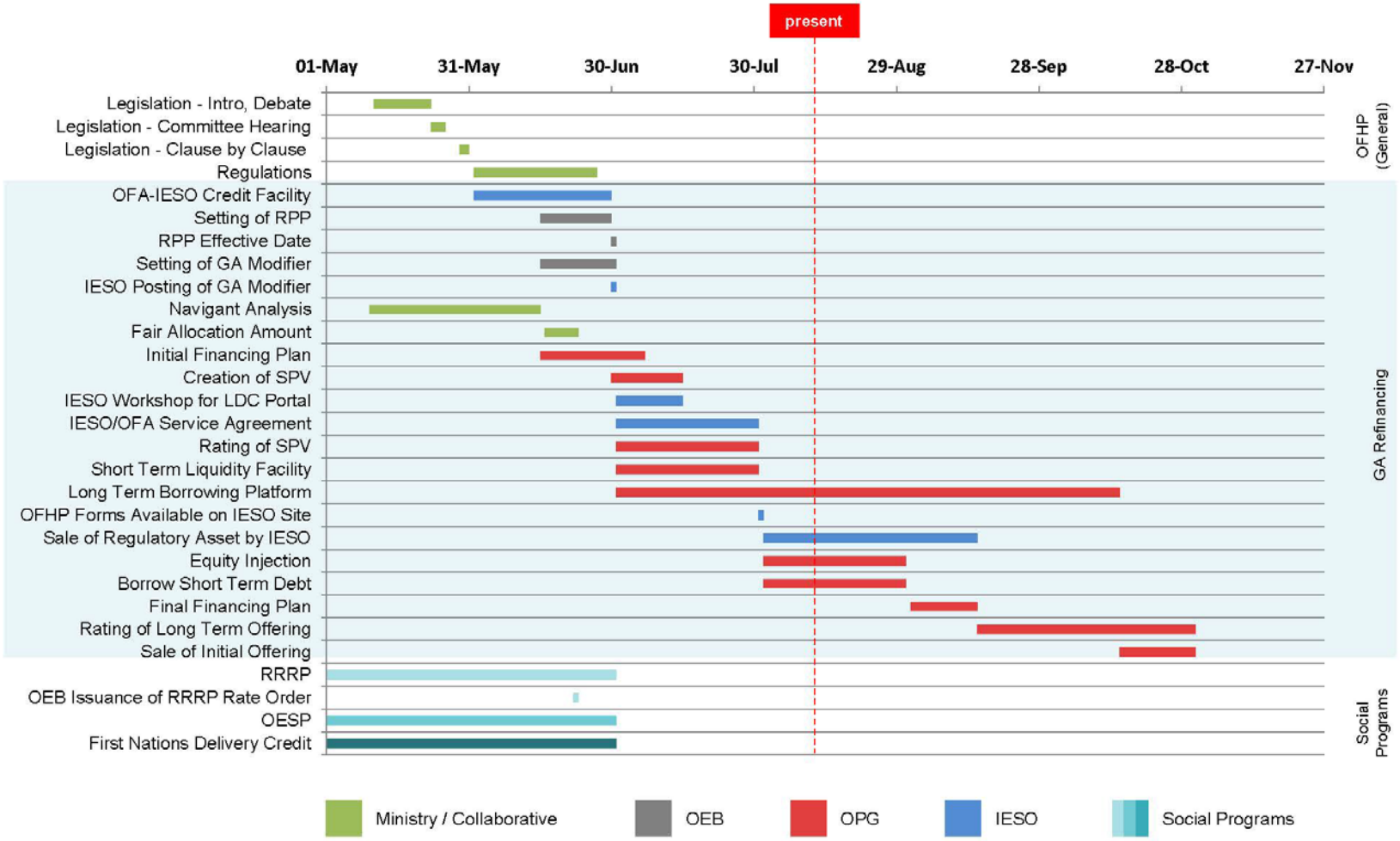
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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		

Item	Key Deliverables / Considerations	Timing / Next Steps
Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is ~~developing~~ offering back office support and ~~preparing~~ helping coordinate stakeholder engagement on program design ~~recommendations~~ for the ~~first meeting of 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 ~~to allow for broader outreach to~~seeking feedback from ~~utilities~~ LDCs on program design held ~~scheduled for~~ 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 ~~scheduled for~~held August 11, 2017~~6~~ (recap of LDC feedback and discussion on program design).	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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For ADM approval_ Consolidated - OFHP Matrix -....pdf

From: Kitchen, Matthew (ENERGY)
To: Sermat-Harding, Kaili (ENERGY)
Subject: For ADM approval: Consolidated - OFHP Matrix - Week of June 5 Tracked
Date: June 2, 2017 12:31:31 PM
Attachments: Consolidated - OFHP Matrix - Week of June 5 Tracked.docx
Action Items_June 1.docx

Kaili:

ESP has updated the OFHP matrix with the action items from yesterday's rate mitigation implementation meeting (sent by Martin yesterday).

The action item on the AF has been captured **but sending to you for review/approval of thoroughness of the action items, as you were in the meeting yesterday**.

- Note also attached is the list sent by Martin yesterday. It might be easier to review Martin's list (I can add any edits you make into the matrix).

Matt

From: Cox, Hilary (ENERGY)
Sent: June-02-17 10:51 AM
To: Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Please review and return by 3 pm - Consolidated - OFHP Matrix - Week of June 5 Tracked

Hi SNAP, CRED and IGS –
I've incorporated the list of action items from yesterday's rate mitigation implementation meeting into the attached OFHP matrix. Please review and let me know if there's anything else you'd like to add or anything that's not properly represented.

Really aiming to get this back by 3 pm please.

HC

Consolidated - OFHP Matrix - Week of June 5 T_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps

	• TBS to connect with OFA to determine if it ready to share with IESO
	• IGS to follow-up with MOF/Tax Policy on indirect taxes imlications
	
	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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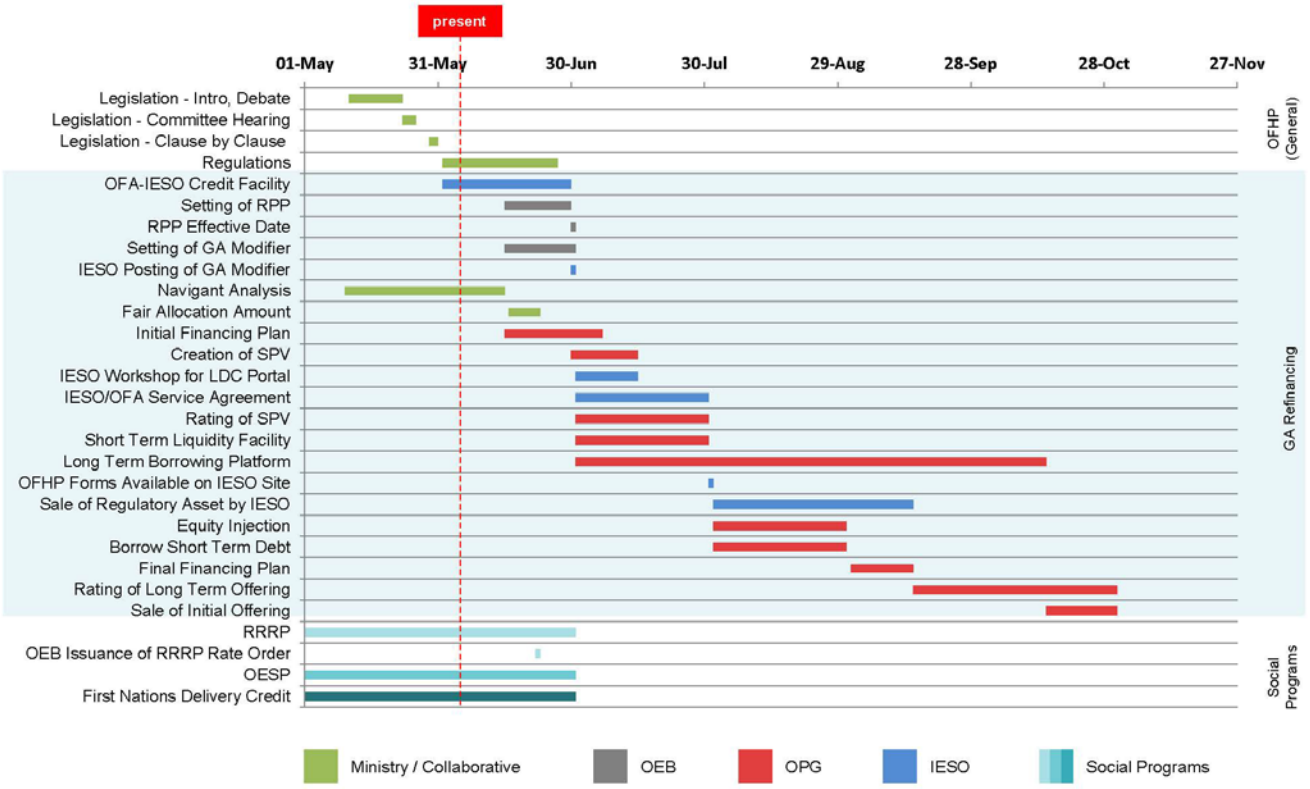
Ontario Fair Hydro Plan Implementation



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

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Action Items_June 1_6.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

For a_ADM approval_ Requested by 3 pm - Consoli....pdf

From:	Thompson, Erin (ENERGY)
To:	Syed, Usman (ENERGY)
Cc:	Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY)
Subject:	For a/ADM approval: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 12:40:33 PM
Attachments:	2017-04-13 Consolidated - OFHP Matrix - Week of April 18 v2.docx

Usman:

ESP has asked us to review the OFHP Matrix to update for this week's developments and next week's actions.

Attached for a/ADM approval, please find CEEB's manager approved updates (highlighted yellow in the attached).

Matt

From: Schwab-Pflug, Emma (ENERGY)
Sent: April-13-17 11:19 AM
To: Thompson, Erin (ENERGY)
Cc: Qureshi, Musab (ENERGY)
Subject: RE: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Matt, here are our updates (highlighted yellow):

Thanks,
Emma

From: Thompson, Erin (ENERGY)
Sent: April-13-17 8:58 AM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: Fw: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Emma

Please update the attached matrix as necessary.

Due 2pm

(sorry if there is nothing for us, I am on BlackBerry so haven't opened the doc)

From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Thursday, April 13, 2017 8:52 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –

Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

2017-04-13 Consolidated - OFHP Matrix - Week .pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is scheduled for April 18, 2017. **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

For review_ OFHP Matrix (1).pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	For review: OFHP Matrix
Date:	March 24, 2017 4:46:00 PM
Attachments:	OFHP Matrix - 20170324 - to KSH.docx

Hi Kaili – see attached CEEB's updates to the OFHP matrix. I understand ESP is regularly updating these on Friday for DM/MO weekend reading…

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-24-17 2:51 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: RE: Consolidated - OFHP Matrix - March 17

Hi All –
What's your ETA for edits to the OFHP matrix please?

HC

From: Cox, Hilary (ENERGY)
Sent: March 23, 2017 1:09 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

HC

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit

- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

OFHP Matrix - 20170324 - to KSH.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • ~~Tracking to have TPA / other documents finalized by end of next week~~ • ~~CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 21: DM Briefing; Secured Advisory Committee members (who will recommend Board of Trustees to Original Trustee) • March 24: DM signs TPA and Trust Deed. • March 24: Computershare and H1 sign Admin. Services	• ~~Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration~~ • ~~Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare)~~ • ~~Execute TPA between the Ministry and the Trust on March 23rd~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	Agreement. Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• March 27: Prepare Minister's thank you letters to Advisory Committee members. • Funds to flow by March 28, 2017 **April to ~~June~~ May 31, 2017:** • ~~Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **May/June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **Late 2017/early 2018:** • ENERGY can apply for

Item	Key Deliverables / Considerations	Timing / Next Steps
		additional funds through 2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

For review_ OFHP Matrix .pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	For review: OFHP Matrix
Date:	March 17, 2017 5:29:00 PM
Attachments:	OFHP Matrix - 20170317 - to KSH.docx

Hi Kaili – see attached CEEB's updates to the OFHP matrix, which I understand will be circulated at Monday's Minister's briefing.

We should send to ESP today.

Thanks,
Erin

From: Schwab-Pflug, Emma (ENERGY)
Sent: March-17-17 5:18 PM
To: Thompson, Erin (ENERGY)
Cc: Syed, Usman (ENERGY); Desouza, Charlotte (ENERGY)
Subject: RE: Consolidated - OFHP Matrix -Week March 13

Hi Erin,

Please see revised OFHP matrix attached.

Thanks,
Emma

From: Thompson, Erin (ENERGY)
Sent: March-17-17 3:55 PM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY)
Subject: RE: Consolidated - OFHP Matrix -Week March 13

Checking on this. I understand it will be used on Monday's Minister's briefing re: OFHP too (along with the deck)

From: Thompson, Erin (ENERGY)
Sent: March-16-17 12:03 PM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Qureshi, Musab (ENERGY); Desouza, Charlotte (ENERGY)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi Usman – please update the attached OFHP matrix for tomorrow morning.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-16-17 11:03 AM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)

Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –
Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

OFHP Matrix - 20170317 - to KSH_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• ~~TBC/MBC Submission~~ • ~~Trust Structure~~Declaration of Trust ~~Administration Services Agreement~~ • Transfer Payment Agreement ~~(multi-party)~~ Considerations • Legislative changes not required. • In advance of funds transfer, ENERGY must seek an exemption from the Cash Management Directive from the OFA. OFA is aware that ENERGY will be making this request and understands it is a high priority. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration ~~(including sharing of drafts for comment)~~ • Identification of Advisory Committee Members to advise interim Trustee (Computershare) on Board of Trustees (to include in Annex to Declaration of Trust) • As of March 17, CSD confirmed that ENERGY now has the $100 million in CRED's Green Energy Initiatives TP line. • CMD exemption request is with OFA. • ~~Hydro One to finalize establishment of Trust by March 17, 2017~~ ~~**Week of March 20, 2017:**~~ • Execute TPA between the Ministry and the Trust by March 23rd ~~2nd~~

Item	Key Deliverables / Considerations	Timing / Next Steps
		• March 28: Funds flow from CRED's GEI TP line via CEEB's cost centre to Trust bank account • ~~Initiate process to flow funds to the Trust; to be completed before March 31st~~ **April to May 2017:** • Additional trustees ~~to be~~ appointment; Trust develops further details, e.g. customer eligibility criteria and processes for ~~LDCs~~ electricity distributors to apply for funds; to be developed in consultation with electricity distributors~~LDCs~~ **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • Electricity distributors ~~LDCs~~ begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Considerations	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers'	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

For review_ OFHP Matrix.pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	For review: OFHP Matrix
Date:	April 7, 2017 10:07:19 AM
Attachments:	2017-04-06 Consolidated - OFHP Matrix - Week of April 10v2.docx

Hi Kaili – we've been asked to update the OFHP matrix. Just one minor update in the attached.

Thanks,
Erin

From: Syed, Usman (ENERGY)
Sent: April-07-17 10:06 AM
To: Thompson, Erin (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY); Kolodziej, Monika (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi Erin – here is the updated OFHP matrix, thanks…

- Usman

From: Thompson, Erin (ENERGY)
Sent: April-06-17 4:20 PM
To: Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc: Kolodziej, Monika (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Don't think we have any updates to the attached OFHP matrix, right? Let me know by noon tomorrow.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: April-06-17 3:55 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - Week of April 10

Hi All,

Could you please update the attached OFHP matrix by no later than 2 pm tomorrow. Thanks.

Jas

2017-04-06 Consolidated - OFHP Matrix - Week _2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members Considerations • Legislative changes not required.	~~**April 7, 2017:**~~ • ~~Briefing for Advisory Committee members~~ **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

For review_ OFHP matrix updates.pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	For review: OFHP matrix updates
Date:	May 19, 2017 9:47:00 AM
Attachments:	Action Items_May 18.docx Consolidated - OFHP Matrix - 20170519 - CRED edits.docx

Hi Kaili – ESP is collecting updates to the OHFP matrix. See attached my suggested updates to clean up the 'recent action items' section.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: May-19-17 9:38 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thank you,

Jas

Action Items_May 18_4.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

Consolidated - OFHP Matrix - 20170519 - CRED .pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One ~~to~~ prepared letters ~~that will go out~~ to social service agencies. The advisory group reached out and is awaiting responses. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

For review_ OFPH matrix.pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	For review: OFPH matrix
Date:	March 31, 2017 3:43:02 PM
Attachments:	OFHP Matrix - 20170331.docx

Hi Kaili – ESP is collecting updates to the OFHP matrix for weekend distribution. Since the updates were minor, I've tracked in the changes myself. Please see attached for review.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-30-17 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

Hi All –
Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

OFHP Matrix - 20170331_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • ~~Regulation (amend O.Reg.429/04)~~ • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line~~ • March 23 and 24: Trust Deed and TPA executed. ~~Process to transfer funds underway~~ • March 30: Funds transferred to Computershare. Considerations • Legislative changes not required. • ~~Funding needs to flow to the Trust prior to March 31, 2017.~~	**April 7, 2017:** • Briefing for Advisory Committee members **April to May ~~31~~ 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

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Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Fw_ Action Item - June 1.pdf

From: Schlaepfer, Martin (ENERGY)
To: Nelms, Scott (MOF)
Subject: Fw: Action Item - June 1
Date: June 1, 2017 9:31:38 AM
Attachments: Action Items_June 1.docx

Sorry forgot to include you.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Thursday, June 1, 2017 9:30 AM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Chander, Sunita (ENERGY)
Subject: Action Item - June 1

Hi everyone,

Attached are today's action items.

Please let me know if you have any updates or changes.

Thanks,
Martin

Action Items_June 1_7.pdf

Action Items – June 1

1) GA Refinancing
    - Ministry to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to set up call with Energy on TB report back expectations and timelines
    - Agencies (OPG/IESO/OEB) to develop and circulate more granular work plans
    - IESO provided AG all requested documents yesterday
    - OEB has AG request due tomorrow
    - OFA is also working on response to AG
    - OEB circulated timeline and is working to finalize work by June 22
    - OFA circulated a document comparing of Clean Energy Adj with DRC, which when finalized would be shared with AG
        - Ministry to review and provide comments early next week
    - IGS to connect with Tax policy on indirect taxes implication
    - Ministry to include standing item on future agendas for AG request
    - AG meeting with IESO board on the 14th with KPMG to attend
    - TBS to follow up on whether AG met with large audit firms and outcome

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory committee still trying to determine social service agency rep

Fw_ OFHP Update for Minister 20170608.pptx.pdf

From:	Cox, Hilary (ENERGY)
To:	Schlaepfer, Martin (ENERGY); Chatterjee, Jeet (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Cc:	Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject:	Fw: OFHP Update for Minister 20170608.pptx
Date:	June 9, 2017 6:51:50 PM
Attachments:	OFHP Update for Minister 20170608.pptx

Hi All -

Attached is triple ADM approved OFHP implementation update deck for Minister briefing next week.

Apologies, my brain just can't compute right now who actioned the initial deck request so am copying all.

HC

Sent from my BlackBerry 10 smartphone on the Rogers network.

OFHP Update for Minister 20170608.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Fair Hydro Plan – Update

Working Draft

June 2017

CONFIDENTIAL DRAFT

Context

- On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (OFHP), which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy worked with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs) on the development of legislation, regulations and ongoing implementation.
  - On April 10, Ontario expanded the Industrial Conservation Initiative (ICI) to include manufacturers and greenhouses with peak demand from 1 MW to 500 kW.
  - On June 1, the *Fair Hydro Act, 2017* (FHA) received Royal Assent.

- Through the Rate Mitigation Implementation Group and subcommittees, the Ministry of Energy continues to work through implementation of the following OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit); and
  - Establishing an Affordability Fund.

1) Global Adjustment (GA) Refinancing

- Ongoing work with energy agencies (i.e., OPG, OEB and IESO), ministries (i.e., MOF and TBS/OPCD) and external advisors.

- Key deliverables include:
  - Supporting regulations such as:
    - A new regulation under Part II of the FHA to set out the methodology that the OEB would use to make determinations related to OFHP;
    - Amendments to O. Reg. 280/14 to provide IESO with the necessary authority related to its OFHP activities including the funding, borrowing and contemplated financial agreements; and
    - A new general regulation under the FHA to provide for the implementation of the roles and responsibilities of OPG and IESO;
  - Financing (e.g., creation of a OFA-IESO line of credit; equity injection structures; OPG Special Purpose Vehicle (SPV)/Trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc).
  - Accounting opinions from E&Y (OPG) and KPMG (IESO); and
  - Third-party technical report regarding Long Lived Assets.

Status / Next Steps

- Legislation was passed on June 1; regulations have been developed for Treasury Board on June 13 / 27 and Cabinet on June 14 / 27.
- Full reduction related to OFHP for regulated consumers would be determined by the OEB for rates that come into effect on July 1.
- Third-party technical report is expected to be completed in June 2017.
- Continue with implementing necessary financing elements to achieve milestones such as the sale of the Regulatory Asset by IESO to OPG SPV/Trust by mid-September and sale of the Investment Asset by OPG SPV/Trust on the market to investors by the end of October 2017.

2) Social Programs – Regulations

- On June 1, 2017, Bill 132, Fair Hydro Act, 2017, (FHA) received Royal Assent. In order to support the social programs under the FHA The Ministry of Energy is bringing forward proposed amendments and new regulations that are needed to implement the Fair Hydro Plan, as enacted under the FHA.

    1. **Creating a new Regulation** (**First Nation Delivery Credit**) made under the Ontario Energy Board Act, 1998 to enable the provision of a First Nations Delivery Credit.

    2. **Creating a new Regulation** (**Distribution Rate Protection**) made under the Ontario Energy Board Act, 1998 to enable the provision of enhanced distribution rate protection to full-time residential customers of prescribed LDCs.

    3. **Amending O. Reg. 442/01(Rural or Remote Electricity Rate Protection)** made under the Ontario Energy Board Act, 1998 to enable tax-based funds to support the provision of RRRP to Hydro One's low-density residential classified customers (R2).

    4. **Creating a new Invoicing Regulation** made under the Ontario Fair Hydro Plan Act, 2017 to communicate Ontario's Fair Hydro Plan (OFHP), and its associated bill impacts, to consumers.

    5. **Amending O. Reg. 275/04 (Information on Invoices to Certain Classes of Consumers of Electricity)** made under the Ontario Energy Board Act, 1998 to remove the requirement for electricity vendors and USMPs to include informational messaging about the Debt Retirement Charge (DRC) in order to create more space on invoices for new OFHP messaging.

    6. **Amending the O. Reg 363/16 (General)** under the Ontario Rebate for Electricity Consumers Act, 2016 (ORECA) to provide clarity on how the proposed First Nations Delivery Credit should be treated with respect to the calculation of the 8% provincial rebate.

- A regulation to enable MCSS staff to sign up social assistance clients for the Ontario Electricity Support Program will track at a later date.

2) First Nations Delivery Credit Regulation – Identification of Eligible Customers

- The central piece of the FNDC regulation surrounds the eligibility criteria.
- The regulation limits eligibility to all First Nations residential on-reserve customers, regardless of whether the customer is seasonal or permanent.
- The definition of key terms, such as, “reserve”, “member of a band” are taken directly from the traditional meaning provided in the Indian Act.
- The 11 affected LDCs already have set processes in place to identify First Nations customers living on reserve based on their HST exemption status. All LDCs have indicated that these customers will automatically begin receiving FNDC as of July 1st.
- However, based on information provided to ENERGY, different LDCs rely upon different processes to recognize First Nation’s status, these include;
  - Hydro One, Cat Lake and Hydro One Remotes all require customers to fill out a Declaration Form which includes a requirement to include their status ID number,
  - James Bay First Nations LDCs work with band councils to identify customers who are HST exempt,
  - Algoma, Thunder Bay and PUC all require customers to show their status ID cards in order to receive the HST exemption, and
  - Cornwall automatically enrolls all of their on-reserve customers as HST exempt.

2) First Nations Delivery Credit (Cont'd)

Status / Next Steps

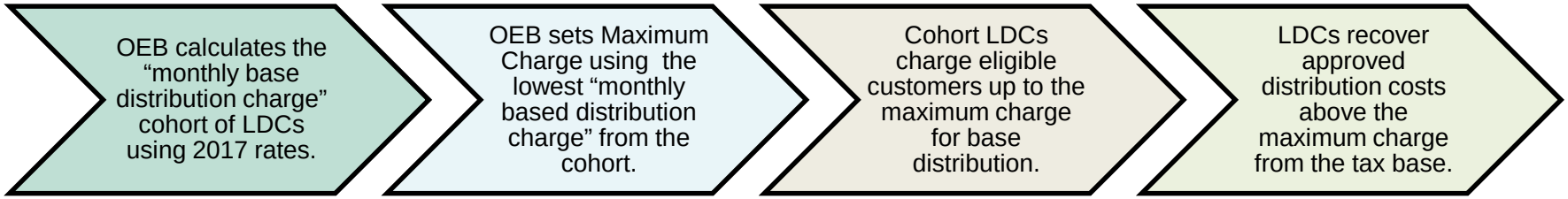
- The Ministry of Energy, in collaboration with the Chiefs of Ontario, have crafted the policy in a manner which best reflects the needs and wishes of Ontario's many varied indigenous communities.

Communications Strategy

- FNDC Postcard
  - COO has reviewed draft Postcard
  - Ministry targeting end of June for production of the Postcard and distribution soon thereafter
- Chiefs of Ontario Communiqué
  - COO has developed a Communiqué to send out to all First Nation Chiefs to encourage them to make sure their members are receiving the HST exemption from their LDC
  - COO will finalize the Communiqué and release in June.
- Hydro One
  - Hydro One is undertaking approaches to inform its First Nation customer base about the FNDC and prepare for the increased activity of signing First Nation customers up for the HST exemption.

2) Distribution Rate Protection – Implementation

- All eligible LDCs have indicated they will be in position to begin providing distribution rate protection as of July 1st, 2017 so long as they receive the maximum monthly base distribution charge from the OEB at least a week in advance.
- The OEB determines the maximum monthly base distribution charge using criteria outlined in the new regulation. The current projection for the initial maximum charge is $36.43/month**.** Following the approval of the regulation by Cabinet, the OEB would release this decision on June 22, 2017. The maximum charge would be updated at least once annually going forward.



- At the same time, the OEB will revise the RRRP regulatory charge to reflect the shift of legacy Hydro One R2 customer costs from the rate-base to the tax-base. It is expected that the RRRP charge will drop from ~$1.60/month for the average customer to ~$0.30

2) Ontario Electricity Support Program Regulation (OESP)

- As part of the FHP, recent amendments to Section 79.2.2 of the OEBA gave MCSS and the OEB authority to share personal information.
- This authority is required to align OESP delivery with other social assistance programs and automate OESP enrolment, in a way that meets privacy requirements under FIPPA.
- Amendments to the OESP regulation are now needed to:
  - Ensure that all persons deemed eligible for social assistance under Ontario Works (OW) or the Ontario Disability Support Program (ODSP) are also eligible for the OESP; and
  - Ensure that the way MCSS determines eligibility is sufficient for OESP.

Status / Next Steps

- ENERGY continues to work with MCSS and OEB to agree on appropriate language. Key dates:
  - LRC – June 27.
  - Regulation Effective Date – July 1.
  - MCSS Implementation Begins – August / September.

3) Affordability Fund

- The new Affordability Fund is intended to provide energy efficiency measures to electricity customers who are not eligible for low-income conservation programs and who otherwise would be unable to make energy efficiency improvements without financial assistance.
- The Fund, established through the tax base, will be administered by an independent Trust and accessible to electricity distributors.
- Eligible customers will be identified by electricity distributors. It is expected that priority will be given to homes primarily heated by electricity.
  - The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake.
  - It is expected that the program will assist eligible electricity customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.
- Distributor-led, highly targeted marketing of the Fund is recommended, as opposed to broad-based marketing, to enable distributors to target customers who are in need of assistance.

Status / Next Steps

- On March 24, 2017, ENERGY entered into a Transfer Payment Agreement with Computershare, who will act as the Original Trustee, to flow $100M to the Affordability Fund Trust.
- The Original Trustee will be replaced with a Board of Trustees, who will be responsible for distributing funds to electricity distributors across the province based on an application process and targeted eligibility criteria established by the Trust. It is expected that the Trust will include representation from three electricity distributors, two social service agencies and one (non-voting) government representative.
- Through the Declaration of the Trust, an Advisory Committee of senior executives was established to provide recommendations to the Original Trustee on the Board of Trustees. Advisory Committee members include Brian Bentz (Alectra Utilities), Bryce Conrad (Hydro Ottawa), Robert Mace (Thunder Bay Hydro), Ferio Pugliese (Hydro One) and Terry Young (IESO).

3) Affordability Fund (cont'd)

Status / Next Steps

- **June 2017:** Advisory Committee has developed recommendations for the Board of Trustees (awaiting formal confirmation from one Trustee). Advisory Committee to submit recommendations to the Original Trustee; Original Trustee to appoint Board of Trustees. First meeting of the Board of Trustees has been proposed for June 21st.

- **Summer 2017:** Funding criteria and processes to be designed and finalized, including engagement with distributors.

- **Late Summer 2017:** Estimated timeline for electricity distributors to begin applying to the Trust for funds

- **Fall 2017 (TBC):** ENERGY to report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

4) Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- On April 10, 2017, Ontario amended O. Reg. 429/04 to allow eligible electricity consumers/market participants in the manufacturing sector and greenhouses with an average monthly peak demand of greater than 500 kW and less than 1 MW to participate.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal to expand ICI on the Regulatory Registry. Comments were due April 8, 2017.

- The regulatory amendments were approved by LRC on April 10, 2017.

- Newly eligible consumers must opt-in with their LDC by June 15 to participate in ICI for the billing cycle beginning July 1.

5) OFHP Billing Requirements

- The Ministry is proposing to amend existing regulations and introduce new ones related to electricity invoicing to help explain OFHP initiatives and savings to consumers. These amendments and new regulations would:
  - Remove outdated informational messaging from invoices (i.e., 8% provincial rebate, DRC);
  - Introduce new messaging requirements for invoices to help explain OFHP bill impacts (i.e., OFHP on-bill messaging, bill inserts); and
  - In advance of these new requirements, the Ministry has removed outdated “8% provincial rebate” messaging from invoices and envelopes under O. Reg. 364/16, and proposed to remove on-bill DRC messaging under O. Reg. 275/04 as of July 1, 2017.
  - LDCs are in favour of this regulatory “clean-up”, as it will free-up space on invoices to include new messaging related to OFHP and reduce potential confusion amongst consumers.
- The Ministry has also proposed a new invoicing regulation under the Fair Hydro Act, 2017 that would require electricity vendors and USMPs to:
  - Include standardized on-bill OFHP messaging as of July 1, 2017; and
  - Accompany paper invoices with a descriptive bill insert on a quarterly basis for a 12-month period, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018.
- The Ministry also plans to exempt Hydro One from current billing requirements under O. Reg. 275/04 as of July 1, 2017. This exemption would allow Hydro One to proceed with its planned bill redesign in late Fall 2017, and share its learnings with the Ministry.
- Some LDCs may make use of provisions to petition the Minister for minor adjustments to these requirements due to technical limitations, however there is not expected to be any delay in the July 1st timeline.

6) Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in OFHP.

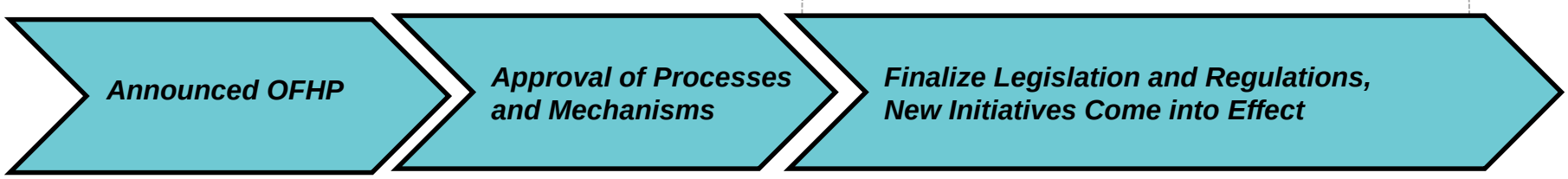
FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP.
- On May 24, 2017, the FAO released “An Assessment of the Fiscal Impact of the Province’s Fair Hydro Plan”.

AG

- On April 19, 2017, ENERGY met with AG staff.
- ENERGY staff to work with AG staff regarding requests for additional information.

Timing and Critical Milestones



- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Partial reduction related to OFHP in May 2017 RPP rates.
- Report back to TBC/MBC, LRC and Cabinet on select initiative.
- Appointment of Board of Trustees for the Affordability Fund
- Royal Asset of legislation.

- Report back to TBC/MBC and Cabinet on new regulations and amendments to existing regulations (June 13 and 14).
- Full implementation of GA refinancing for RPP eligible effective July 1.
- New consumers begin ICI participation on July 1.
- Electricity Distributors expected to apply to Affordability Fund

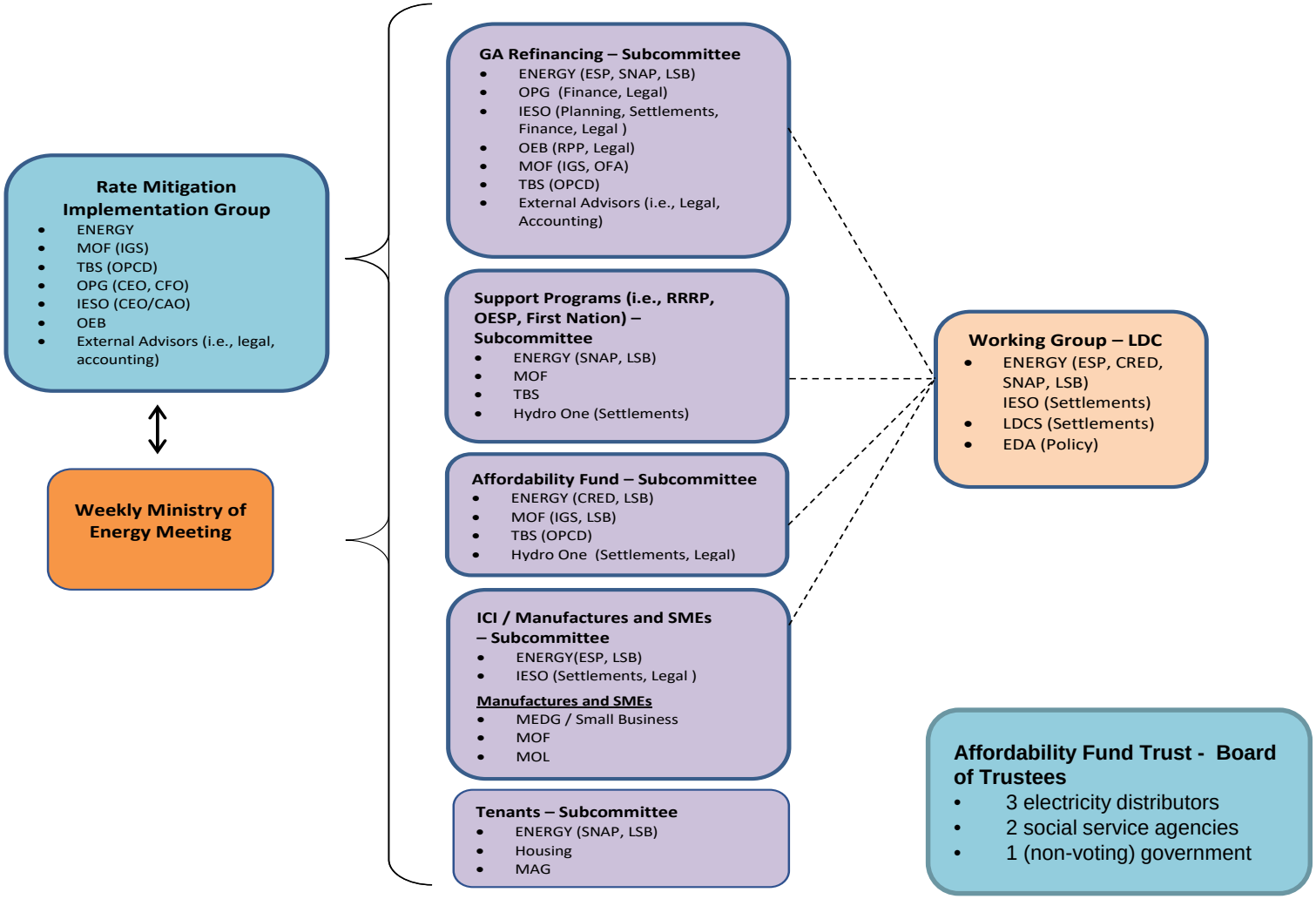
- Implementation of the broadening of RRRP, First Nations On-Reserve Delivery Credit and Distribution Rate Protection begins July 1.
- OESP begins August / September 2017.
- Report back to TBC/MBC, LRC and Cabinet on Affordability Fund in Fall 2017.

Next Steps

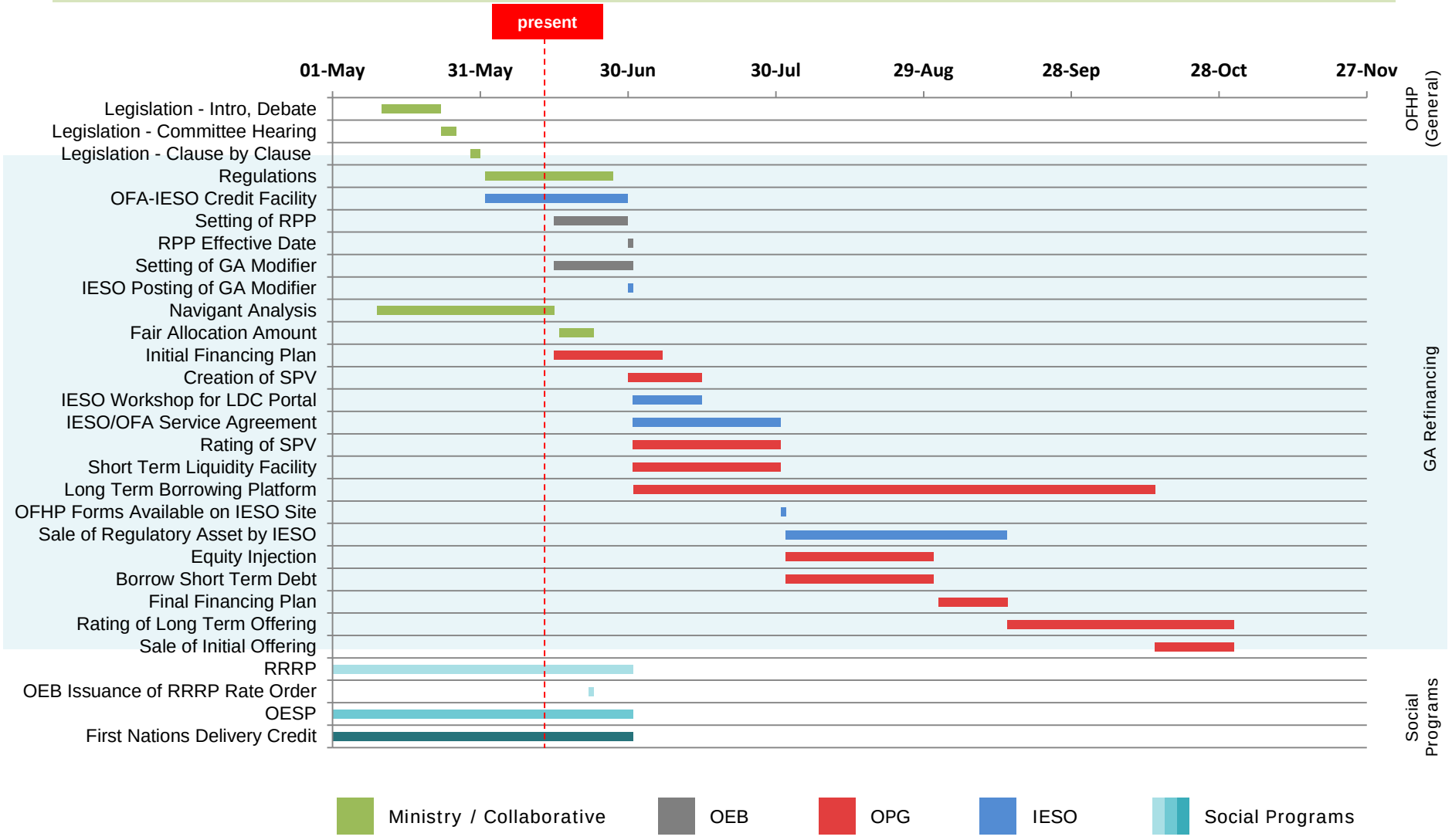
- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- ENERGY to report back to TBC/MBC, LRC and Cabinet on June 13 and June 14.
- OEB is expected to communicate the RPP rates effective July 1 that achieve the full impact of GA refinancing.

Appendix

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Ontario's Fair Hydro Plan Implementation



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

Fw_ Ontario Fair Hydro Plan matrix_1.pdf

From:	Syed, Usman (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY)
Subject:	Fw: Ontario Fair Hydro Plan matrix
Date:	March 22, 2017 10:10:01 PM
Attachments:	2017-03-22 Consolidated OFHP Matrix March 22_CEEB_v1.docx

Hi Erin, here is the updated ofhp matrix, thanks...

- Usman

From: Schwab-Pflug, Emma (ENERGY) <Emma.Schwab-Pflug@ontario.ca>
Sent: Wednesday, March 22, 2017 9:06 PM
To: Syed, Usman (ENERGY)
Cc: Cook, Cory (ENERGY); Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY); Teare, Rebecca (ENERGY); Desouza, Charlotte (ENERGY)
Subject: FW: Ontario Fair Hydro Plan matrix

Hi Usman, Attached are our edits to the OFHP matrix (new content in blue). This will be due to ADMO first thing tomorrow, and I believe the meeting is tomorrow. Sorry for the jam. Thanks, Emma

From: Cook, Cory (ENERGY)
Sent: Wednesday, March 22, 2017 1:13 PM
To: Schwab-Pflug, Emma (ENERGY)
Cc: Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY)
Subject: RE: Ontario Fair Hydro Plan matrix

Hi Emma,

I've updated the matrix. Since some of the content was already highlighted in yellow, I've used strike-thru to delete older items and added new content highlighted in blue.

If fine with the changes, I can quickly provide a clean copy.

Cory Cook
Senior Policy Advisor
Conservation and Energy Efficiency
Ontario Ministry of Energy
77 Grenville Street, 5th Floor
Toronto, ON, M7A 2C1
Tel: (416) 325-6652
Fax: (416) 325-3438
Cory.Cook@Ontario.ca

From: Schwab-Pflug, Emma (ENERGY)
Sent: March-22-17 11:50 AM
To: Cook, Cory (ENERGY)
Cc: Qureshi, Musab (ENERGY); Di Tullio, Yvonne (ENERGY)
Subject: FW: Ontario Fair Hydro Plan matrix

Cory, would you be able to update for 2 PM? Can use the latest Affordability Fund update deck for our working timelines, saved to S drive.

Thank you,
Emma

From: Thompson, Erin (ENERGY)
Sent: March-22-17 11:46 AM
To: Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc: Desouza, Charlotte (ENERGY)
Subject: Ontario Fair Hydro Plan matrix

Hi Usman, Emma – can you please update the attached this afternoon.

It will be the product for tomorrow's Rate Mitigation Implementation Group meeting 9-10:30am (with CoS, DM, IESO, OEB, OPG). Kaili has a conflict (MTCC on GIF), so I expect one of you will be asked to attend tomorrow morning on her behalf.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-21-17 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

2017-03-22 Consolidated OFHP Matrix March 22__1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~ ("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • ~~CRED worked with H1 on appropriate representation for the Trust Board, including social serve agency representation~~ • March 21: DM Briefing; Secured Advisory Committee members (who will recommend Board of Trustees to Original Trustee) • As of March 22: All-party review/revisions to draft TPA, Trust Deed and Admin. Services Agreement leading to near-finals • ~~Tracking to have TPA / other documents signed finalized by end of next week~~	• March 23: ~~Ongoing engagement~~ Work with H1, LSB, Blakes CSD, OPCD, as well as Osler and KPMG (both via H1) and Computershare (Original Trustee) to finalize ~~on development of~~ TPA, Trust Declaration and Administrative Services Agreement (H1-Trust) • March 23/24: Execute TPA between the Ministry and the Trust; Trust signs Trust Deed ~~on March 23rd~~ ; Trust-H1 sign Admim. Services Agreement

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Funds to flow by March 28, 2017 **April to ~~June~~ May 31, 2017:** • ~~Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~ Advisory Committee recommends Board of Trustees; Computershare appoints ~~full~~ Board of Trustees **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **May/June ~~Summer~~ 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017** • Expected that LDCs may begin to apply to the Trust for funds; program in market **Late 2017/Early 2018:** • ENERGY can apply for additional funds through

Item	Key Deliverables / Considerations	Timing / Next Steps
		2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Fw_ Rate Mitigation Implementation Meeting - Au...(1)_1.pdf

From: Hume, Steen (ENERGY)
To: Katona, Keley (MOF)
Subject: Fw: Rate Mitigation Implementation Meeting - August 10, 2017
Date: August 14, 2017 5:34:44 PM
Attachments: Action Items_Aug 10_Final.docx

Fyi

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Teliszewsky, Andrew (ENERGY) <Andrew.Teliszewsky@ontario.ca>
Sent: Monday, August 14, 2017 5:31 PM
To: Mayman, Gadi (OFA); Hume, Steen (ENERGY); Nelms, Scott (MOF); Imbrogno, Serge (ENERGY)
Cc: Schlaepfer, Martin (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - August 10, 2017

Good Afternoon:

Wondering - for this Wednesday - we've got our two energy products tracking. But for the "provincial guarantee" dialogue with PO/CO - I recall an OFA "note" being offered? Is that tracking?

Any chance our team could get eyes on it tomorrow, in advance of it being shared with the FPC distribution list, if it hasn't already?

Many thanks, in advance.

Andrew

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Thursday, August 10, 2017 7:49 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John - TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS); Katona, Keley (MOF)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Smith, Mike (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Attached are the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 9, 2017 8:19 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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    - On July 25th, IESO had a special Board meeting on the OFHP that the AG attended

4) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)
        - Trustees have a call on August 11th

Fw_ Rate Mitigation Implementation Meeting - Au...(2)_1.pdf

From: Cox, Hilary (ENERGY)
To: Teixeira, Wanda (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - August 24, 2017
Date: August 23, 2017 6:54:19 PM
Attachments: 2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx
Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx
2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

Hi Wanda -

Please print 6 of each of the attached documents for Steen's 8:30 meeting.

Daniel - FYI for am meeting.

HC

Sent from my BlackBerry 10 smartphone on the Rogers network.

2017-07-11 Consolidated - OFHP Matrix - Week _13.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

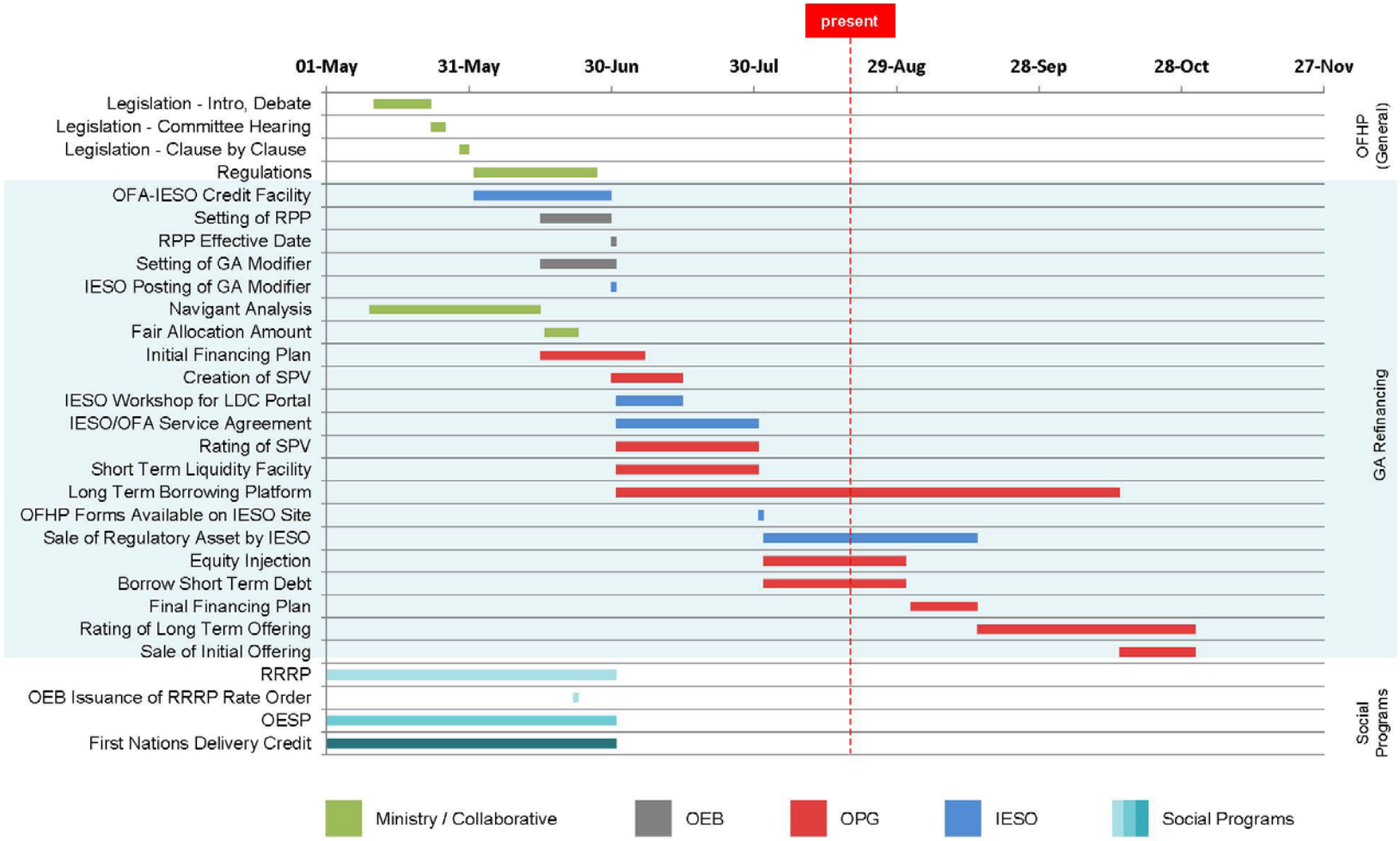
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 26 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__27.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Provincial Guarantees (OFA/OPG)
    - o Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_11.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Fw_ Rate Mitigation Implementation Meeting - Au...(3)_1.pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Thouin, Alena (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - August 24, 2017
Date:	August 23, 2017 7:15:34 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx 2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

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From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, August 23, 2017 6:50 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Chander, Sunita (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Subject: Rate Mitigation Implementation Meeting - August 24, 2017

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2017-07-11 Consolidated - OFHP Matrix - Week _14.pdf

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Week of August 21, 2017

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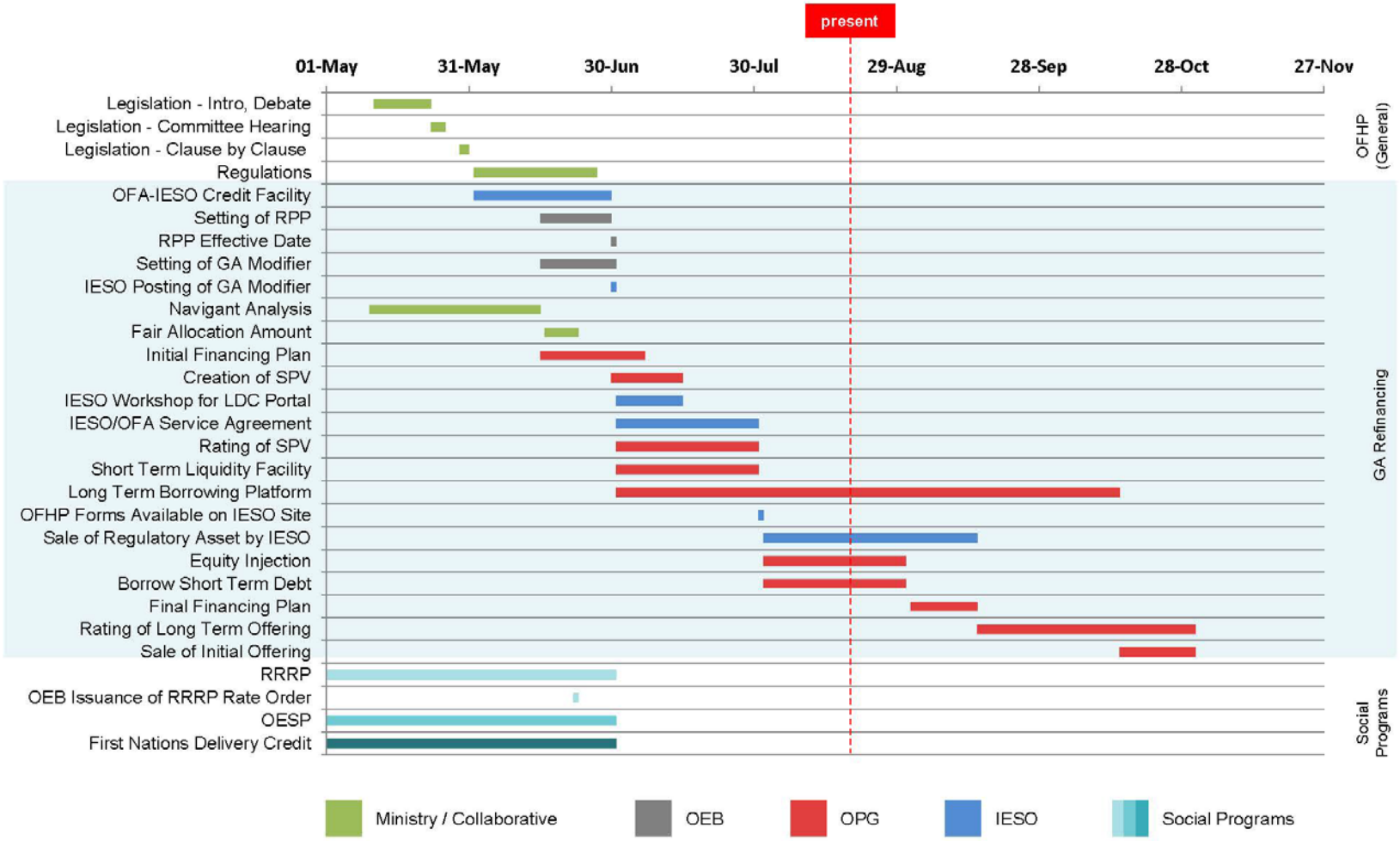
Ontario Fair Hydro Plan Implementation



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WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

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Outstanding Business Issues – Ontario Fair Hydro Plan

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Fw_ Rate Mitigation Implementation Meeting - Au..._1.pdf

From: Teliszewsky, Andrew (ENERGY)
To: Mayman, Gadi (OFA); Hume, Steen (ENERGY); Nelms, Scott (MOF); Imbrogno, Serge (ENERGY)
Cc: Schlaepfer, Martin (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - August 10, 2017
Date: August 14, 2017 5:31:54 PM
Attachments: Action Items_Aug 10_Final.docx

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Fw_ Rate Mitigation Implementation Meeting - Ju...(1)_1.pdf

From:	Kitchen, Matthew (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Cc:	Bradbeer, Linda (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - June 1, 2017
Date:	May 31, 2017 7:25:30 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx 2017 05 31 Outstanding Business Issues Ontario Fair Hydro Plan - v03.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx

Kaili,

Attached are the materials for tomorrow's 830am. I will ensure there are hard copies at the meeting for you if you attend.

Matt

Matthew Kitchen
416 325-7065

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, May 31, 2017 7:18 PM
To: Kitchen, Matthew (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - June 1, 2017

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, May 31, 2017 7:03 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__29.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 1, 2017

Agenda

1) GA Refinancing
    - Committee Debrief (LSB)
    - Regulation Drafting (Energy / All)
    - Critical Paths (OPG / IESO / OEB)
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017 05 31 Outstanding Business Issues Ontar_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

Provide an overview of a few of the key remaining outstanding business issues that OPG and the Province are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments.
   - **Next Steps:**
     - OPG and OFA have discussed a draft term sheet and the OFA, MOF and Blakes will work together to provide comments
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July.

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers.
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan.
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity.
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
     - Torys prepared a memo on the item
     - Timing: MOF will be setting up a call with tax policy, OPG and Torys to discuss a memo Torys prepared on the item in the next few days

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province.
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT.
    - **Next Steps:**
        - The Ministry of Energy, OFA and OPG are working through the short term mechanics of this process, which will ultimately feed into a Master Subscription Agreement. A draft term sheet is underway.
        - Timing: OPG will require the ability to issue equity in July, so mechanics and agreements should be finalized in June.

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - OPG and OEB are currently working together on a management fee structure that balances the interests of minimizing costs and satisfying accounting consolidation requirements.
    - There are two components to the model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes.
        - Performance management fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount.
    - **Next Steps:**
        - OPG and OEB will bring forward a recommended framework for developing management fees.
        - Timing: TBD

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt

- Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
- OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
- **Next Steps:**
    - OPG and OFA will bring forward a recommended framework for determining interest rates
    - Timing: TBD

6. IESO – Increased OFA Credit Facilities

- THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs.
- There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for.
- In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it.
- IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
- **Next Steps:**
    - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility.
    - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. OPG Indemnity

- OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing.
- Indemnification will need to ensure separation between the Province and OPG is maintained
- **Next Steps:**

- Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing.
- Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
- Timing: If an OIC is required this would be included in the June 27th, 2017 submission

Consolidated - OFHP Matrix - Week of May 29 C_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

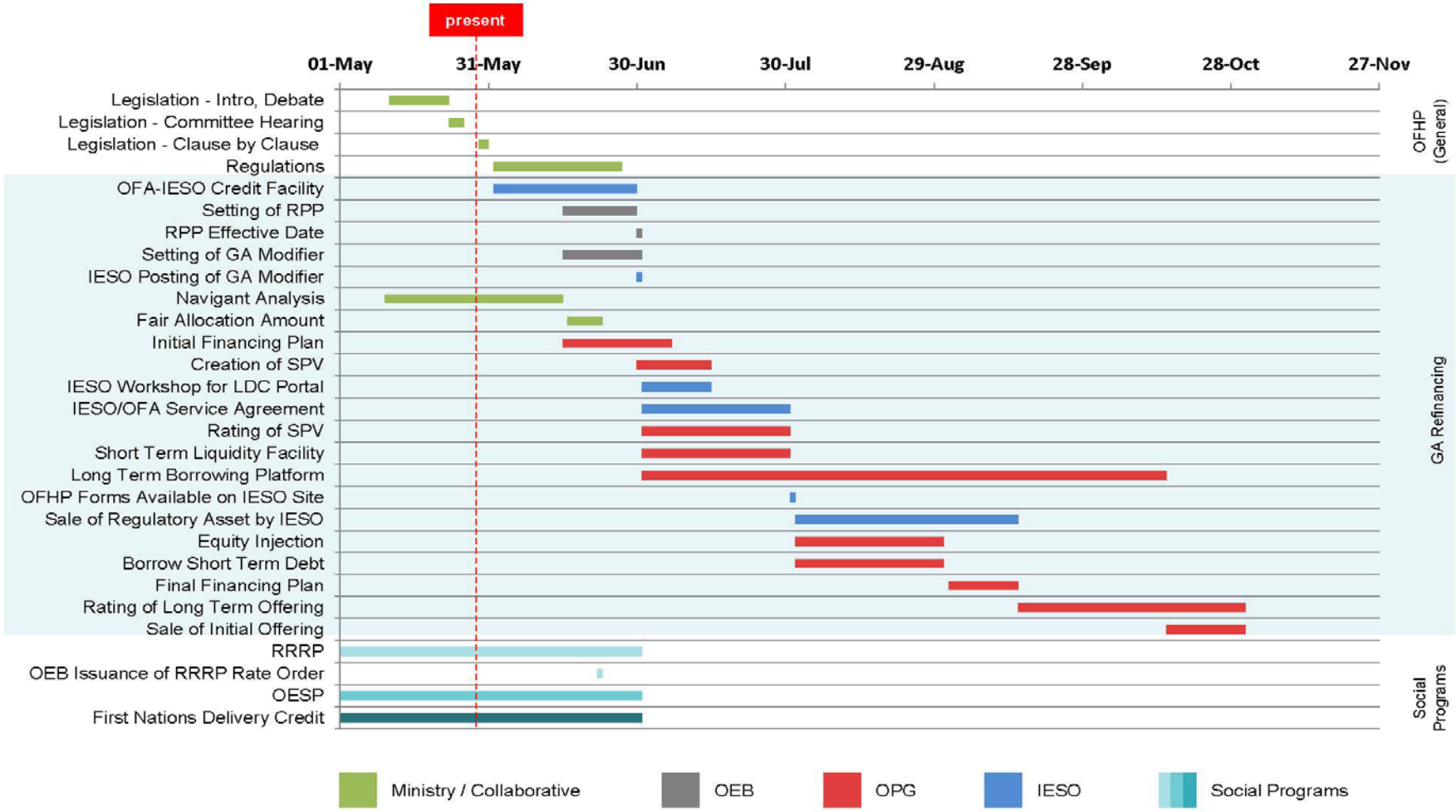
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Fw_ Rate Mitigation Implementation Meeting - Ju...(2)_1.pdf

From: Schlaepfer, Martin (ENERGY)
To: Kitchen, Matthew (ENERGY)
Cc: Thompson, Erin (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - June 1, 2017
Date: June 1, 2017 7:55:46 PM
Attachments: Action Items_June 1.docx

Sorry, just realized I made the same mistake as yesterday.

From: Martin.Schlaepfer@ontario.ca
Sent: Thursday, June 1, 2017 7:54 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 1, 2017

Please find attached the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 31, 2017 7:03 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 1_8.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

Fw_ Rate Mitigation Implementation Meeting - Ju...(3)_1.pdf

From:	Kitchen, Matthew (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY); Bradbeer, Linda (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 7, 2017 8:38:23 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 8.docx Consolidated - OFHP Matrix - Week of June 5 Clean (3).docx Submission to the Standing Committee on Justice Policy.pdf Regulations 6 June 2017.docx 2017 06 07 Outstanding Business Issues Ontario Fair Hydro Plan - v05.docx

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Attached are the materials for tomorrow's 830.

Linda, plus print for the binder in the am.

Matthew Kitchen

416 325-7065

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, June 7, 2017 8:01 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__30.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 8, 2017

Agenda

1) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (IGS)

2) AG
    - Requests (All)
    - Standing Committee

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 5 C_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5 • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents	

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	will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

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	Considerations • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes	• Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry to meet with MCSS regarding taking over OESP administration
	• Ministry received final legislation, which includes information sharing provision with MCSS
	
	<u>Considerations</u>
	• Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise.
	• Positive progress with OEB on implementation:
	  o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts;
	  o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place.
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	

4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC	• Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

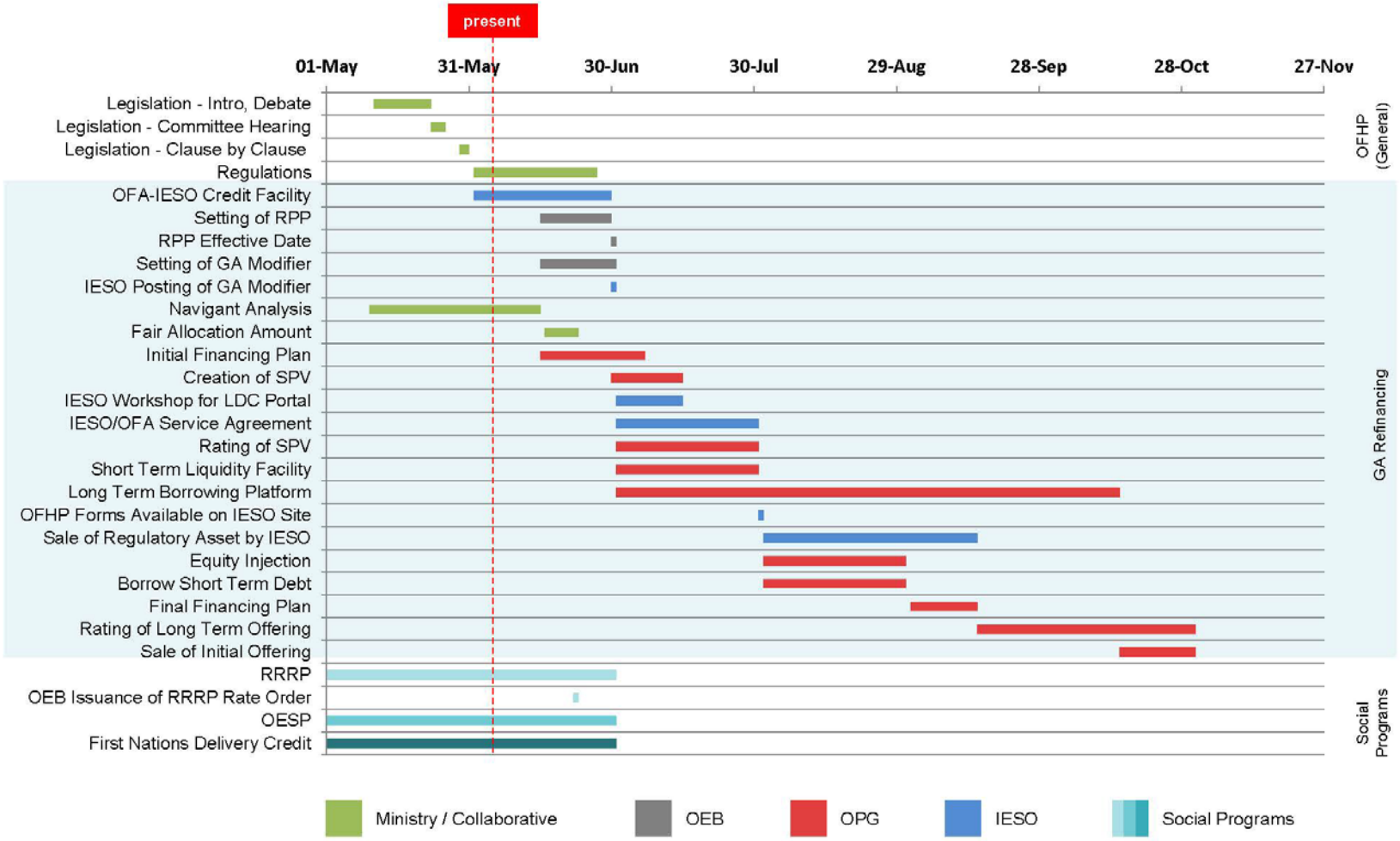
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Submission to the Standing Committee on Justic.stub.pdf

Security settings or invalid file format do not permit using Submission to the Standing Committee on Justic.pdf (393840 Bytes)

Regulations 6 June 2017.pdf

Updated: June 6, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	Now tracking to June 27
• RRRP expansion to R2	In progress
• Distribution Rate Protection	Ready
• First Nation Rate Distribution	Ready
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	Ready
GA Refinancing	
• Part II Reg.	In progress
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	No longer required
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	Ready
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	COMPLETED
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	Ready
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	Ready

2017 06 07 Outstanding Business Issues Ontar.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

The following provides an overview of outstanding business issues that OPG and Ministry of Finance, in coordination with Energy are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments
   - **Next Steps:**
     - Province will provide comments back to OPG on the draft term sheet, anticipated next week
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
       Timing: A call with tax policy, OPG and Torys is set for early next week

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT
    - **Next Steps:**
        - Finalize a draft term sheet
        - to serve as the basis for the Master Subscription Agreement between OPG/ENE and OFA
        - OFA and ENE to develop Service Level Agreement for monthly cash management services
        - Amendment to OPG articles required to facilitate issuance of new class of shares
        - Timing: OPG will require the ability to issue equity in August, so mechanics and agreements should be finalized in July

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - There are two components to the management fee model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes
        - Performance fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount
    - **Next Steps:**
        - OEB to provide comments on OPG's proposed framework.
        - Draft regulations enabling this fee structure in development in parallel
        - Timing: For incorporation into the June 27th regulations

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt
    - Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
    - OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
    - **Next Steps:**
        - OPG and OFA will bring forward a recommended framework for determining interest rates
        - Timing: TBD

6. **IESO – Increased OFA Credit Facilities**
    - THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs
    - There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for
    - In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it
    - IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
    - **Next Steps:**
        - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility
        - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. **OPG Indemnity**
    - OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing
    - Indemnification will need to ensure separation between the Province and OPG is maintained

- **Next Steps:**
    - Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing
    - Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
    - Timing: If an OIC is required this would be included in the June 27th, 2017 submission in order for July 1 implementation

Fw_ Rate Mitigation Implementation Meeting - Ju...(4)_1.pdf

From:	Hume, Steen (ENERGY)
To:	Hume, Steen (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 21, 2017 12:04:03 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 8.docx Consolidated - OFHP Matrix - Week of June 5 Clean (3).docx Submission to the Standing Committee on Justice Policy.pdf Regulations 6 June 2017.docx 2017 06 07 Outstanding Business Issues Ontario Fair Hydro Plan - v05.docx

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Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, June 7, 2017 8:01 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Consolidated - OFHP Matrix - Week of June 5 C_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

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	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes	• Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry to meet with MCSS regarding taking over OESP administration
	• Ministry received final legislation, which includes information sharing provision with MCSS
	
	<u>Considerations</u>
	• Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise.
	• Positive progress with OEB on implementation:
	  o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts;
	  o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place.
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	

4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC	• Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

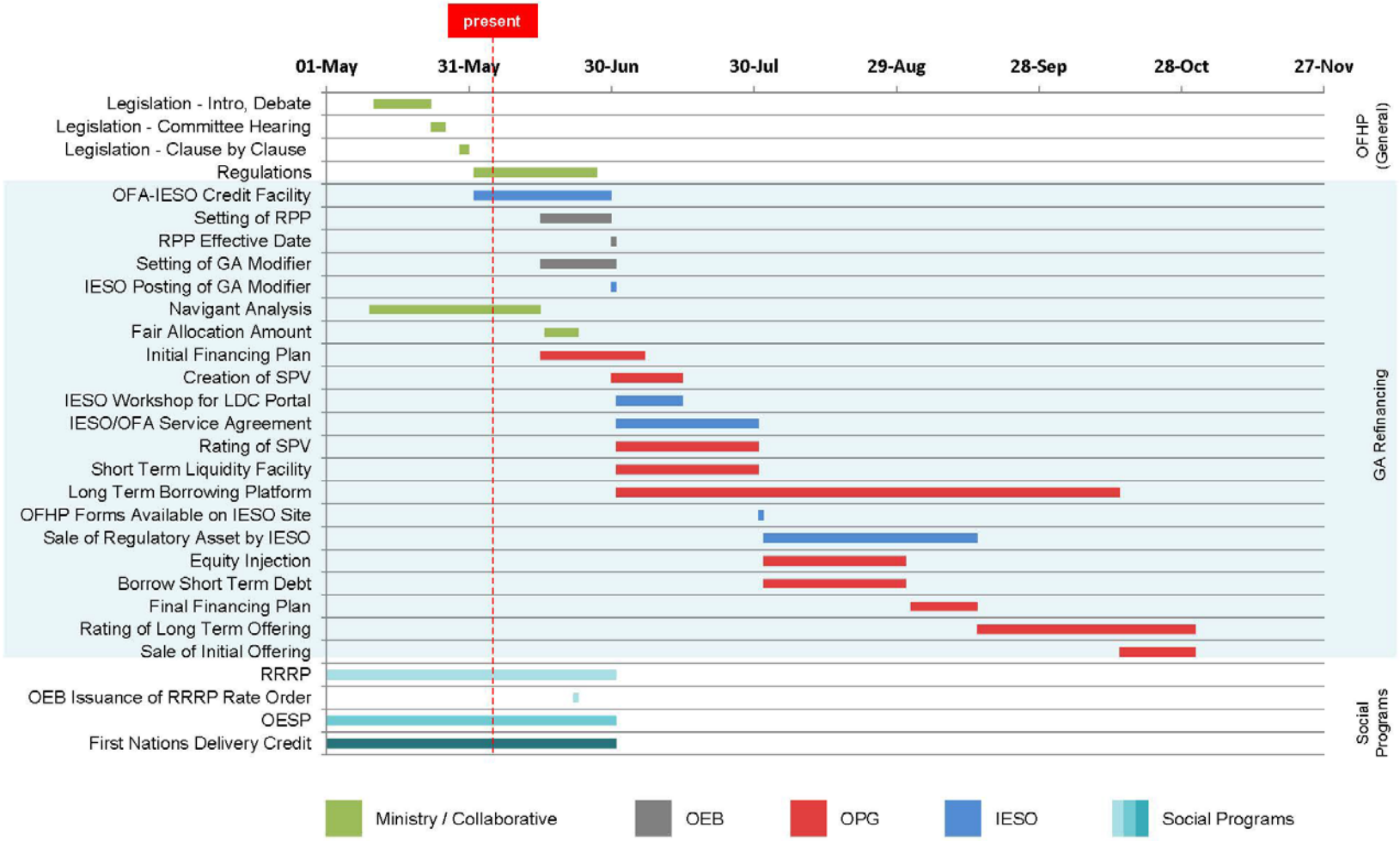
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Regulations 6 June 2017_1.pdf

Updated: June 6, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	Now tracking to June 27
• RRRP expansion to R2	In progress
• Distribution Rate Protection	Ready
• First Nation Rate Distribution	Ready
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	Ready
GA Refinancing	
• Part II Reg.	In progress
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	No longer required
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	Ready
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	COMPLETED
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	Ready
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	Ready

2017 06 07 Outstanding Business Issues Ontar_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

The following provides an overview of outstanding business issues that OPG and Ministry of Finance, in coordination with Energy are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments
   - **Next Steps:**
     - Province will provide comments back to OPG on the draft term sheet, anticipated next week
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
       Timing: A call with tax policy, OPG and Torys is set for early next week

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT
    - **Next Steps:**
        - Finalize a draft term sheet
        - to serve as the basis for the Master Subscription Agreement between OPG/ENE and OFA
        - OFA and ENE to develop Service Level Agreement for monthly cash management services
        - Amendment to OPG articles required to facilitate issuance of new class of shares
        - Timing: OPG will require the ability to issue equity in August, so mechanics and agreements should be finalized in July

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - There are two components to the management fee model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes
        - Performance fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount
    - **Next Steps:**
        - OEB to provide comments on OPG's proposed framework.
        - Draft regulations enabling this fee structure in development in parallel
        - Timing: For incorporation into the June 27th regulations

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt
    - Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
    - OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
    - **Next Steps:**
        - OPG and OFA will bring forward a recommended framework for determining interest rates
        - Timing: TBD

6. **IESO – Increased OFA Credit Facilities**
    - THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs
    - There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for
    - In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it
    - IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
    - **Next Steps:**
        - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility
        - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. **OPG Indemnity**
    - OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing
    - Indemnification will need to ensure separation between the Province and OPG is maintained

- **Next Steps:**
    - Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing
    - Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
    - Timing: If an OIC is required this would be included in the June 27th, 2017 submission in order for July 1 implementation

Fw_ Rate Mitigation Implementation Meeting - Ju...(5)_1.pdf

From:	Kitchen, Matthew (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - June 22, 2017
Date:	June 22, 2017 8:07:20 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 22.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx 2017 06 22 Business Issues v02.docx

Kaili

Putting the materials for today's 830 at the top of your inbox.

Matt

Matthew Kitchen
416 325-7065

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, June 21, 2017 8:39 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - June 22, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__32.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 22, 2017

Agenda

1) OFHP ADs

2) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (OFA / IGS)

3) AG
    - Recent Activities / Requests (All)

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 19__4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

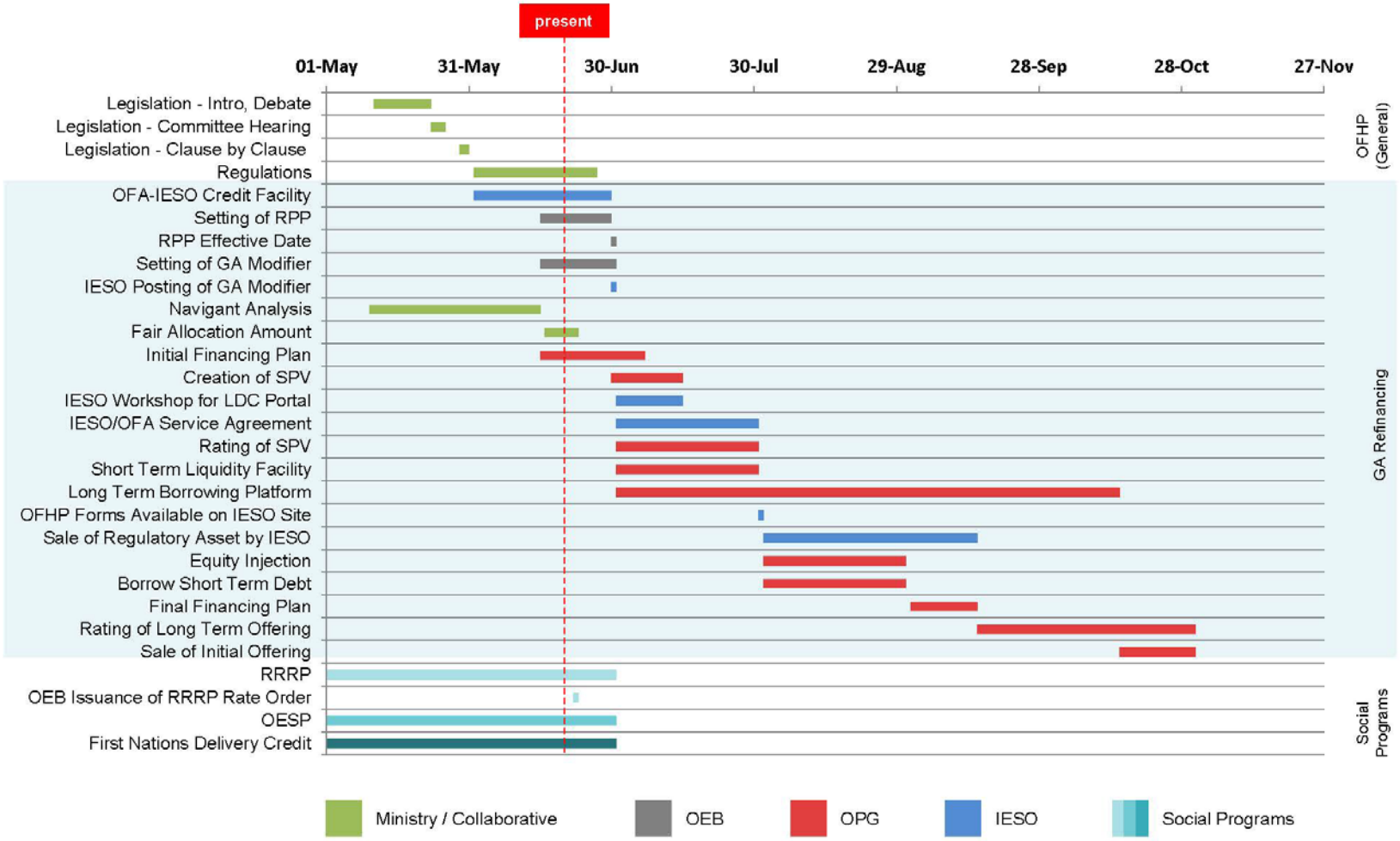
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to

Item	Key Deliverables / Considerations	Timing / Next Steps
	accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	AG • June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	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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Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Fw_ Rate Mitigation Implementation Meeting - Ju...(6)_1.pdf

From:	Feather, Adam (ENERGY)
To:	Chander, Sunita (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - July 13
Date:	July 12, 2017 6:59:42 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx Agenda_Weekly Rate Mitig Implmentation Group_July 13.docx 2017-07-12 Bill Presentment Presentation v01.pptx

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Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Armstrong, Hillary (ENERGY) <Hillary.Armstrong@ontario.ca>
Sent: Wednesday, July 12, 2017 18:52
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com'; HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Kim Marshall (Kim.Marshall@ieso.ca); Angus, Helen (TBS); Davidson, Steven (CAB); Thompson, Scott (MOF); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); Hughes, Karen (TBS); Veinot, Cindy (TBS); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); Jordan Penic; Bungaro-Yemec, Francesca (ENERGY); 'Sarah Branco'; Turnevicius, Lorraine; KING Catriona -CORPEXECOPS (catriona.king@opg.com); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Laughton, Patrick (TBS); Edwards, Matthew (ENERGY); David Barrett (david.barrett@ieso.ca)
Subject: Rate Mitigation Implementation Meeting - July 13

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Hillary

On behalf of Martin Shlaepfer

Hillary Armstrong | Long-Term Energy Plan Coordinator
Deputy Minister's Office
Ministry of Energy
Phone: 416-327-6738
E-mail: hillary.armstrong@ontario.ca

2017 07 07 Business Issues v01_9.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
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Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _13.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

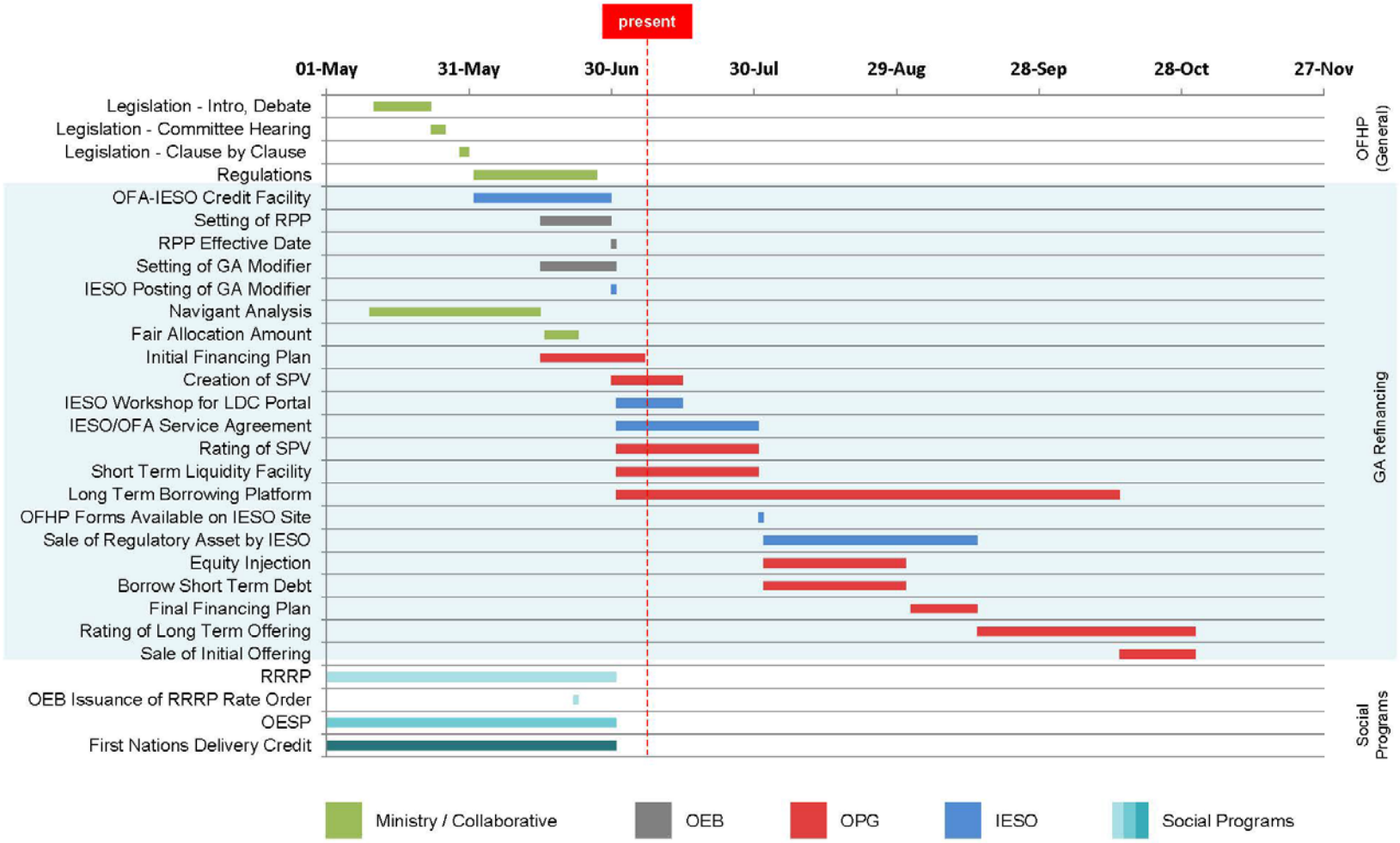
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__33.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 13, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO / OEB)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Bill Presentment – Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-12 Bill Presentment Presentation v01_2.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

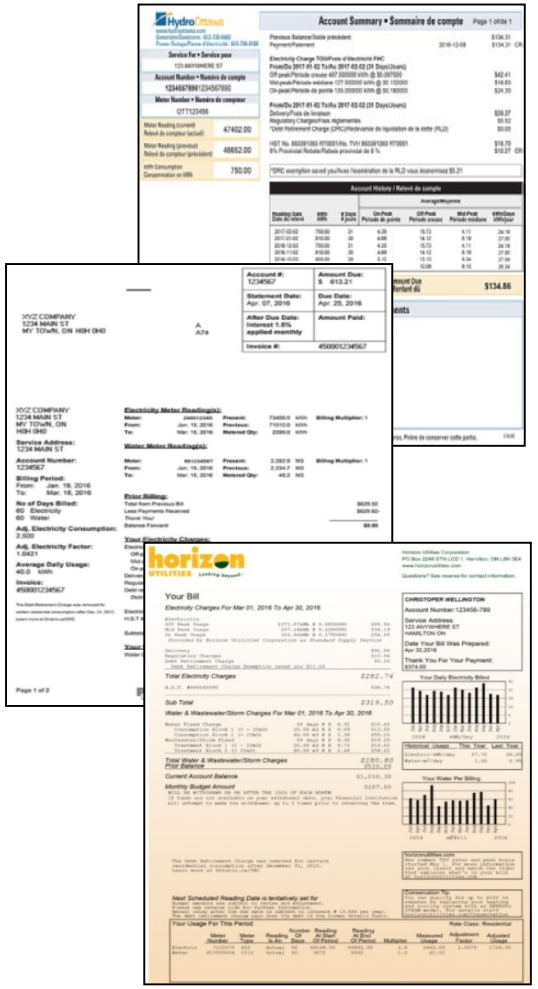
July 2017

Contents

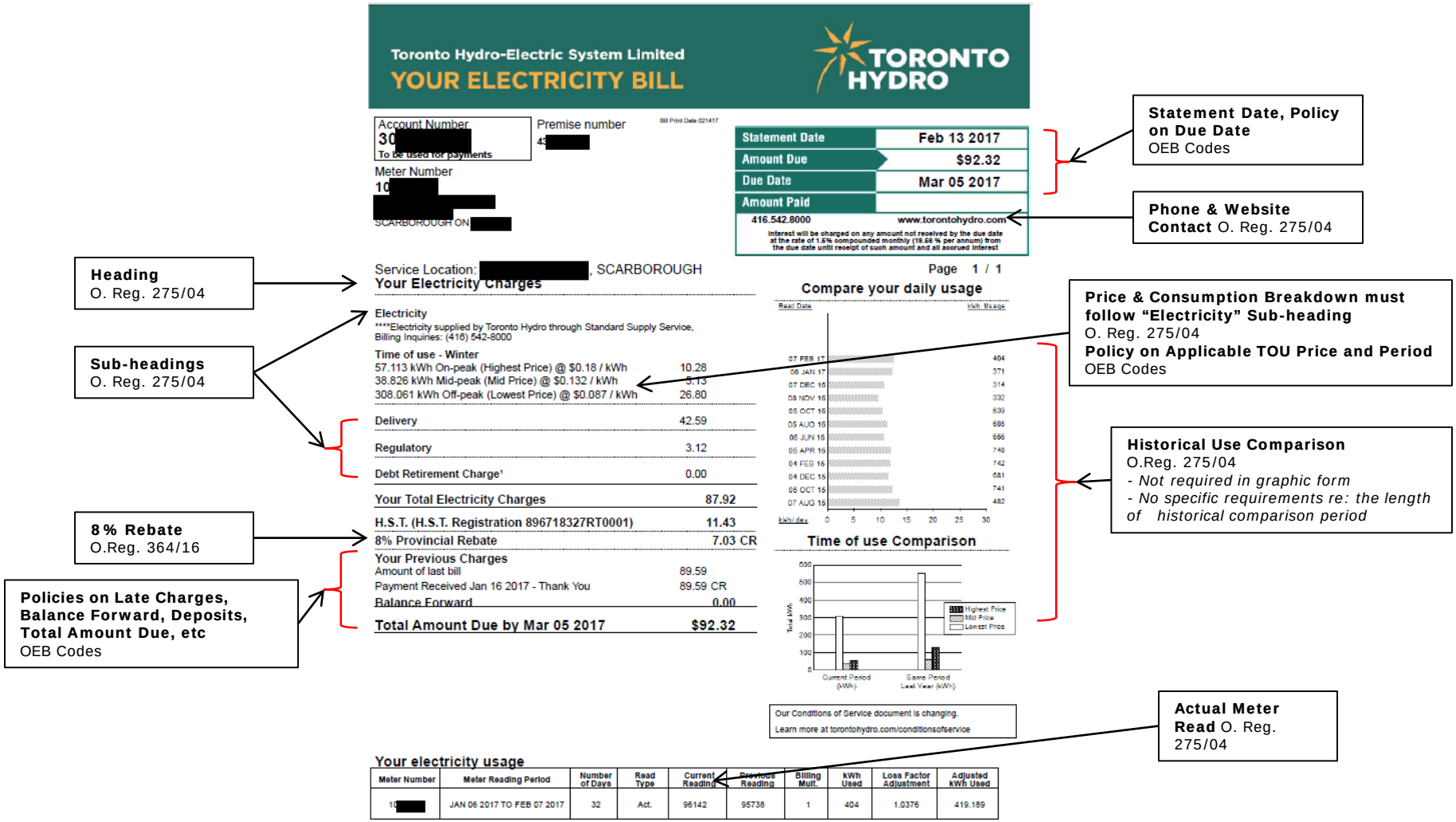
- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (LDC).
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
    - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



Bill Example – Front



Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison
O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

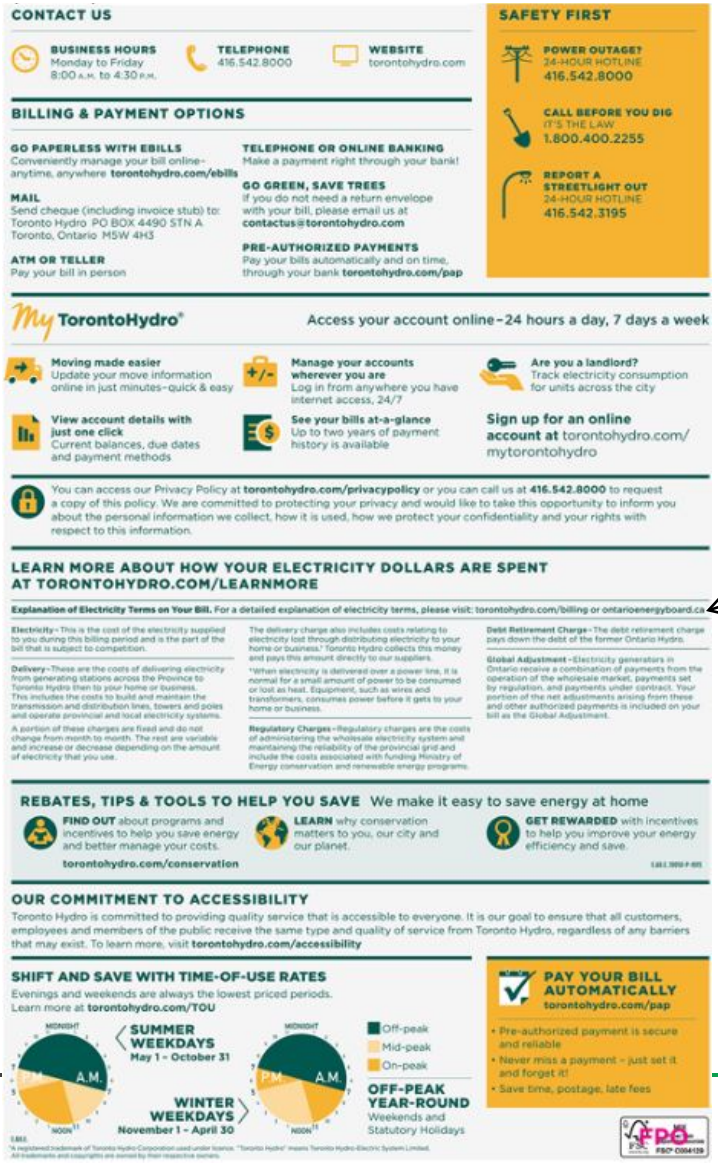
Actual Meter Read O. Reg. 275/04

Bill Example – Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes



CONTACT US

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IT'S THE LAW
1.800.400.2255

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Toronto, Ontario M5W 4H3

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Moving made easier
Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
Log in from anywhere you have internet access, 24/7

Are you a landlord?
Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

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You can access our Privacy Policy at **torontohydro.com/privacypolicy** or you can call us at **416.542.8000** to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity – This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery – These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges – Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge – The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment – Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

REBATES, TIPS & TOOLS TO HELP YOU SAVE We make it easy to save energy at home

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torontohydro.com/conservation

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GET REWARDED with incentives to help you improve your energy efficiency and save.

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Toronto Hydro is committed to providing quality service that is accessible to everyone. It is our goal to ensure that all customers, employees and members of the public receive the same type and quality of service from Toronto Hydro, regardless of any barriers that may exist. To learn more, visit **torontohydro.com/accessibility**

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Learn more at **torontohydro.com/TOU**

PAY YOUR BILL AUTOMATICALLY
torontohydro.com/pap

- Pre-authorized payment is secure and reliable
- Never miss a payment – just set it and forget it!
- Save time, postage, late fees

Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
  - ✓ include standardized **on-bill OFHP messaging**;
  - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
  - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert

Ontario

ONTARIO'S FAIR HYDRO PLAN

Bringing electricity bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

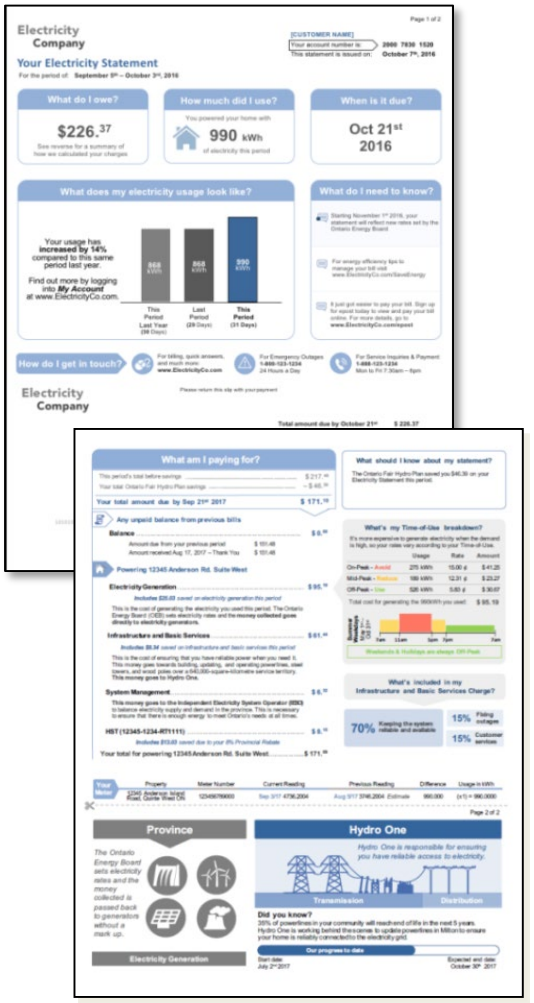
To find out more, visit **ontario.ca/FairHydroPlan**

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
  - Enhancing the customer experience;
  - Better communicating government initiatives and programs;
  - Consolidating the regulatory framework; and
  - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a **"RAP Working Group"** in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a "personalized" message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
    - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
    - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

Pre-July 1, 2017
OFHP Bill Inserts

- Requirement for LDCs to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging revoked from O. Reg. 364/16.
- LDCs voluntarily issue OFHP bill inserts in late June ahead of finalized OFHP regulations (inserts printed by ENERGY).

July 1, 2017
OFHP Required Messaging

- OFHP regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include a FNDC line item, where applicable; and
  4. Remove outdated on-bill messaging (e.g., DRC exemption).
- Hydro One exempted from O. Reg. 275/04 and specified OFHP invoicing requirements.

Aug. – Sept. 2017
RAP Consultations

- ENERGY to convene a RAP Working Group in August, including Hydro One, the EDA, the OEB, the Coalition of Large Distributors, as well as other LDCs and industry assoc.
- ENERGY to seek feedback on changes to bill presentment, regulatory reform, and gather information on behavioural economics, consumer advocacy, and billing system design.

Fall – Winter 2017
RAP Regulatory Amendments

- Following RAP consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- Hydro One to begin rolling out its redesigned electricity bills in Q4 2017.

Winter 2018 –
RAP Implementation

- New/amended invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills to its low volume consumers by Q2 2018.
- New regulations to include ample transition period for LDCs to adopt new regulatory invoicing requirements.

Fw_ Rate Mitigation Implementation Meeting - Ju...(7)_1.pdf

From:	Feather, Adam (ENERGY)
To:	Chander, Sunita (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 27, 2017 7:47:32 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

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Are we supposed to supply printouts of this stuff?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, July 26, 2017 09:22
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - July 27, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 07 07 Business Issues v01_10.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
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2017-07-07 Consolidated - OFHP Matrix - Week _14.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

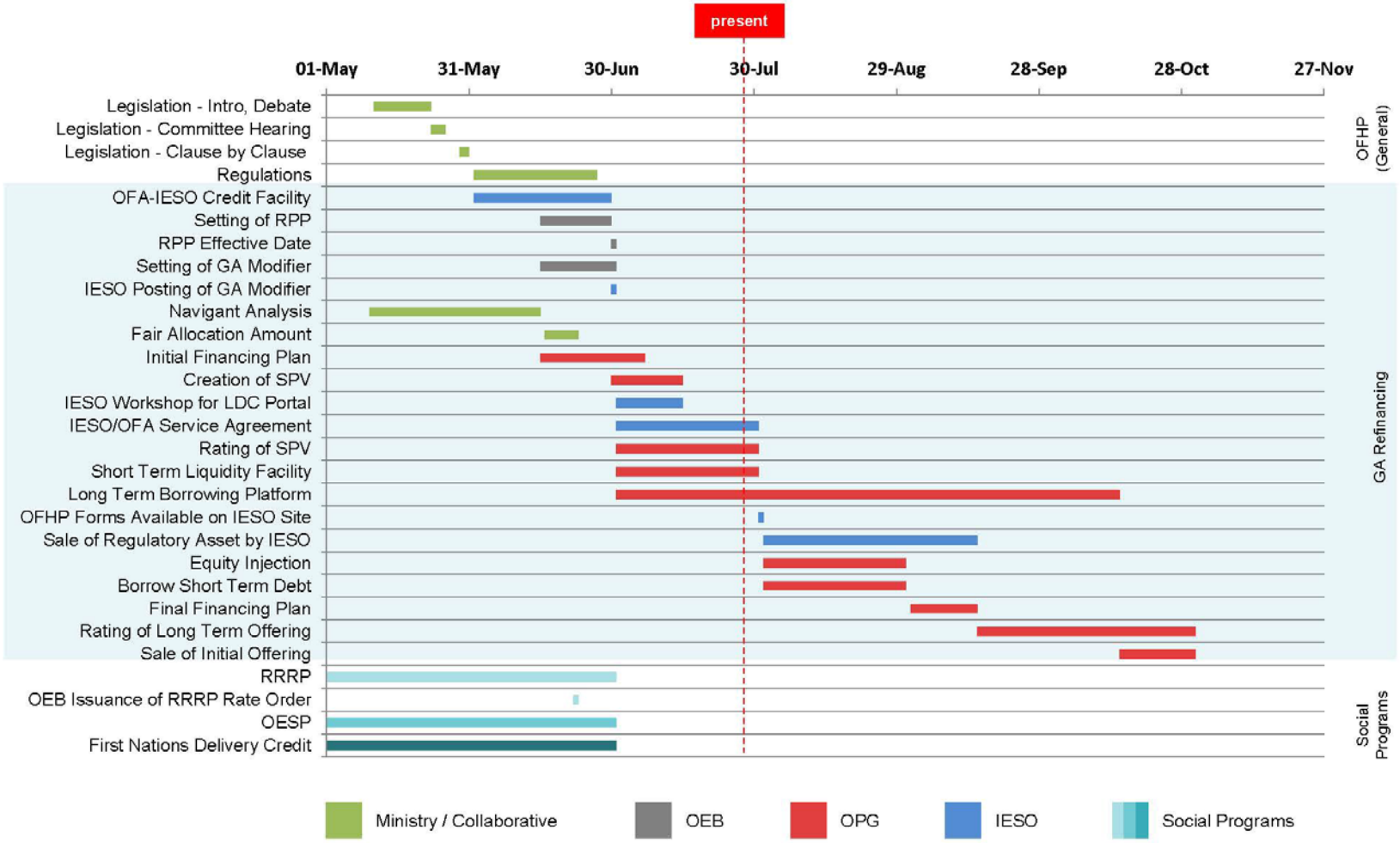
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__34.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Fw_ Rate Mitigation Implementation Meeting - Ju...(8).pdf

From:	Feather, Adam (ENERGY)
To:	Wilson, Betty (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 27, 2017 7:50:22 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

---

Could you also put it in sharepoint for michael?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, July 26, 2017 09:22
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - July 27, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 07 07 Business Issues v01_11.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _15.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

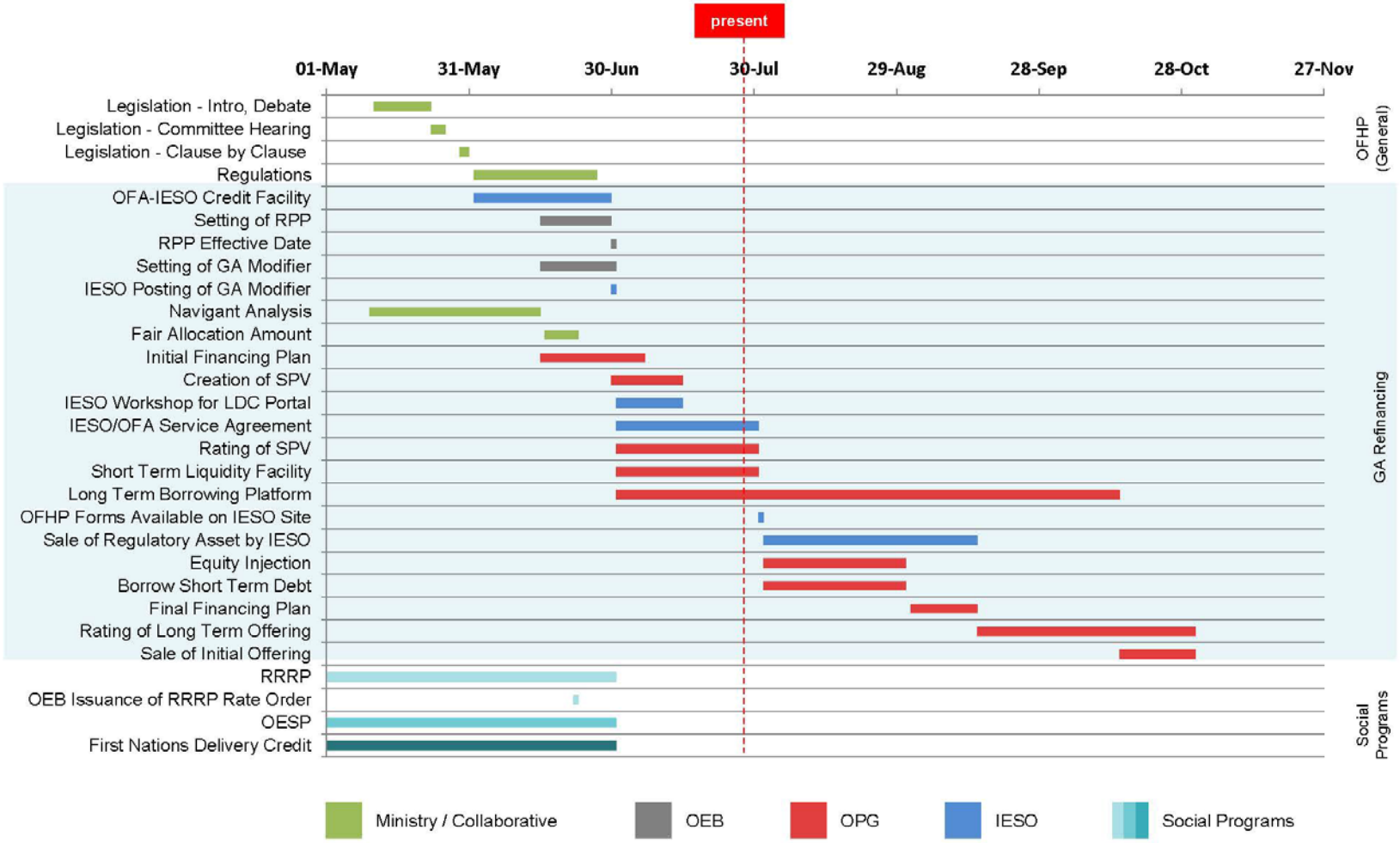
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__35.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Fw_ Rate Mitigation Implementation Meeting - Ju...(9).pdf

From:	Feather, Adam (ENERGY)
To:	Wilson, Betty (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 27, 2017 7:51:43 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx
Importance:	High

No need for prints. Just sharepoint please. Thanks!

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Feather, Adam (ENERGY) <Adam.Feather@ontario.ca>
Sent: Thursday, July 27, 2017 07:49
To: Wilson, Betty (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - July 27, 2017

Could you please give 10 printouts of this stuff to Sunita or Michael please? I'm still confused on which EA prints this stuff. T:hanks!

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, July 26, 2017 09:22
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo - CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - July 27, 2017

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Thanks,
Martin

2017 07 07 Business Issues v01_12.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
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2017-07-07 Consolidated - OFHP Matrix - Week _16.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
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Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
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Item	Key Deliverables / Considerations	Timing / Next Steps
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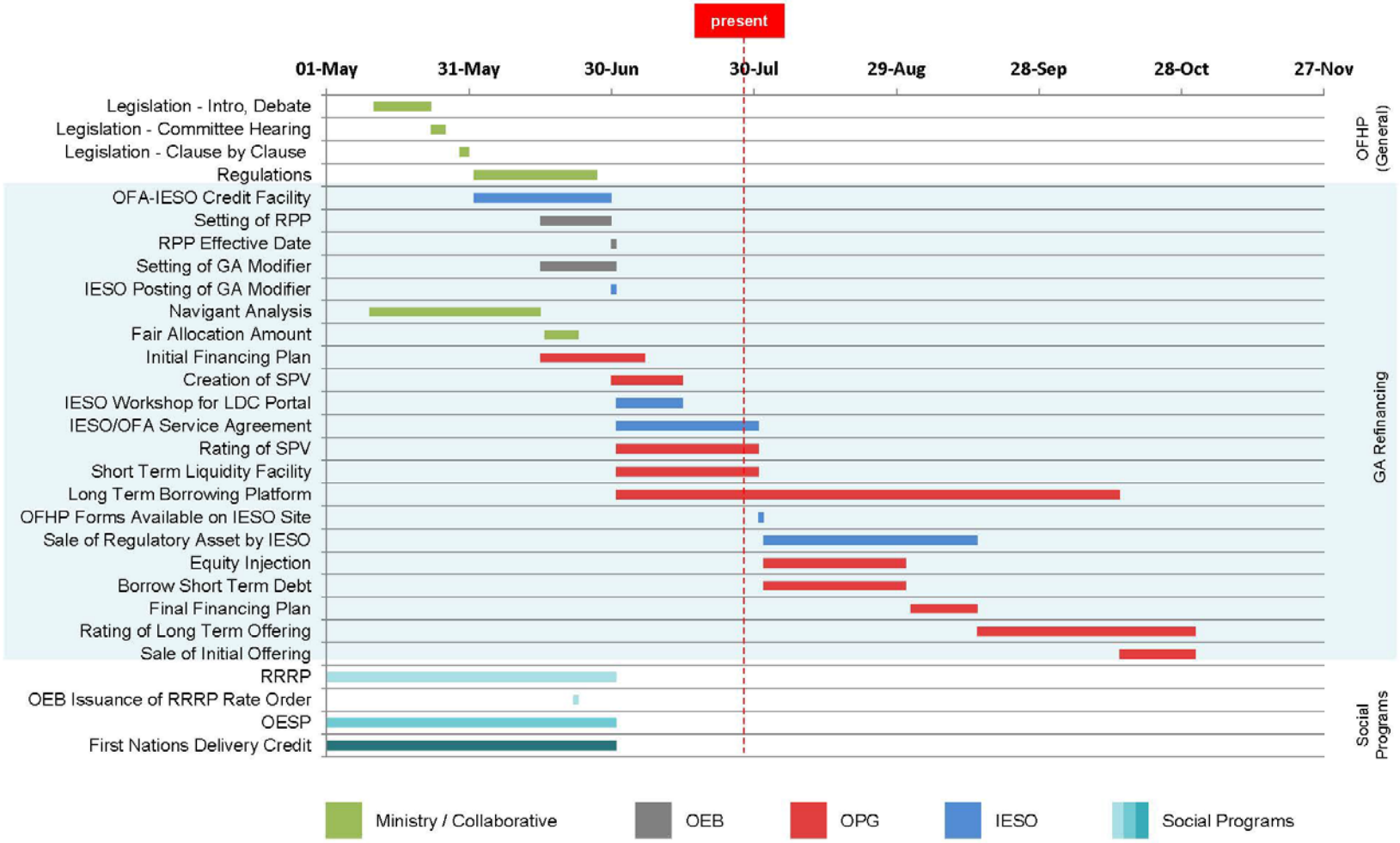
Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__36.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Fw_ Rate Mitigation Implementation Meeting - Ju..._1.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Kitchen, Matthew (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - June 1, 2017
Date:	May 31, 2017 7:18:39 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx 2017 05 31 Outstanding Business Issues Ontario Fair Hydro Plan - v03.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx

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From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, May 31, 2017 7:03 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__37.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 1, 2017

Agenda

1) GA Refinancing
    - Committee Debrief (LSB)
    - Regulation Drafting (Energy / All)
    - Critical Paths (OPG / IESO / OEB)
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017 05 31 Outstanding Business Issues Ontar_2.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

Provide an overview of a few of the key remaining outstanding business issues that OPG and the Province are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments.
   - **Next Steps:**
     - OPG and OFA have discussed a draft term sheet and the OFA, MOF and Blakes will work together to provide comments
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July.

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers.
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan.
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity.
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
     - Torys prepared a memo on the item
     - Timing: MOF will be setting up a call with tax policy, OPG and Torys to discuss a memo Torys prepared on the item in the next few days

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province.
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT.
    - **Next Steps:**
        - The Ministry of Energy, OFA and OPG are working through the short term mechanics of this process, which will ultimately feed into a Master Subscription Agreement. A draft term sheet is underway.
        - Timing: OPG will require the ability to issue equity in July, so mechanics and agreements should be finalized in June.

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - OPG and OEB are currently working together on a management fee structure that balances the interests of minimizing costs and satisfying accounting consolidation requirements.
    - There are two components to the model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes.
        - Performance management fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount.
    - **Next Steps:**
        - OPG and OEB will bring forward a recommended framework for developing management fees.
        - Timing: TBD

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt

- Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
- OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
- **Next Steps:**
    - OPG and OFA will bring forward a recommended framework for determining interest rates
    - Timing: TBD

6. IESO – Increased OFA Credit Facilities

- THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs.
- There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for.
- In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it.
- IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
- **Next Steps:**
    - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility.
    - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. OPG Indemnity

- OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing.
- Indemnification will need to ensure separation between the Province and OPG is maintained
- **Next Steps:**

- Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing.
- Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
- Timing: If an OIC is required this would be included in the June 27th, 2017 submission

Consolidated - OFHP Matrix - Week of May 29 C_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

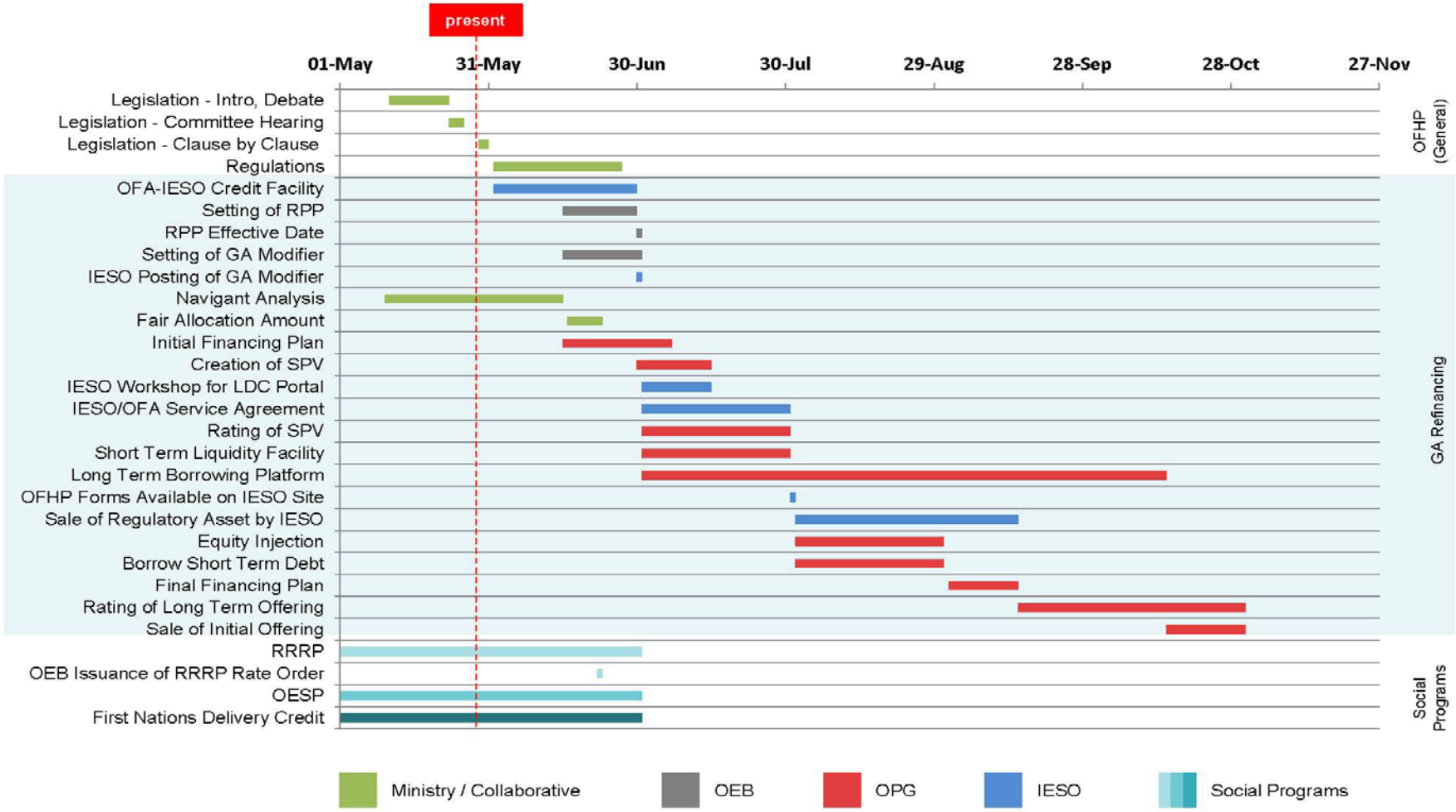
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Fw_ Rate Mitigation Implementation Meeting - Ma...(1)_1.pdf

From:	Reid, Michael (ENERGY)
To:	Feather, Adam (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - May 18, 2017
Date:	May 18, 2017 8:28:20 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15.docx Regulations 17 May 2017.docx

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Michael Reid

416-325-6544

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, May 17, 2017 7:09 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 18, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__38.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 18, 2017

Agenda

1) GA Refinancing
    - Legislation process/amendments (LSB)
    - Regulation drafting (LSB)
    - Creation of SPV (OPG)
    - Rating agency process (OPG)
    - Transaction steps memo (OPG)
    - Line of Credit (IESO)
    - Accounting letters/opinions (IESO/OPG)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) A Plan for Monitoring / Oversight

Notes:

OFHP Annotated Time Line_Final_May 15.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval
- Week of May 15, 2017 – House debate on Legislation
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Committee / Clause by Clause / Amendments
    - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 17 May 2017_2.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Fw_ Rate Mitigation Implementation Meeting - Ma...(2)_1.pdf

From: Hume, Steen (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Fw: Rate Mitigation Implementation Meeting - May 25, 2017
Date: May 30, 2017 6:50:23 PM
Attachments: Action Items_May 25.docx

Hi Marin. Has anything come in from OPG, IESO, OEB and OFA re the items you noted below?

Nothing has come into us.

Steen

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Thursday, May 25, 2017 6:34 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - May 25, 2017

Hi everyone,

Please find attached the action items from today's meeting. For any items that require providing materials for next week's meeting, please send them to me in advance by end of day Tuesday. I will ensure hard copies are available at the meeting.

For next week it would be helpful to receive materials for the following items:

- Critical paths from OPG, IESO and OEB
- OFA's comparison of the Clean Energy Adjustment with the DRC
- Draft Provincial Guarantees for the dealers from OPG

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 24, 2017 6:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com'

(jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 25, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_May 25_2.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to work with OPG/OEB/ISEO on regulations
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - OPG, IESO, OEB to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee reaching out to another social services agency candidate

Fw_ Rate Mitigation Implementation Meeting - Ma...(3)_1.pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Shear, Dan (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	June 7, 2017 2:18:46 PM
Attachments:	Clean energy adjustment vs Debt Retirement Charge_May31.docx

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Please note changed timeline.

Original Message
From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Wednesday, June 7, 2017 2:10 PM
To: Christie, Tim (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc: Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Hi Folks -
Hoping to get your input/edits on this by EOD.

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: June-05-17 8:36 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Christie, Tim (ENERGY)
Cc: Cox, Hilary (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Good morning all. Hope folks had a good weekend.

At last week's OFHP implementation meeting, OFA/Ron tabled the attached. It's a comparison between Clean Energy Adjustment and DRC. Ron/Cindy are planning to share with AG as some point. One of the action items coming out of last week's meeting was for ENERGY to review / fact check the Clean Energy Adjustment content for this week.

Could I ask that folks review and pass on along edits/comments on the OFA doc to Hilary for mid-week.

Thank you, Steen

Clean energy adjustment vs Debt Retirement Ch_3.pdf

FAIR HYDRO PLAN'S CLEAN ENERGY ADJUSTMENT AND THE OEFC'S DEBT RETIREMENT CHARGE

ISSUE

To provide background and key points in a comparison between the Clean Energy Adjustment (CEA) under the Fair Hydro Plan (FHP) and the Debt Retirement Charge that was implemented to help service and retire the Ontario Electricity Financial Corporation's (OEFC) debt and other liabilities.

Fair Hydro Plan and the Clean Energy Adjustment	**1999 Ontario Hydro Restructuring and the Debt Retirement Charge**
Key Points	
• The Fair Hydro Plan ("FHP") is being established in the context of an almost fully regulated or contracted market. o The Global Adjustment ("GA", a portion of the commodity cost of electricity) deferral portion of the FHP is to more fairly allocate the cost recovery from ratepayers of the cost of certain investments in generation assets and conservation that are expected to last longer than their typically 20-year contract terms.	• The 1999 electricity sector restructuring was under the *Energy Competition Act, 1998*, ("ECA") to move Ontario's electricity sector to a competitive structure, including providing for private sector involvement and a market price for the electricity commodity.
• This GA deferral portion of the FHP is being established under legislation and a regulatory framework, underpinning the establishment of a regulatory asset, with a deferral account for the deferred portion of GA costs and the associated financing costs.	• The Debt Retirement Charge ("DRC") was provided for under legislation; however, it was not under a regulatory structure (e.g., with no role for the OEB), and the Province did not establish a defined deferral account balance or a particular amount to be recovered under the DRC. The DRC was authorized under the Electricity Act, 1998, until the "residual stranded debt" ("RSD") was retired, as determined by the Minister of Finance. o Because of the ECA's purpose was to provide for a competitive market, the actual annual amounts of other dedicated revenues (e.g., PILs, electricity sector dedicated income – "ESDI") to be paid to OEFC was uncertain, since it depended on the successor companies' actual financial performance. Therefore, the timeframe for retiring RSD was uncertain – so the length and total amount of DRC required was uncertain.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
• The Clean Energy Adjustment ("CEA") reflects the recovery of the deferral account balance, with a legal/regulatory structure supporting certainty on the ability to recover, and as defined over a particular timeframe to be defined under the FHP Act. o The total Clean Energy Adjustment payable shall be determined by Ontario Power Generation (Financial Services Manager) and recovered from ratepayers.	• The DRC reflects a portion of the disaggregation of the old "bundled rate" of the old Ontario Hydro that included cost recovery related to generation, transmission and central market services, and including debt costs. o The DRC reflected the break-up of the old Ontario Hydro, vertically-integrated monopoly and its bundled rates into commodity, delivery, central market, and a portion of legacy debt service components. It was not considered a "new" or additional cost for the all-in price of electricity. o As such, the intention of establishing the DRC framework was not to shift in time the cost recovery of the old Ontario Hydro debt and other liabilities.
• As a result of the deferral, financing is required, resulting in additional gross debt under the FHP structure.	• "Unbundling" the rates did not in itself create new debt. Though the estimated liability for non-utility generator contracts became recognized on OEFC's balance sheet, cost recovery of those contracts had been part of the old Ontario Hydro bundled rates.
• The Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	• The DRC was set by the government, under the *Electricity Act, 1998*, at 0.7 cents per kilowatt-hour for most electricity consumed in Ontario. It is paid to OEFC, and, under an MOU, administered by the Ministry of Finance (originally by the former Ministry of Revenue). • Having the old Ontario Hydro debt and other liabilities managed by OEFC, and the DRC paid to OEFC, with separate, audited financial statements, provided for transparency and accountability. o [Note: An argument was made back in the 1999 and 2000 period that OEFC's revenues over time, as dedicated to it under legislation, could be reflected as assets on OEFC's balance sheet. In the end, this was not the accounting treatment established for OEFC. The Provincial accounting treatment agreed to was to charge the Province's accumulated deficit for the amount of the stranded debt]

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Detailed Context	
The CEA arises from the Government's policy to shift a portion of GA costs to the future in order to relieve current ratepayers of some of the burden of paying for investments the benefits of which will continue to accrue to future generations. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment charge on electricity bills. The GA charge includes covering the costs of electricity infrastructure investments on an ongoing basis. The size and timing of these investments led to significant increases in electricity bills through the GA charge. While the majority of the contracted generation is for a 20-year term, the generating assets are expected to have ongoing useful life beyond that term, and certain conservation investments are also expected to benefit future ratepayers, justifying the planned longer timeframe for recovery under the Fair Hydro Plan. The government's Fair Hydro Plan will relieve some of the current GA cost burden on today's ratepayers and share costs more fairly, by refinancing a portion of the GA, and recovering costs in the future through a deferral account. This will provide immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA will be refinanced to reduce pressure on today's electricity ratepayers. In later years, in addition to the deferred amounts of GA costs, the cost of refinancing will be recovered from ratepayers. This recovery is the clean energy adjustment (CEA). It is the amount that will be recovered from consumers in the future to pay principal, interest, transaction costs and	The OEFC stranded debt arose in 1999 as a result of the restructuring of the electricity sector under the *Energy Competition Act, 1998*. • The underlying policy intent was to create competition in the sector, including the break-up of the former Ontario Hydro and creating a tax-payments-in-lieu of taxes level playing field for private and public sector owned electricity companies. • The Act also provided for the Debt Retirement Charge (DRC), to help manage the legacy debt and other liabilities of the former Ontario Hydro. When the former Ontario Hydro was restructured on April 1, 1999, the Ontario Electricity Financial Corporation (OEFC) was established with the mandate to manage and retire the former Ontario Hydro's debt and other liabilities, totaling $38.1 billion. The $38.1 billion in debt and liabilities had been accumulated in building Ontario's electricity generation and transmission infrastructure. A portion of the $38.1 billion could be supported, in the context of a restructured market, by the assets of Ontario Hydro successor companies, in particular OPG, Hydro One and IESO, however, OEFC was left with $20.9 billion in stranded debt. Conceptually, stranding was generated by two factors: • "Commercial" stranding, as level-playing field "PILs" were put in place, resulting in the successor companies having less cash flow to support debt, and as the commercial successor companies would have a higher cost of capital {a higher, commercial, return on equity (ROE) – as regulated for Hydro One, and as for comparable competitive generators for OPG}. • "Competition" stranding, where the projected future commodity price of electricity was estimated to be lower than the former rate-regulated price, such that OPG could support a lower level of debt, and a liability was created with respect to

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
administrative costs associated with the fair adjustment and consistent with the fair allocation amount. The debt that the CEA will retire, is not pre-existing but arises out of the policy choice to shift a portion of contract cost recovery, along with the cost of financing that shift, from current monthly settlements to the future in order to more fairly distribute the costs associated with the benefit of electricity infrastructure investment costs. There was an existing policy in place to recover these costs within a 12 month period and that policy has changed to recover these costs within a 30 year period.	the legacy power purchase agreements (PPAs) with non-utility generators (NUGs). To allow OEFC to service and retire $38.1 billion in total debt, including the $20.9 billion in stranded debt, the Province established a long-term plan where debt servicing and repayment would be through dedicated revenues from electricity-sector companies. • This included dedicating the amounts to OEFC related to the "commercial" stranding: PILs to OEFC and the "Electricity Sector Dedicated Income" in respect of the net income (i.e., ROE) in excess of the Province's financing cost for the equity. • As PILs were dedicated to OEFC, they were not considered to be a net pressure on all-in prices, simply replacing a portion of debt-service costs that had been embedded in the old regulated prices of Ontario Hydro. The higher ROE was also effectively recycled too. • As of April 1, 1999, the present value of these revenue streams was estimated at $13.1 billion, leaving an estimated $7.8 billion of "residual stranded debt". • Due to the uncertainty discussed above, the Act provided for the Minister of Finance to update the RSD determination from time to time. The Debt Retirement Charge (DRC) on electricity bills was established under the Electricity Act, 1998, to be paid to the OEFC until the *residual stranded debt* was retired (as determined by the Minister of Finance). • As this was related to "competition" stranding, which created price room due from the lower projected commodity price, the DRC was not considered to be creating price pressure, but was in effect just a disaggregation of a portion of the debt service costs embedded in the old regulated rates of Ontario Hydro.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Fiscal Impact to the Province	
Under the FHP financing structure, transactions related to GA refinancing, including CEA payments, will be reflected on the Province's consolidated results through the consolidation of OPG and the IESO. Based on the anticipated accounting treatment, the CEA transactions will not have a net impact on the Province's surplus or deficit, annually or over time (at least not materially). o Note: OPG's net income is expected to increase by the amount of the interest it charges to the Trust on the debt issued to the Trust funded by the 44% equity injection. That net income increase will provide a fiscal offset to the Province's increased IOD from the Province's borrowings related to the equity injection.	The DRC, paid by electricity rate payers, is a revenue to the OEFC and in turn the Province upon consolidation. The DRC increases revenues, and helps offset debt service costs of OEFC (and the Province, on consolidation). Over time, where OEFC has an excess of revenues (including DRC) over expense, this decreases OEFC's unfunded liability (sometimes called "stranded debt"). Note: Stranded debt is included in the measurement of the Province's net debt
Payment Amounts	
The annual Clean Energy Adjustment payment amount will be determined by the Financial Services Manager and is not yet determined. Once the total Clean Energy Adjustment payable is determined by Ontario Power Generation (Financial Services Manager), the Ontario Energy Board shall determine the rates at which specified customers are invoiced over the reference period.	The Debt Retirement Charge is presently and has been paid by most electricity consumers at a rate of 0.7 cents per kilowatt hour.
Payment End Date	
The reference period as stated in the Fair Hydro Act will end on either April 30, 2047 or a later date as may be prescribed in regulation. Correspondingly the Clean Energy Adjustment would also end on April 30, 2047 or a later date.	Initially, under the *Electricity Act, 1998*, the DRC payment period was open ended with the intention to end the DRC once the residual stranded debt is retired.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
	The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption. As included in the 2014 Budget, the government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The government introduced legislation, passed on December 10, 2015, the Budget Measures Act, 2015 to legislate a fixed end-date for the DRC of April 1, 2018, for commercial, industrial and all other users.

APPENDIX

Excerpt from Remarks by Auditor General Bonnie Lysyk to the Standing Committee on Justice Policy on Bill 132 *Ontario Fair Hydro Plan Act, 2017*

MAY 24 ,2017

"The accounting transaction is structured in a complex manner. In simple terms, the government plans to record as an asset the expected recovery of the 25% in electricity costs from future ratepayers that it will borrow for and pay to power producers today. In essence, it is setting up as an asset an accounts receivable that it expects to collect from future ratepayers between 2022 and 2047 that is not yet an accounts receivable because the consumer has not yet used the electricity.

A similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s. At that time, the government did not want the net impact of the stranded debt, which had already been incurred, to be reflected on the Province's financial statements. Because it anticipated that ratepayers would pay down this debt, it wanted to create an asset to reflect those future anticipated revenues from electricity ratepayers. This approach would have fully offset the total stranded debt, such that there would have been no net debt impact reflected on the Province's consolidated financial statements. The Auditor General's opinion, as stated in our Office's 2000 Annual Report, was that this [quote] "would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned." [end quote] The government heard these concerns and was prudent in making the decision to not create an asset for future anticipated ratepayer payments. I believe those concerns are equally applicable today."

Excerpt from *Auditor General of Ontario 2000 Annual Report*

"In last year's Annual Report, I indicated that the government intended to offset Ontario Hydro's stranded debt with a deferred charge on OEFC's statement of financial position in accordance with accounting standards for rate-regulated utilities. I further indicated at that time that the details of this accounting had not been finalized. In this year's audit, we found that the Ministry of Finance had not adequately supported recognition of the deferred charge as an asset. Accordingly, we found it necessary to conduct extensive accounting research. Based on a full assessment of the proposed accounting, an exhaustive review of Canadian and U.S. accounting standards, discussions with ministry staff and external advice, we concluded that the deferred charge could not be recorded as an asset.

The deferred charge approach would have excluded the stranded debt entirely from the measure of the government's net debt. It would have also excluded the electricity sector's annual operating income or loss from the measure of the government's annual surplus or deficit. Failing to recognize an existing liability, particularly one of the magnitude of OEFC's stranded debt, as well as the ongoing income or loss from a significant government sector because of the expectation that this debt would eventually be discharged by means of future dedicated revenue streams would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned.

Our research also indicated that certain provisions for loss deferral allowed only for rate-regulated utilities were not applicable to Ontario's situation. Work on resolving this complex issue was not finalized until late October. The final financial statements included the net assets/ liabilities and operating results of the four electricity entities owned by the province, and we concluded that this accounting resulted in a fair presentation of the province's financial position and operating results."

Corporate and Electricity Finance Division
May 31, 2017

Fw_ Rate Mitigation Implementation Meeting - Ma...(4)_1.pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Cox, Hilary (ENERGY)
Cc:	Shear, Dan (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	June 7, 2017 8:35:56 PM
Attachments:	CEA vs DRC.doc.docx

Hilary - please see attached.

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: June-05-17 8:36 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Christie, Tim (ENERGY)
Cc: Cox, Hilary (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

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Thank you, Steen

CEA vs DRC.doc.pdf

FAIR HYDRO PLAN'S CLEAN ENERGY ADJUSTMENT AND THE OEFC'S DEBT RETIREMENT CHARGE

ISSUE

To provide background and key points in a comparison between the Clean Energy Adjustment (CEA) under the *Ontario Fair Hydro Plan Act, 2017* (FHP Act) and the Debt Retirement Charge that was implemented to help service and retire the Ontario Electricity Financial Corporation's (OEFC) debt and other liabilities.

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Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Key Points	
• The ~~Fair Hydro Plan (~~"FHP"~~)~~ Act is being ~~established~~ implemented in the context of an almost fully regulated or contracted market. o ~~The~~ A portion of the ~~Global Adjustment ("GA", a portion component of the commodity cost of electricity), related largely to certain investments in electricity generation assets that are expected to last longer than their typically 20-year contract terms, deferral portion of the FHP~~is being reallocated under the FHP ~~is to more fairly allocate~~ apportion ~~the cost recovery from ratepayers over time~~of the cost of certain investments in generation assets and conservation that are expected to last longer than their typically 20-year contract terms.~~.~~The FHP Act reallocates recovery of "clean energy costs" over time in order to more fairly apportion those costs to present and future "specified consumers" (the class of ratepayers covered by the FHP Act). The "clean energy costs" relate mostly to certain investments in electricity generation assets that are expected to last longer than their typically 20-year contract terms, and to certain conservation and demand management programs that are expected to benefit both present and future ratepayers. The clean energy costs are part of the Global Adjustment ("GA", a component of the cost of electricity). • This reallocation of recovery of ~~GA deferral portion of~~ the clean	• The 1999 electricity sector restructuring was under the *Energy Competition Act, 1998*, ("ECA") to move Ontario's electricity sector to a competitive structure, including providing for private sector involvement and a market price for the electricity commodity. • The Debt Retirement Charge ("DRC") was provided for under legislation; however, it was not under a regulatory structure (e.g., with no role for the OEB), and the Province did not establish a defined deferral account balance or a particular amount to be recovered under the DRC. The DRC was authorized under the Electricity Act, 1998, until the "residual stranded debt" ("RSD") was retired, as determined by the Minister of Finance. o Because of the ECA's purpose was to provide for a competitive market, the actual annual amounts of other dedicated revenues (e.g., PILs, electricity sector dedicated income – "ESDI") to be paid to OEFC was uncertain, since it depended on the successor companies' actual financial performance. Therefore, the timeframe for retiring RSD was uncertain – so the length and total amount of DRC required was uncertain.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
energy costs~~FHP~~ is being established under legislation and a regulatory framework, ~~underpinning~~ which includes the establishment of a regulatory asset, ~~with~~ and a deferral account ~~for~~ reflecting the ~~deferred~~ portion of the clean energy ~~GA~~ costs being reallocated to future "reference periods" (defined in the FHP Act as six-month periods starting May 1 or November 1, or other periods prescribed by regulation) and the associated financing costs. • The Clean Energy Adjustment ("CEA") reflects the recovery of the deferral account balance, with a legal/regulatory structure supporting ~~certainty on~~ the ability to recover that balance~~, and as defined~~ over a particular timeframe to be defined under the FHP Act. o The total ~~Clean Energy Adjustment~~CEA payable in each reference period shall be determined by the Financial Services Manager (Ontario Power Generation ~~(Financial Services Manager)~~, in accordance with rules provided in the FHP Act and regulations, and recovered from ~~ratepayers~~specified consumers.	• The DRC reflects a portion of the disaggregation of the old "bundled rate" of the old Ontario Hydro that included cost recovery related to generation, transmission and central market services, and including debt costs. o The DRC reflected the break-up of the old Ontario Hydro, vertically-integrated monopoly and its bundled rates into commodity, delivery, central market, and a portion of legacy debt service components. It was not considered a "new" or additional cost for the all-in price of electricity. o As such, the intention of establishing the DRC framework was not to shift in time the cost recovery of the old Ontario Hydro debt and other liabilities. • "Unbundling" the rates did not in itself create new debt. Though the estimated liability for non-utility generator contracts became recognized on OEFC's balance sheet, cost recovery of those contracts had been part of the old Ontario Hydro bundled rates. • The DRC was set by the government, under the *Electricity Act, 1998*, at 0.7 cents per kilowatt-hour for most electricity consumed in Ontario. It is paid to OEFC, and, under an MOU, administered by the Ministry of Finance (originally by the former Ministry of Revenue). • Having the old Ontario Hydro debt and other liabilities managed by OEFC, and the DRC paid to OEFC, with separate, audited financial statements, provided for transparency and accountability. o [Note: An argument was made back in the 1999 and 2000 period that OEFC's revenues over time, as dedicated to it under legislation, could be reflected as assets on OEFC's balance sheet. In the end, this was not the accounting treatment established for OEFC. The Provincial accounting treatment agreed to was to charge the Province's accumulated deficit for the amount of the stranded debt]

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
• As a result of the ~~deferral~~reallocation of clean energy costs, financing is required, resulting in additional gross debt under the FHP Act structure. • The Ontario Energy Board shall determine the rates at which specified ~~customers~~ consumers are invoiced over ~~the~~ each reference period, subject to ensuring recovery of the CEA amount for the reference period as determined by the Financial Services Manager.	
Detailed Context	
The CEA arises from the Government's policy to shift recovery of a portion of ~~GA~~ the clean energy costs to the future in order to relieve ~~current ratepayers~~specified consumers of some of the burden of paying for investments the benefits of which will continue to accrue to future generations. Between 2005 and 2015, Ontario invested more than $50 billion in the electricity system, including $35 billion in electricity generation to ensure the system is clean and reliable. The costs of these investments are funded in part through the Global Adjustment charge on electricity bills. The GA charge includes covering the costs of electricity infrastructure investments on an ongoing basis. The size and timing of these investments led to significant increases in electricity bills through the GA charge. While the majority of the contracted generation contemplated under the FHP Act is for a 20-year term, the generating assets are expected to have ongoing useful life beyond that term, and certain conservation and demand management investments are also expected to benefit future ratepayers, justifying the planned longer timeframe for recovery of associated costs under the ~~Fair Hydro Plan~~FHP Act. The ~~government's~~	The OEFC stranded debt arose in 1999 as a result of the restructuring of the electricity sector under the *Energy Competition Act, 1998*. • The underlying policy intent was to create competition in the sector, including the break-up of the former Ontario Hydro and creating a tax-payments-in-lieu of taxes level playing field for private and public sector owned electricity companies. • The Act also provided for the Debt Retirement Charge (DRC), to help manage the legacy debt and other liabilities of the former Ontario Hydro. When the former Ontario Hydro was restructured on April 1, 1999, the Ontario Electricity Financial Corporation (OEFC) was established with the mandate to manage and retire the former Ontario Hydro's debt and other liabilities, totaling $38.1 billion. The $38.1 billion in debt and liabilities had been accumulated in building Ontario's electricity generation and transmission infrastructure. A portion of the $38.1 billion could be supported, in the context of a restructured market, by the assets of Ontario Hydro successor companies, in particular OPG, Hydro One and IESO, however, OEFC was left with $20.9 billion in stranded debt. Conceptually, stranding was

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
~~Fair Hydro Plan~~FHP Act will relieve some of the current ~~GA~~ clean energy cost burden on today's ~~ratepayers~~ specified consumers and share those costs more fairly, by refinancing a portion of the ~~GA~~clean energy costs, and recovering those costs in the future through a deferral account. This will provide immediate rate relief by spreading a portion of the clean energy costs over the period that benefits are expected to accrue from the investments giving rise to those costs, including spreading the cost of certain electricity investments over the expected lifecycle of the infrastructure that has been built. In the early years, a portion of the clean energy costs ~~covered by the GA~~ will be refinanced to reduce pressure on today's ~~electricity ratepayers~~specified consumers. In later years, in addition to recovering the deferred amounts of ~~GA~~ clean energy costs, the cost of refinancing will be recovered from ~~ratepayers~~specified consumers. This recovery is the clean energy adjustment (CEA). It is the amount that will be recovered from specified consumers in the future to pay principal, interest, transaction costs and administrative costs associated with the ~~fair adjustment and consistent with the fair allocation amount~~reallocation of the clean energy costs. The debt that the CEA will retire, is not pre-existing but arises out of the policy choice to shift a portion of ~~contract~~ clean energy cost recovery, along with the cost of financing that shift, from current monthly settlements to the future in order to more fairly ~~distribute~~ align the costs with the associated ~~with the~~ benefits ~~of electricity infrastructure investment costs~~. after payments came due, **(or such longer period as may be prescribed under regulations made under the FHP Act)**	generated by two factors: • "Commercial" stranding, as level-playing field "PILs" were put in place, resulting in the successor companies having less cash flow to support debt, and as the commercial successor companies would have a higher cost of capital {a higher, commercial, return on equity (ROE) – as regulated for Hydro One, and as for comparable competitive generators for OPG}. • "Competition" stranding, where the projected future commodity price of electricity was estimated to be lower than the former rate-regulated price, such that OPG could support a lower level of debt, and a liability was created with respect to the legacy power purchase agreements (PPAs) with non-utility generators (NUGs). To allow OEFC to service and retire $38.1 billion in total debt, including the $20.9 billion in stranded debt, the Province established a long-term plan where debt servicing and repayment would be through dedicated revenues from electricity-sector companies. • This included dedicating the amounts to OEFC related to the "commercial" stranding: PILs to OEFC and the "Electricity Sector Dedicated Income" in respect of the net income (i.e., ROE) in excess of the Province's financing cost for the equity. • As PILs were dedicated to OEFC, they were not considered to be a net pressure on all-in prices, simply replacing a portion of debt-service costs that had been embedded in the old regulated prices of Ontario Hydro. The higher ROE was also effectively recycled too. • As of April 1, 1999, the present value of these revenue streams was estimated at $13.1 billion, leaving an estimated $7.8 billion of "residual stranded debt". • Due to the uncertainty discussed above, the Act provided for the Minister of Finance to update the RSD determination from time to time.

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Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
	The Debt Retirement Charge (DRC) on electricity bills was established under the Electricity Act, 1998, to be paid to the OEFC until the *residual stranded debt* was retired (as determined by the Minister of Finance). • As this was related to "competition" stranding, which created price room due from the lower projected commodity price, the DRC was not considered to be creating price pressure, but was in effect just a disaggregation of a portion of the debt service costs embedded in the old regulated rates of Ontario Hydro.
Fiscal Impact to the Province	
Under the FHP financing structure, transactions related to ~~GA~~ clean energy cost refinancing, including CEA payments, will be reflected on the Province's consolidated results through the consolidation of OPG and the IESO. Based on the anticipated accounting treatment, the CEA transactions will not have a net impact on the Province's surplus or deficit, annually or over time (at least not materially). o Note: OPG's net income is expected to increase by the amount of the interest it charges to the Trust on the debt issued to the Trust funded by the 44% equity injection. That net income increase will provide a fiscal offset to the Province's increased IOD from the Province's borrowings related to the equity injection.	The DRC, paid by electricity rate payers, is a revenue to the OEFC and in turn the Province upon consolidation. The DRC increases revenues, and helps offset debt service costs of OEFC (and the Province, on consolidation). Over time, where OEFC has an excess of revenues (including DRC) over expense, this decreases OEFC's unfunded liability (sometimes called "stranded debt"). Note: Stranded debt is included in the measurement of the Province's net debt
Payment Amounts	
The ~~annual Clean Energy Adjustment~~CEA payment amount for each reference period will be determined by the Financial Services Manager and is not yet determined. Once the total ~~Clean Energy Adjustment~~CEA payable is determined by	The Debt Retirement Charge is presently and has been paid by most electricity consumers at a rate of 0.7 cents per kilowatt hour.

Fair Hydro Plan and the Clean Energy Adjustment	1999 Ontario Hydro Restructuring and the Debt Retirement Charge
Ontario Power Generation (Financial Services Manager), in order to pay the CEA amount	
Payment End Date	
~~reference~~ recovery ~~Fair Hydro~~FHP ~~Clean Energy Adjustment~~CEA ~~a~~such	Initially, under the *Electricity Act, 1998*, the DRC payment period was open ended with the intention to end the DRC once the residual stranded debt is retired. The estimated retirement of residual stranded debt was subject to uncertainty in forecasting future OEFC results and dedicated revenues to OEFC, which depended on the financial performance of OPG, Hydro One, and municipal electric utilities, as well as other factors such as interest rates and electricity consumption. As included in the 2014 Budget, the government has removed the DRC cost from residential electricity users' electricity bills as of January 1, 2016. The government introduced legislation, passed on December 10, 2015, the Budget Measures Act, 2015 to legislate a fixed end-date for the DRC of April 1, 2018, for commercial, industrial and all other users.

APPENDIX

Excerpt from Remarks by Auditor General Bonnie Lysyk to the Standing Committee on Justice Policy on Bill 132 *Ontario Fair Hydro Plan Act, 2017*
MAY 24 ,2017

"The accounting transaction is structured in a complex manner. In simple terms, the government plans to record as an asset the expected recovery of the 25% in electricity costs from future ratepayers that it will borrow for and pay to power producers today. In essence, it is setting up as an asset an accounts receivable that it expects to collect from future ratepayers between 2022 and 2047 that is not yet an accounts receivable because the consumer has not yet used the electricity.

A similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s. At that time, the government did not want the net impact of the stranded debt, which had already been incurred, to be reflected on the Province's financial statements. Because it anticipated that ratepayers would pay down this debt, it wanted to create an asset to reflect those future anticipated revenues from electricity ratepayers. This approach would have fully offset the total stranded debt, such that there would have been no net debt impact reflected on the Province's consolidated financial statements. The Auditor General's opinion, as stated in our Office's 2000 Annual Report, was that this [quote] "would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned." [end quote] The government heard these concerns and was prudent in making the decision to not create an asset for future anticipated ratepayer payments. I believe those concerns are equally applicable today."

Excerpt from *Auditor General of Ontario 2000 Annual Report*

"In last year's Annual Report, I indicated that the government intended to offset Ontario Hydro's stranded debt with a deferred charge on OEFC's statement of financial position in accordance with accounting standards for rate-regulated utilities. I further indicated at that time that the details of this accounting had not been finalized. In this year's audit, we found that the Ministry of Finance had not adequately supported recognition of the deferred charge as an asset. Accordingly, we found it necessary to conduct extensive accounting research. Based on a full assessment of the proposed accounting, an exhaustive review of Canadian and U.S. accounting standards, discussions with ministry staff and external advice, we concluded that the deferred charge could not be recorded as an asset.

The deferred charge approach would have excluded the stranded debt entirely from the measure of the government's net debt. It would have also excluded the electricity sector's annual operating income or loss from the measure of the government's annual surplus or deficit. Failing to recognize an existing liability, particularly one of the magnitude of OEFC's stranded debt, as well as the ongoing income or loss from a significant government sector because of the expectation that this debt would eventually be discharged by means of future dedicated revenue streams would have set an unacceptable precedent for government accounting. It would also have represented a departure from one of the central tenets of generally accepted accounting principles—that revenue not be recognized until it is earned.

Our research also indicated that certain provisions for loss deferral allowed only for rate-regulated utilities were not applicable to Ontario's situation. Work on resolving this complex issue was not finalized until late October. The final financial statements included the net assets/ liabilities and operating results of the four electricity entities owned by the province, and we concluded that this accounting resulted in a fair presentation of the province's financial position and operating results."

Corporate and Electricity Finance Division
May 31, 2017

Fw_ Rate Mitigation Implementation Meeting - Ma..._1.pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
Subject:	Fw: Rate Mitigation Implementation Meeting - March 9, 2017
Date:	March 8, 2017 7:36:27 PM
Attachments:	OFHP Gov and Delievery Structure - March 9.docx Agenda_Weekly Rate Mitig Implmentation Group_March 9cc.docx 2017-03-08 Consolidated - OFHP Matrix - March 9_v2 ksh.docx

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From: Sermat-Harding, Kaili (ENERGY) <Kaili.Sermat-Harding@ontario.ca>
Sent: Wednesday, March 8, 2017 6:51 PM
To: Thompson, Erin (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - March 9, 2017

From: Katona, Keley (ENERGY)
Sent: March-08-17 5:32 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; McLean, David (MOF); MacIntyre, Kyle (TBS); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); 'Sarah Branco'; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY)
Subject: Rate Mitigation Implementation Meeting - March 9, 2017

Good evening,

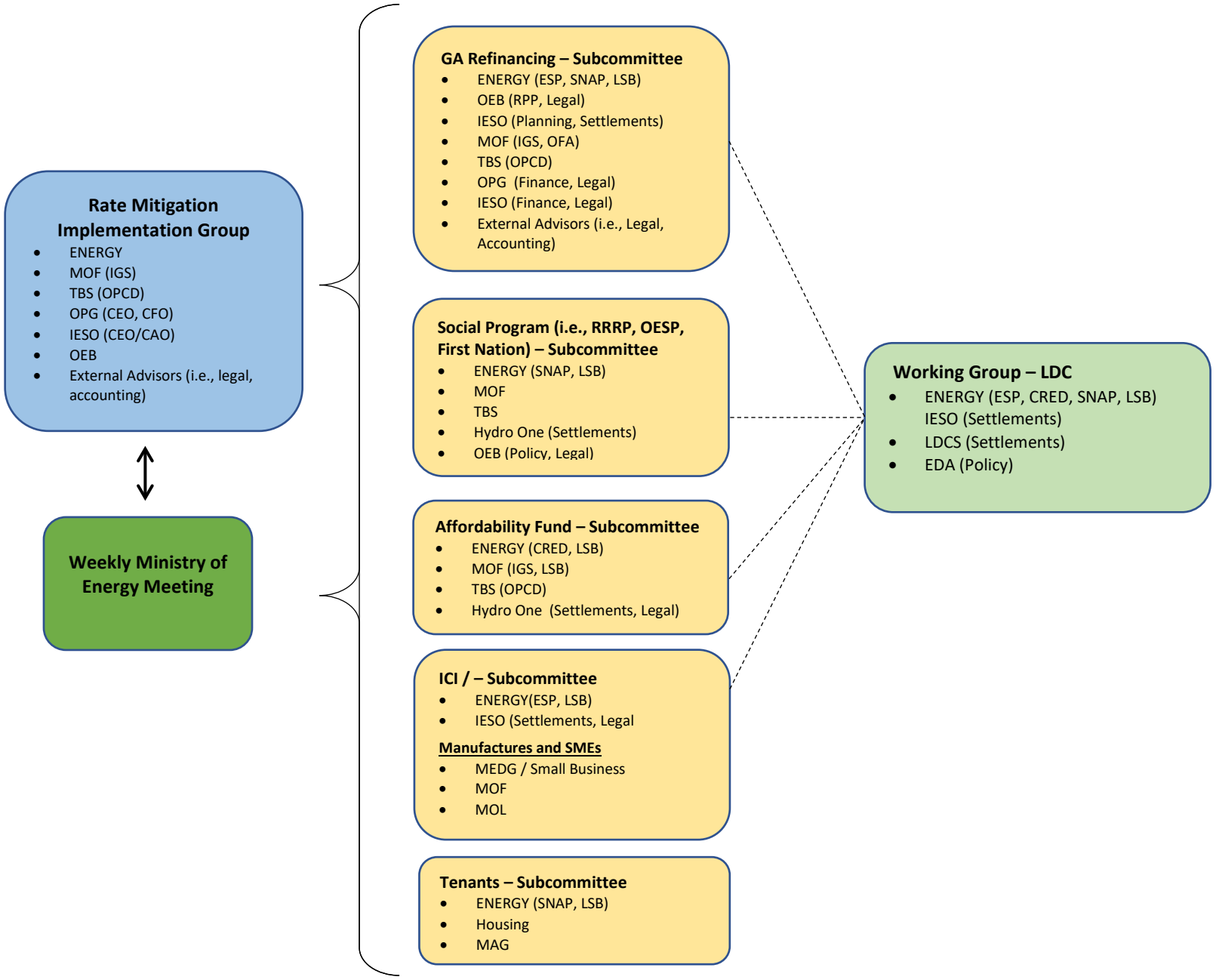
Please find attached material for discussion at tomorrow morning's meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

OFHP Gov and Delievery Structure - March 9_1.pdf

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Agenda_Weekly Rate Mitig Implmentation Group__39.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 9, 2017

Agenda

1) Governance / Delivery Structure – Overview (ESPD)

2) GA Refinancing
    - Overview of US models (Blakes)
    - OPG Update
    - IESO Update
    - Legislative Drafting (LSB)

3) Affordability Fund (CRED)

4) RRRP, OESP and FN (SNAP)

5) ICI (ESPD)

Notes:

2017-03-08 Consolidated - OFHP Matrix - March_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 6, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB and OEB	• Legislation • Regulation (TBD) <u>Considerations</u> • Reach out to OEB to consider whether surplus funding of ~$100M could be used to increase OESP credits by 50%. Regulation can be updated quickly (need to consider whether posting on EBR is required). • Consider whether revised directive needed to continue having OEB administer program. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**Week of March 6, 2017:** • TBC/MBC approval (March 6th) • CAB approval (March 8th) • Follow up calls with several LDCs and EDA to provide updates and outline proposed principles for the Fund (Ongoing engagement with Hydro One, LSB, OPCD, CSD on principles and establishment of Trust and development of Transfer Payment Agreement (TPA) (including sharing of drafts for comment); **Week of March 13, 2017:** • Hydro One to finalize establishment of Trust by March 17th • Continue development of TPA, including circulating near to final version by March 17th **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st

Item	Key Deliverables / Considerations	Timing / Next Steps
		April to May 2017: • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • RR posting is typically a minimum of 45-days for all regulatory changes affecting business to allow for review/comment. **Note:** RR posting is not a legal requirement but a best practice. • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC [DATE] • Effective May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) FAO Engagement		
• ENERGY, MOF/OFA, FAO	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion.

Fw_ Rate Mitigation Meeting _1.pdf

From: Cox, Hilary (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Subject: Fw: Rate Mitigation Meeting
Date: August 25, 2017 8:49:32 PM
Attachments: 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx
2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

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Hi Martin -

Attached are docs for Monday's rate mitigation implementation meeting.

HC

Sent from my BlackBerry 10 smartphone on the Rogers network.

2017 Outstanding Business Issues - Week of A_13.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _15.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

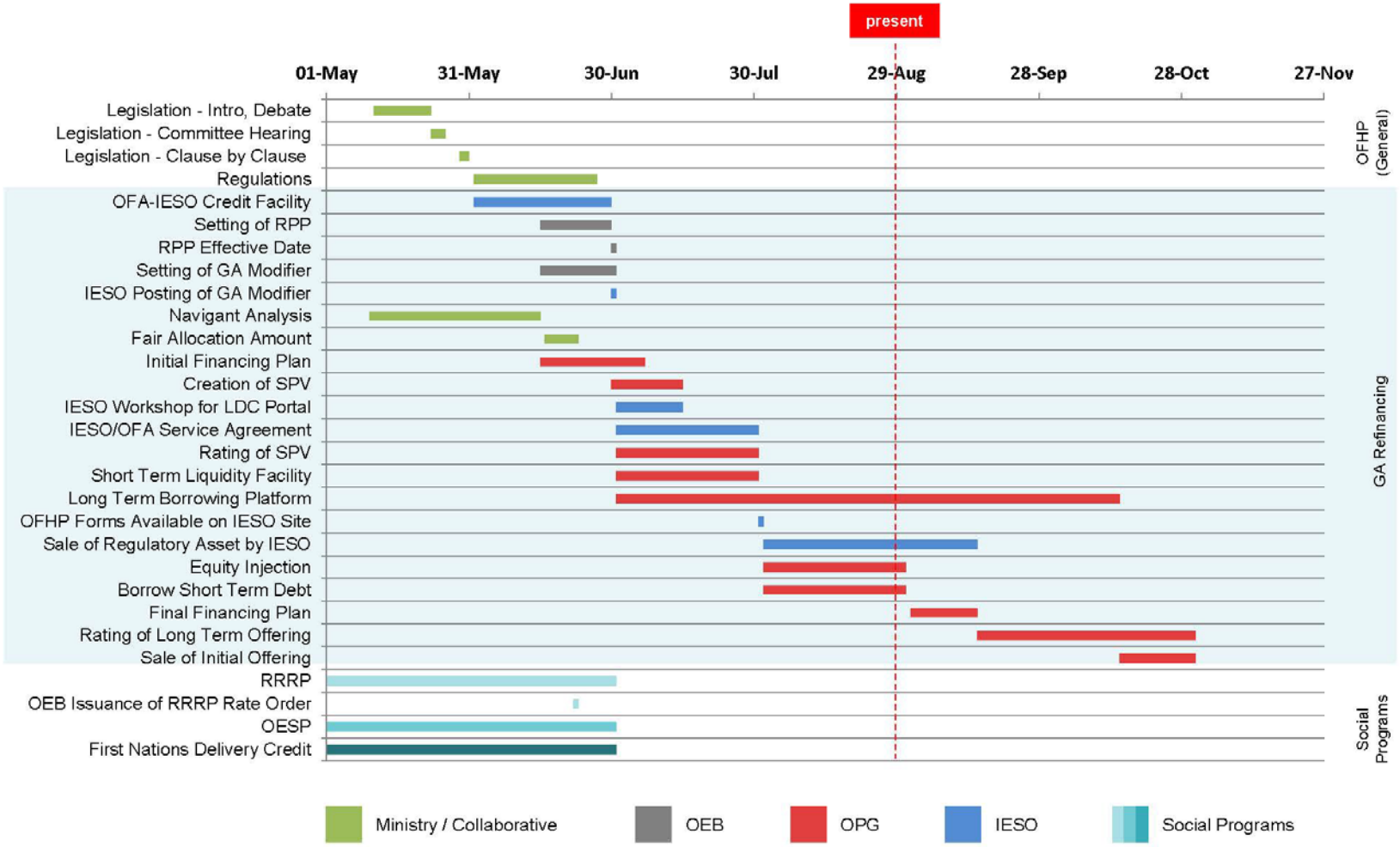
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Fw_ Rate Mitigation Meeting Materials _1.pdf

From:	Cox, Hilary (ENERGY)
To:	Cayley, Daniel (ENERGY)
Subject:	Fw: Rate Mitigation Meeting Materials
Date:	August 3, 2017 4:15:02 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31 (2).docx 2017 07 07 Business Issues v01-kc.docx

These ones

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Thursday, August 3, 2017 2:55 PM
To: Devan, Jane (ENERGY)
Subject: FW: Rate Mitigation Meeting Materials

Hi Jane –

Please print 15 of each of the 2 attached documents for Steen's 4 pm meeting.

Thanks,

HC

2017-07-07 Consolidated - OFHP Matrix - Week _17.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

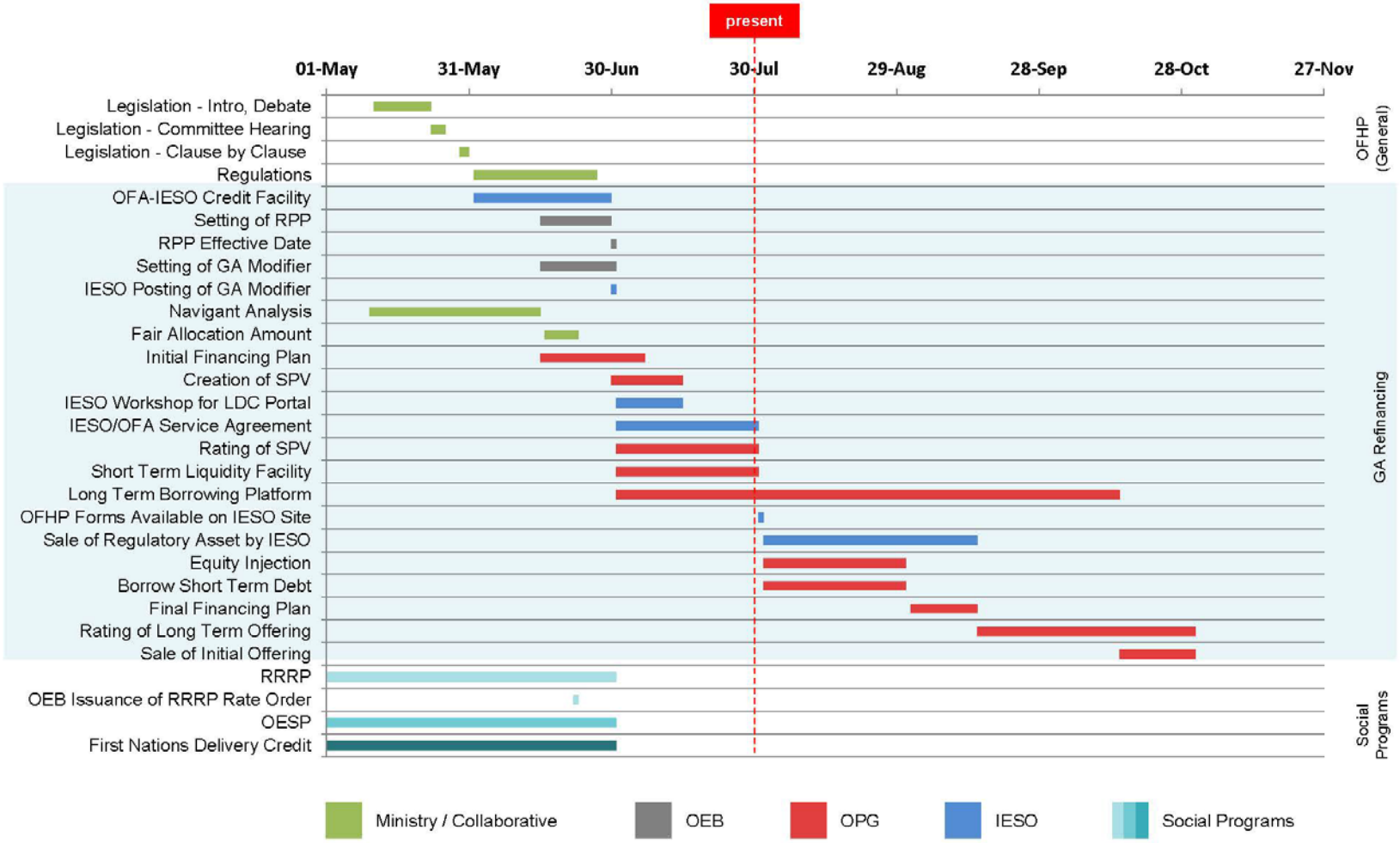
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01-kc_2.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Fw_ Rate Mitigation Meeting_1.pdf

From:	Cox, Hilary (ENERGY)
To:	Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Cc:	Christie, Tim (ENERGY)
Subject:	Fw: Rate Mitigation Meeting
Date:	April 24, 2017 4:54:37 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx Consolidated - OFHP Matrix - Week of April 24.docx

FYI

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>
Sent: Monday, April 24, 2017 4:52 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Meeting

Hi Keley: apologies for the delay. Please find attached an agenda and OFHP Matrix for tomorrow's discussion (we're removed the highlighted sections).

Thanks, Steen

Agenda_Weekly Rate Mitig Implmentation Group__40.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 24_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Fw_ Requested by 3 pm - Consolidated - OFHP Mat..._1.pdf

From: Thompson, Erin (ENERGY)
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: Fw: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date: April 13, 2017 8:58:22 AM
Attachments: Consolidated - OFHP Matrix - Week of April 18 (2).docx

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Emma

Please update the attached matrix as necessary.

Due 2pm

(sorry if there is nothing for us, I am on BlackBerry so haven't opened the doc)

From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Thursday, April 13, 2017 8:52 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_10.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Fwd_ Consolidated - OFHP Matrix - March 17.pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Thompson, Erin (ENERGY)
Subject:	Fwd: Consolidated - OFHP Matrix - March 17
Date:	March 17, 2017 8:07:24 PM
Attachments:	Consolidated - OFHP Matrix - March 17.docx ATT00001.htm

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Sent from my iPad

Begin forwarded message:

> **From:** "Hume, Steen (ENERGY)" <Steen.Hume@ontario.ca>
> **Date:** March 17, 2017 at 7:48:24 PM EDT
> **To:** "Katona, Keley (ENERGY)" <Keley.Katona@ontario.ca>
> **Cc:** "Reid, Michael (ENERGY)" <Michael.Reid@ontario.ca>, "Sermat-Harding, Kaili (ENERGY)" <Kaili.Sermat-Harding@ontario.ca>, "Nelms, Scott (MOF)" <Scott.Nelms@ontario.ca>, "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <Carolyn.Calwell@ontario.ca>, "Cox, Hilary (ENERGY)" <Hilary.Cox@ontario.ca>
> **Subject: Consolidated - OFHP Matrix - March 17**
>
> Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.
>
> I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).
>
> Cheers, Steen

Consolidated - OFHP Matrix - March 17_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

ATT00001_1.pdf

Fwd_ OFHP Weekly.pdf

From:	Katona, Keley (ENERGY)
To:	Lyon, Sam (ENERGY)
Subject:	Fwd: OFHP Weekly
Date:	April 20, 2017 4:39:39 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 20.docx ATT00001.htm Consolidated - OFHP Matrix - Week of April 18_clean (3).docx ATT00002.htm

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Here you go

Sent from my iPad

Begin forwarded message:

> **From:** "Katona, Keley (ENERGY)" <Keley.Katona@ontario.ca>
> **Date:** April 19, 2017 at 4:21:48 PM EDT
> **To:** "Teliszewsky, Andrew (ENERGY)" <Andrew.Teliszewsky@ontario.ca>
> **Cc:** "Imbrogno, Serge (ENERGY)" <Serge.Imbrogno@ontario.ca>, "Whittington, Matt (ENERGY)" <Matt.Whittington@ontario.ca>, "Baker, Carys (ENERGY)" <Carys.Baker@ontario.ca>
> **Subject: OFHP Weekly**
>
> Hi Andrew,
> Attached is an agenda and matrix for discussion tomorrow. We plan to circulate to the broader group shortly.
> Keley

Agenda_Weekly Rate Mitig Implmentation Group__41.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 20, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

ATT00001_2.pdf

Consolidated - OFHP Matrix - Week of April 18_11.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is

Item	Key Deliverables / Considerations	Timing / Next Steps
	• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	scheduled for April 18, 2017 **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

ATT00002_1.pdf

Fwd_ Rate Mitigation Implementation Meeting - A...(1).pdf

From:	Kim Marshall
To:	Michael Boll
Cc:	Schlaepfer, Martin (ENERGY)
Subject:	Fwd: Rate Mitigation Implementation Meeting - August 31, 2017
Date:	August 30, 2017 8:23:53 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx ATT00001.htm Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx ATT00002.htm Fees Rider 28 August 2017.docx ATT00003.htm 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx ATT00004.htm

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Martin just a reminder michael representing the ieso.

Sent from my iPad

Begin forwarded message:

From: "Schlaepfer, Martin (ENERGY)" <Martin.Schlaepfer@ontario.ca>
Date: August 30, 2017 at 8:20:39 PM EDT
To: "Hume, Steen (ENERGY)" <Steen.Hume@ontario.ca>, "Sermat-Harding, Kaili (ENERGY)" <Kaili.Sermat-Harding@ontario.ca>, "Nakahara, Ken (ENERGY)" <Ken.Nakahara@ontario.ca>, "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <Carolyn.Calwell@ontario.ca>, "Nelms, Scott (MOF)" <Scott.Nelms@ontario.ca>, ""jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'" <jeffrey.lyash@opg.com>, "'HARTWICK Ken - FINANCE (ken.hartwick@opg.com)'" <ken.hartwick@opg.com>, "'Kim Marshall (Kim.Marshall@ieso.ca)'" <Kim.Marshall@ieso.ca>, "Thompson, Scott (MOF)" <Scott.Thompson@ontario.ca>, "Angus, Helen (TBS)" <Helen.Angus@ontario.ca>, "Davidson, Steven (CAB)" <Steven.Davidson@ontario.ca>, 'CROZZOLI Carlo -CBUSDEV&STRT' <carlo.crozzoli@opg.com>, "Mayman, Gadi (OFA)" <Gadi.Mayman@ofina.on.ca>, 'LEE John -TREASURY' <john.s.lee@opg.com>, "Hughes, Karen (TBS)" <Karen.Hughes@ontario.ca>, "Veinot, Cindy (TBS)" <Cindy.Veinot@ontario.ca>, Michael Boll <Michael.Boll@ieso.ca>
Cc: "Imbrogno, Serge (ENERGY)" <Serge.Imbrogno@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <Andrew.Teliszewsky@ontario.ca>, "Whittington, Matt (ENERGY)" <Matt.Whittington@ontario.ca>, "Baker, Carys (ENERGY)" <Carys.Baker@ontario.ca>, "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>, "McLean, David (MOF)" <David.McLean@ontario.ca>, "Foster, Robert (CAB)" <Robert.Foster@ontario.ca>, "'jordan.penic@ieso.ca'" <jordan.penic@ieso.ca>, "'Turnevicius, Lorraine'" <lorraine.turnevicius@ieso.ca>, "'catriona.king@opg.com'" <catriona.king@opg.com>, "Bungaro-Yemec, Francesca (ENERGY)" <Francesca.Bungaro-Yemec@ontario.ca>, "Feather, Adam (ENERGY)" <Adam.Feather@ontario.ca>, "Cox, Hilary (ENERGY)" <Hilary.Cox@ontario.ca>, "Edwards, Matthew (ENERGY)" <Matthew.Edwards@ontario.ca>, "Laughton, Patrick (TBS)" <Patrick.Laughton@ontario.ca>, David Barrett <david.barrett@ieso.ca>, "Katona, Keley (MOF)" <Keley.Katona@ontario.ca>

Subject: Rate Mitigation Implementation Meeting - August 31, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

2017-07-11 Consolidated - OFHP Matrix - Week _16.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 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 o Supporting Agreement (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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Supporting Agreement (TBD) • Late November 2017 – OPG Financing (TBD)

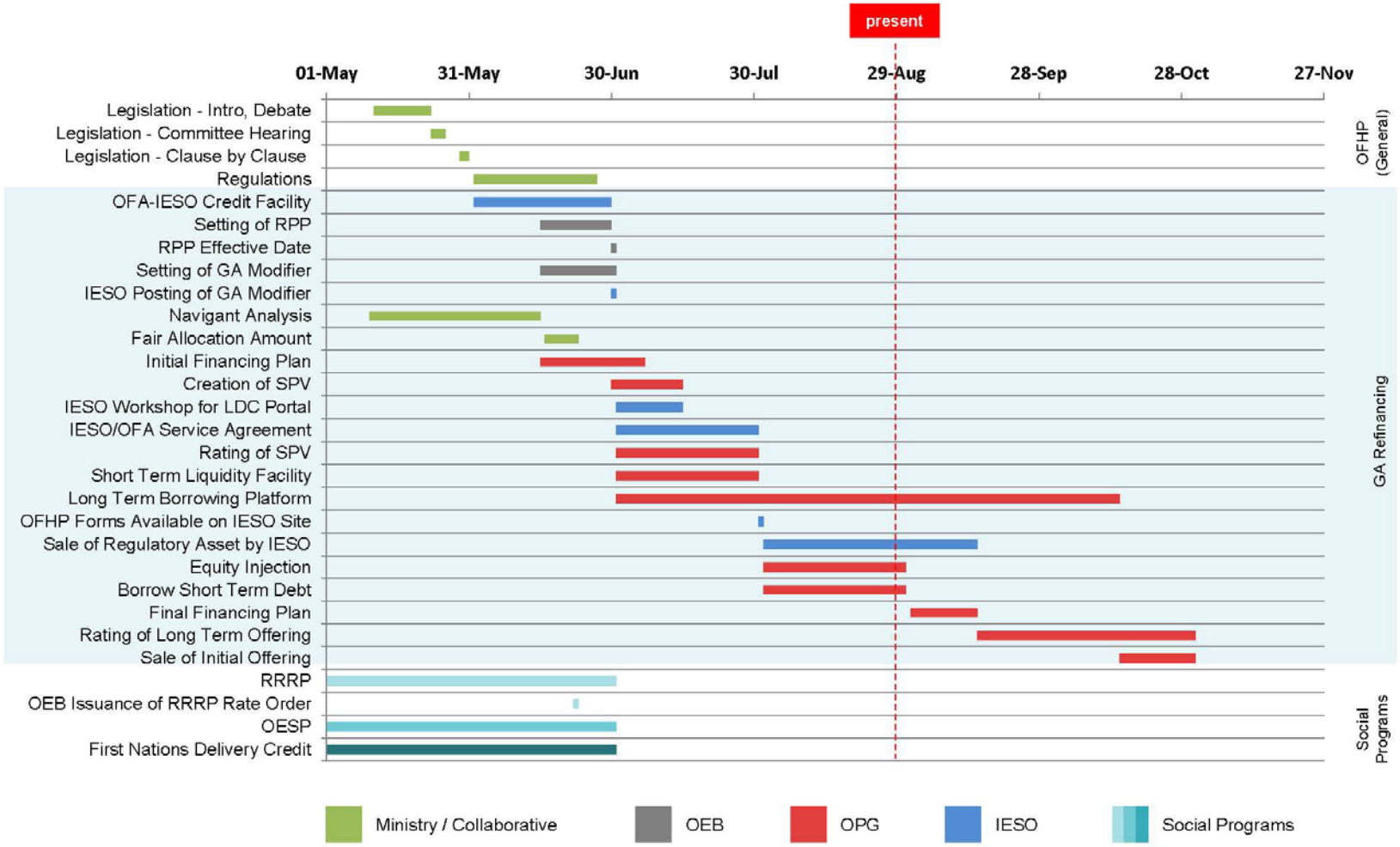
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__42.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 31, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

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Fees Rider 28 August 2017_1.pdf

FEES RIDER – subs. 19 (3) of the Act – August 28, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.

(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of all tranches of incremental annual funding obligations,

B = the forecasted weighted interest rate of incremental annual funding obligations, and

C = the actual weighted interest rate of incremental annual funding obligations.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year, including senior debt and subordinated debt.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (5% × the incremental annual funding obligations), or

2. less than -1% of (5% × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (1).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

Note: Draft language provided for the purpose of instructions to Ontario Legislative Counsel. Final content of regulation is subject to drafting by OLC.

5.(1) Section 3 applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

ATT00003.pdf

2017 Outstanding Business Issues - Week of A_14.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

ATT00004.pdf

Fwd_ Rate Mitigation Implementation Meeting - A....pdf

From:	Katona, Keley (ENERGY)
To:	Maguire, Lauren (ENERGY)
Cc:	Schlaepfer, Martin (ENERGY)
Subject:	Fwd: Rate Mitigation Implementation Meeting - April 25, 2017
Date:	April 25, 2017 4:15:45 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx ATT00001.htm Consolidated - OFHP Matrix - Week of April 24.docx ATT00002.htm

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Please file.

Sent from my iPad

Begin forwarded message:

From: "Katona, Keley (ENERGY)" <Keley.Katona@ontario.ca>
Date: April 24, 2017 at 5:01:38 PM EDT
To: "Hume, Steen (ENERGY)" <Steen.Hume@ontario.ca>, "Sermat-Harding, Kaili (ENERGY)" <Kaili.Sermat-Harding@ontario.ca>, "Reid, Michael (ENERGY)" <Michael.Reid@ontario.ca>, "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <Carolyn.Calwell@ontario.ca>, "Nelms, Scott (MOF)" <Scott.Nelms@ontario.ca>, "'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)" <jeffrey.lyash@opg.com>, "HARTWICK Ken - FINANCE (ken.hartwick@opg.com)" <ken.hartwick@opg.com>, Rosemaire Leclair <rosemarie.leclair@ontarioenergyboard.ca>, "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)" <maryanne.aldred@ontarioenergyboard.ca>, "Campbell, Bruce (bruce.campbell@ieso.ca)" <bruce.campbell@ieso.ca>, "Kim Marshall (Kim.Marshall@ieso.ca)" <Kim.Marshall@ieso.ca>, "Thompson, Scott (MOF)" <Scott.Thompson@ontario.ca>, "Angus, Helen (TBS)" <Helen.Angus@ontario.ca>, "Davidson, Steven (CAB)" <Steven.Davidson@ontario.ca>, 'Martine Band' <Martine.Band@ontarioenergyboard.ca>, 'CROZZOLI Carlo - CBUSDEV&STRT' <carlo.crozzoli@opg.com>, "Mayman, Gadi (OFA)" <Gadi.Mayman@ofina.on.ca>, LEE John -TREASURY <john.s.lee@opg.com>
Cc: "Imbrogno, Serge (ENERGY)" <Serge.Imbrogno@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <Andrew.Teliszewsky@ontario.ca>, "Whittington, Matt (ENERGY)" <Matt.Whittington@ontario.ca>, "Baker, Carys (ENERGY)" <Carys.Baker@ontario.ca>, "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>, "McLean, David (MOF)" <David.McLean@ontario.ca>, "Foster, Robert (CAB)" <Robert.Foster@ontario.ca>, "jordan.penic@ieso.ca" <jordan.penic@ieso.ca>, "'sarah.branco@ontarioenergyboard.ca'" <sarah.branco@ontarioenergyboard.ca>, "Turnevicius, Lorraine" <lorraine.turnevicius@ieso.ca>, "catriona.king@opg.com" <catriona.king@opg.com>, "Bungaro-Yemec, Francesca (ENERGY)" <Francesca.Bungaro-Yemec@ontario.ca>, "Schlaepfer, Martin (ENERGY)" <Martin.Schlaepfer@ontario.ca>
Subject: Rate Mitigation Implementation Meeting - April 25, 2017

Good afternoon,
Please find attached the material for discussion tomorrow morning.
Thanks,
Keley

Agenda_Weekly Rate Mitig Implmentation Group__43.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

ATT00001_4.pdf

Consolidated - OFHP Matrix - Week of April 24_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

ATT00002_3.pdf

Marterials for Thursday Morning.pdf

From: Feather, Adam (ENERGY)
To: Chander, Sunita (ENERGY)
Subject: Marterials for Thursday Morning
Date: March 29, 2017 3:47:00 PM
Attachments: Agenda_Weekly Rate Mitig Implmentation Group_March 30.docx
Consolidated - OFHP Matrix - March 27 (3).docx

For tomorrow's rate mitigation implementation group meeting. Also in the shared drive.

Agenda_Weekly Rate Mitig Implmentation Group__44.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 30, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)
    - Mechanics of moving RRPP from ratebase to taxbase

4) ICI (ESPD)

5) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - March 27 (3)_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

Material for OFHP Implementation Working Group(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Material for OFHP Implementation Working Group
Date:	May 31, 2017 7:02:48 PM
Attachments:	2017 05 31 Outstanding Business Issues Ontario Fair Hydro Plan - v03.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx

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Hi Andrew,

Please find attached the materials for tomorrow's meeting, including

1. Agenda
2. OFHP Matrix (including the workplan chart added in)
3. Note on the remaining OPG business issues

I will share this with the broader group.

Thanks,
Martin

2017 05 31 Outstanding Business Issues Ontar_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

Provide an overview of a few of the key remaining outstanding business issues that OPG and the Province are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments.
   - **Next Steps:**
     - OPG and OFA have discussed a draft term sheet and the OFA, MOF and Blakes will work together to provide comments
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July.

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers.
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan.
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity.
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
     - Torys prepared a memo on the item
     - Timing: MOF will be setting up a call with tax policy, OPG and Torys to discuss a memo Torys prepared on the item in the next few days

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province.
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT.
    - **Next Steps:**
        - The Ministry of Energy, OFA and OPG are working through the short term mechanics of this process, which will ultimately feed into a Master Subscription Agreement. A draft term sheet is underway.
        - Timing: OPG will require the ability to issue equity in July, so mechanics and agreements should be finalized in June.

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - OPG and OEB are currently working together on a management fee structure that balances the interests of minimizing costs and satisfying accounting consolidation requirements.
    - There are two components to the model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes.
        - Performance management fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount.
    - **Next Steps:**
        - OPG and OEB will bring forward a recommended framework for developing management fees.
        - Timing: TBD

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt

- Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
- OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
- **Next Steps:**
    - OPG and OFA will bring forward a recommended framework for determining interest rates
    - Timing: TBD

6. IESO – Increased OFA Credit Facilities

- THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs.
- There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for.
- In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it.
- IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
- **Next Steps:**
    - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility.
    - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. OPG Indemnity

- OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing.
- Indemnification will need to ensure separation between the Province and OPG is maintained
- **Next Steps:**

- Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing.
- Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
- Timing: If an OIC is required this would be included in the June 27th, 2017 submission

Consolidated - OFHP Matrix - Week of May 29 C_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

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5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

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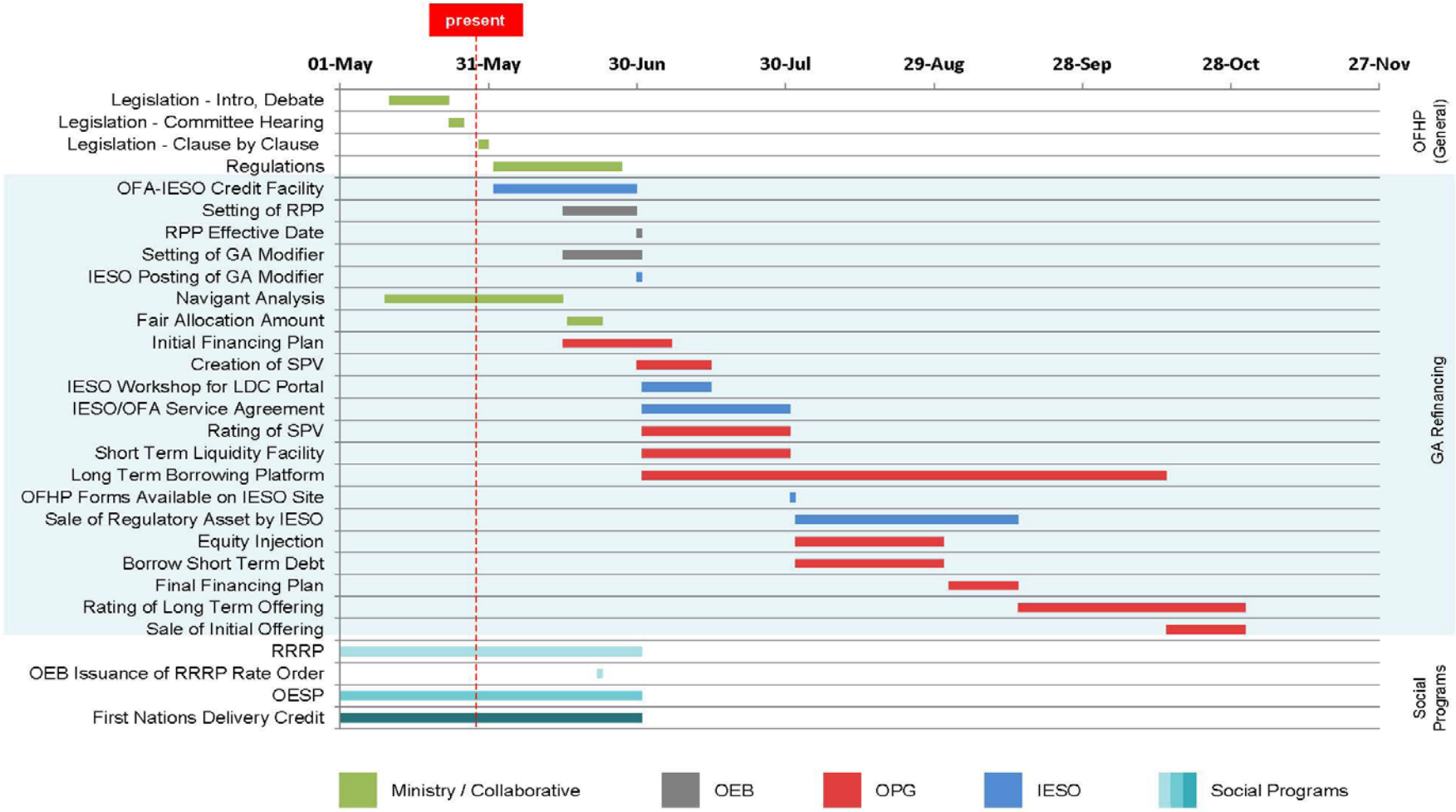
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__45.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 1, 2017

Agenda

1) GA Refinancing
    - Committee Debrief (LSB)
    - Regulation Drafting (Energy / All)
    - Critical Paths (OPG / IESO / OEB)
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Material for OFHP Implementation Working Group.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Imbrogno, Serge (ENERGY)
Subject:	Material for OFHP Implementation Working Group
Date:	May 31, 2017 5:54:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx Consolidated - OFHP Matrix - Week of May 29 Tracked.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx 2017 05 31 Outstanding Business Issues Ontario Fair Hydro Plan - v03.docx

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Hi Deputy,

Please find attached the materials for tomorrow's meeting, including

1. Agenda
2. OFHP Matrix (clean and tracked). This is the Monday version of the Matrix with the workplan chart added in (note we didn't table the matrix on Monday).
3. Note on the remaining OPG business issues

Ok to share with MO and then working group?

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__46.pdf

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Consolidated - OFHP Matrix - Week of May 29 T.pdf

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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

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	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
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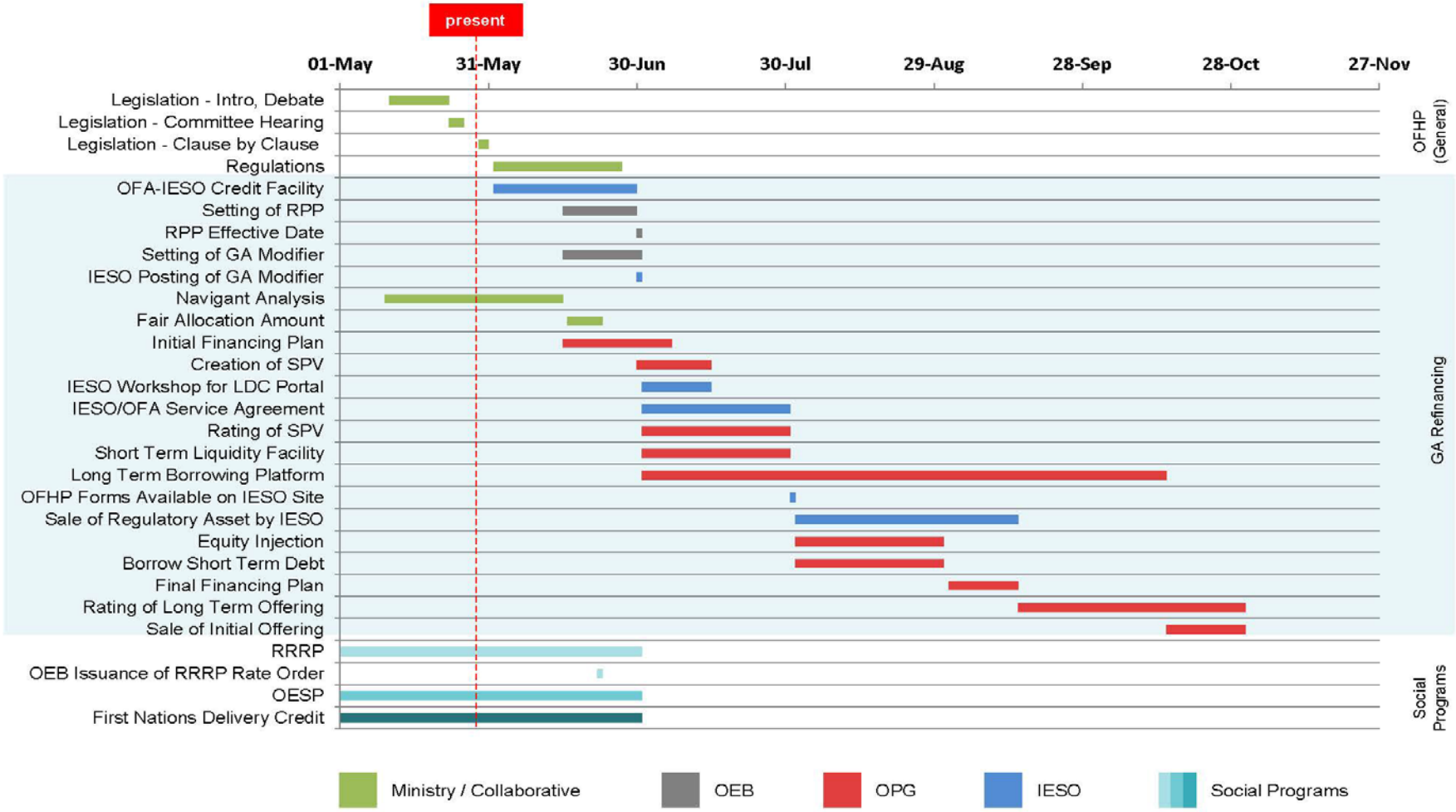
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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Consolidated - OFHP Matrix - Week of May 29 C_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 2017

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1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

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	will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

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	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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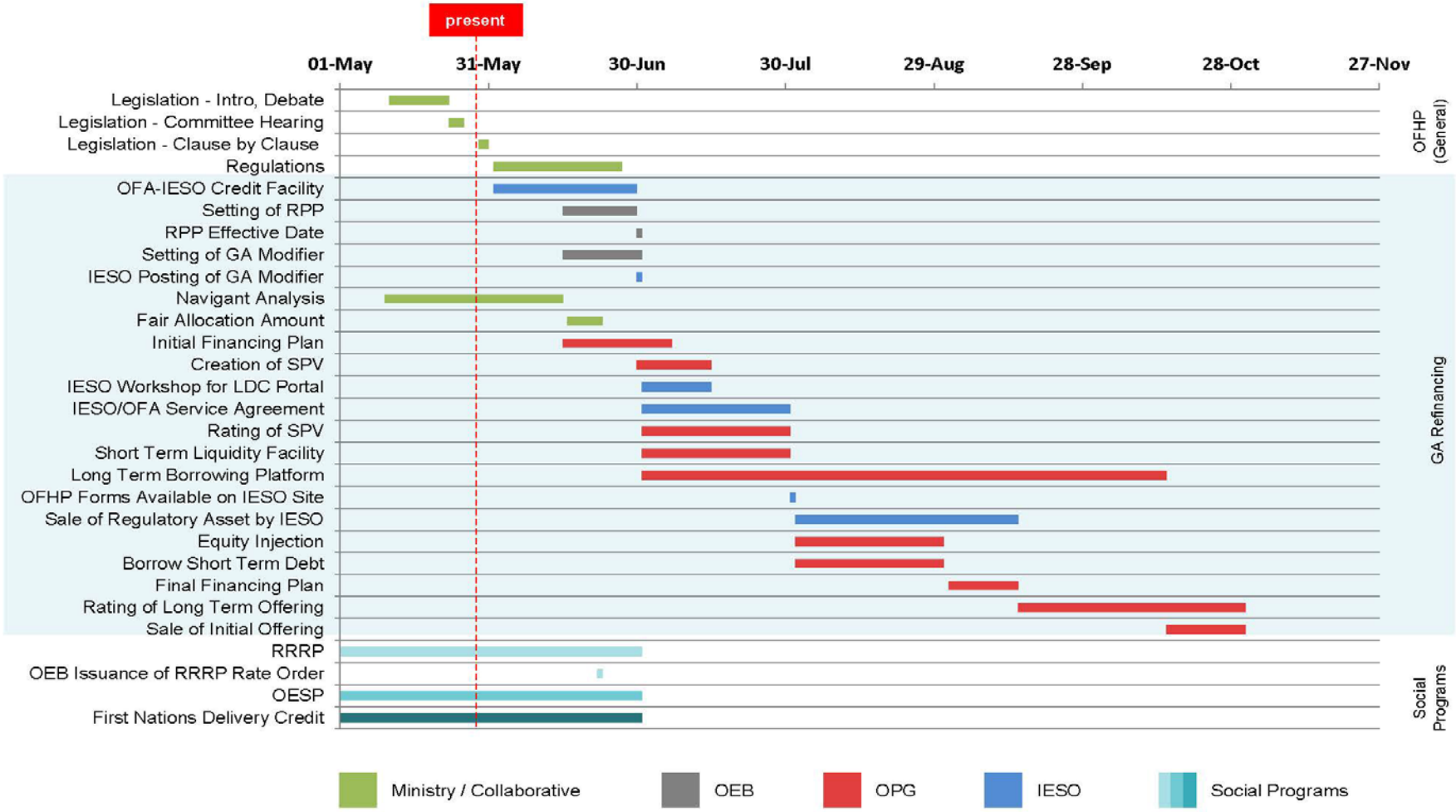
Ontario Fair Hydro Plan Implementation



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

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2017 05 31 Outstanding Business Issues Ontar_4.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

Provide an overview of a few of the key remaining outstanding business issues that OPG and the Province are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments.
   - **Next Steps:**
     - OPG and OFA have discussed a draft term sheet and the OFA, MOF and Blakes will work together to provide comments
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July.

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers.
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan.
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity.
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
     - Torys prepared a memo on the item
     - Timing: MOF will be setting up a call with tax policy, OPG and Torys to discuss a memo Torys prepared on the item in the next few days

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province.
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT.
    - **Next Steps:**
        - The Ministry of Energy, OFA and OPG are working through the short term mechanics of this process, which will ultimately feed into a Master Subscription Agreement. A draft term sheet is underway.
        - Timing: OPG will require the ability to issue equity in July, so mechanics and agreements should be finalized in June.

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - OPG and OEB are currently working together on a management fee structure that balances the interests of minimizing costs and satisfying accounting consolidation requirements.
    - There are two components to the model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes.
        - Performance management fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount.
    - **Next Steps:**
        - OPG and OEB will bring forward a recommended framework for developing management fees.
        - Timing: TBD

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt

- Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
- OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
- **Next Steps:**
    - OPG and OFA will bring forward a recommended framework for determining interest rates
    - Timing: TBD

6. IESO – Increased OFA Credit Facilities

- THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs.
- There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for.
- In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it.
- IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
- **Next Steps:**
    - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility.
    - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. OPG Indemnity

- OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing.
- Indemnification will need to ensure separation between the Province and OPG is maintained
- **Next Steps:**

- Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing.
- Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
- Timing: If an OIC is required this would be included in the June 27th, 2017 submission

Material for OFHP Implmentation Working Group.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Material for OFHP Implmentation Working Group
Date:	May 31, 2017 3:58:42 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 29 Tracked.docx Consolidated - OFHP Matrix - Week of May 29 Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_June 1.docx

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Hi Martin: attached is an agenda for tomorrow and the OFHP Matrix (clean and tracked). This is the Monday version of the Matrix with the workplan chart added in.

I suspect that the other materials will be walked in from the agencies.

Happy to chat. Steen

Consolidated - OFHP Matrix - Week of May 29 T_1.pdf

Implementation of Ontario's Fair Hydro Plan
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• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: o ~~e~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD)

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• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~ ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. .	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

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6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills).	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

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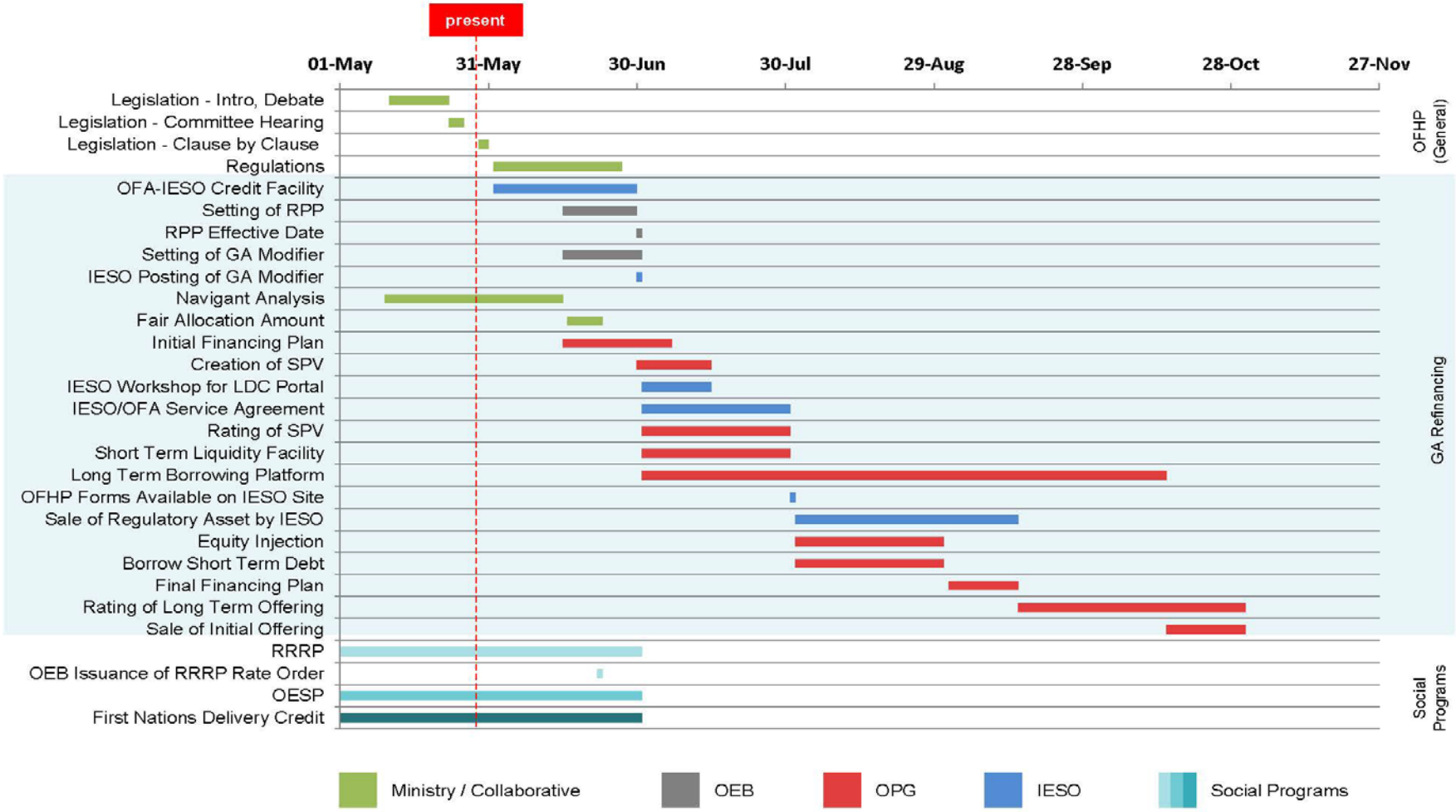
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of May 29 C_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

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	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work	

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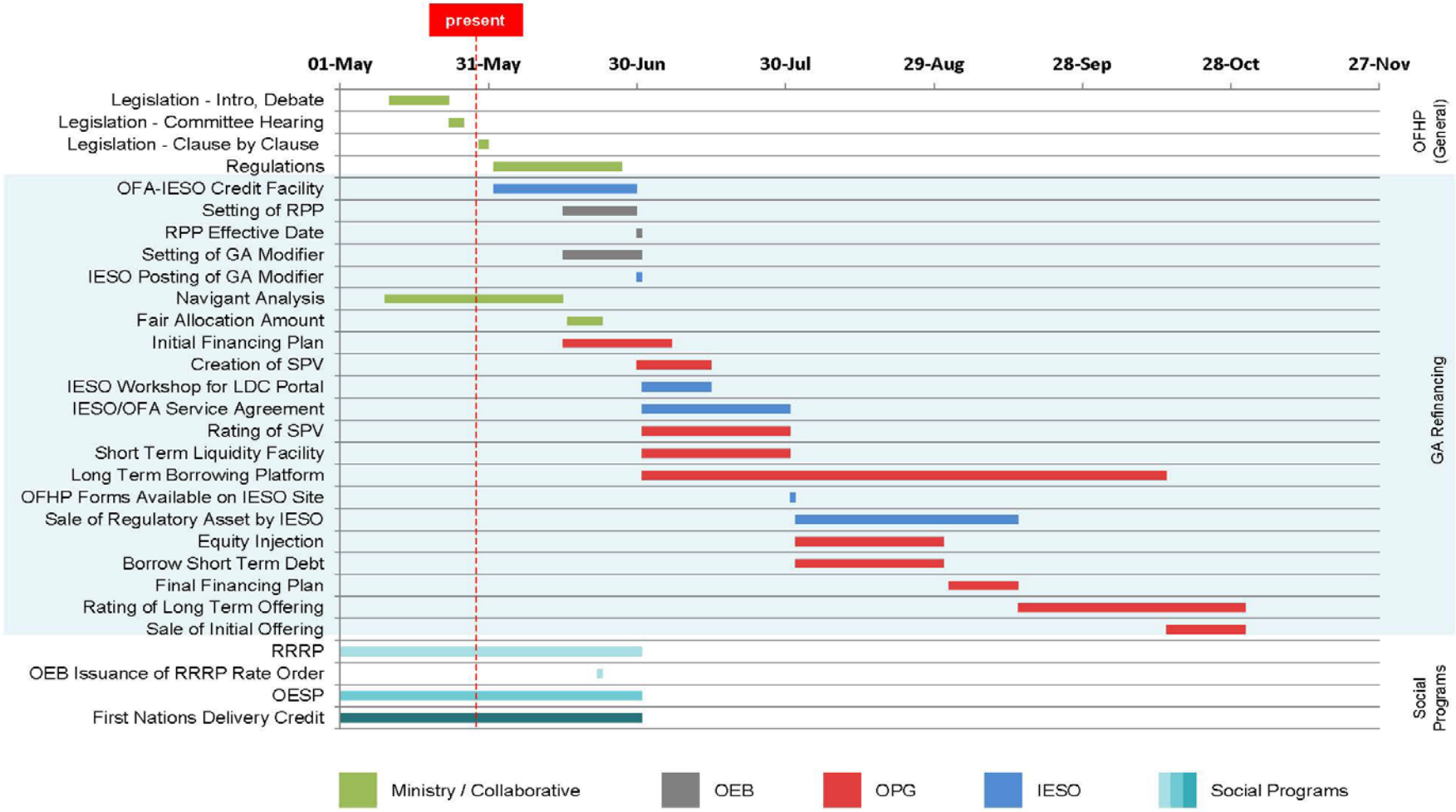
Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__47.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 1, 2017

Agenda

1) GA Refinancing
    - Committee Debrief (LSB)
    - Regulation Drafting (Energy / All)
    - Critical Paths (OPG / IESO / OEB)
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Materials for 11 am.pdf

From:	Cox, Hilary (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject:	Materials for 11 am
Date:	May 29, 2017 10:36:25 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 29 Tracked ESPD SNAP CRED.docx OFHP Work Plan.pptx

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Hi Martin –
We are bringing (I have paper copies) the attached materials for the 11 am.
Apologies for the last minute nature of sending.

HC

Consolidated - OFHP Matrix - Week of May 29 T_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 2017

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	  o TBS to draft a chart with report backs
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	• OPG to continue to work with lead banks / rating agencies / OFA on financing
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	• OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:**	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u>	• Approval dates:

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u>	• Approval dates: o TB – May 9 2017; and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB,

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ~~Hydro One to prepare letters that will go out to social service agencies~~ ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	<u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be

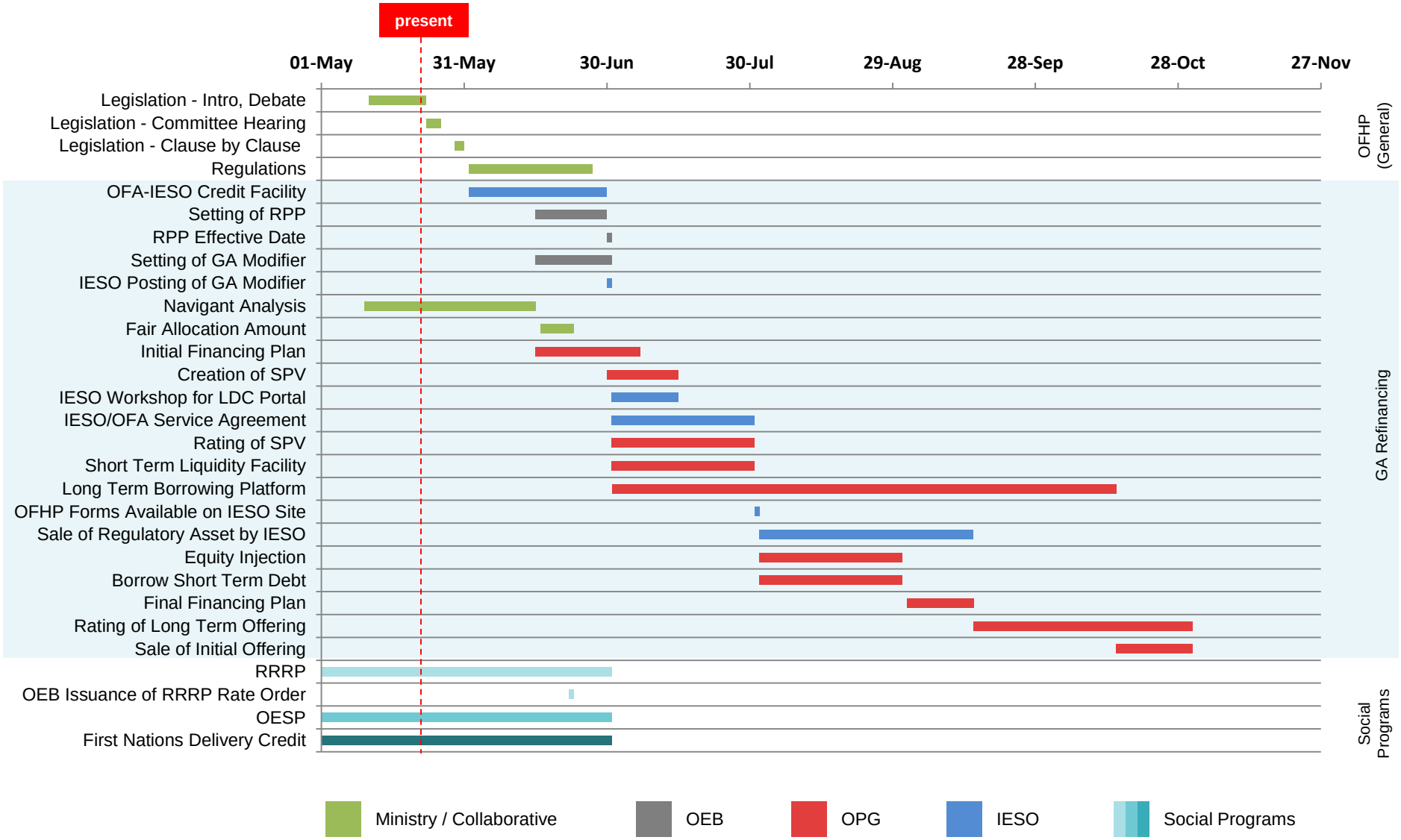
Item	Key Deliverables / Considerations	Timing / Next Steps
		released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

OFHP Work Plan_2.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

Materials for Today’s DM, CoS Meeting _ OFHP (1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Tresise, Landon (ENERGY); Baker, Carys (ENERGY)
Subject:	Materials for Today"s DM, CoS Meeting | OFHP
Date:	May 1, 2017 9:43:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Hi Andrew,

Attached are some materials for our DM, CoS meeting on OFHP this afternoon:

- Timeline
- OFHP Matrix

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 1_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_5.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

Materials for Today’s DM, CoS Meeting _ OFHP .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Tresise, Landon (ENERGY); Baker, Carys (ENERGY)
Subject:	Materials for Today"s DM, CoS Meeting | OFHP
Date:	May 1, 2017 9:43:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Hi Andrew,

Attached are some materials for our DM, CoS meeting on OFHP this afternoon:

- Timeline
- OFHP Matrix

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 1_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_6.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

Monday Rate Mitigation Implementation materials.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Monday Rate Mitigation Implementation materials
Date:	May 12, 2017 7:17:00 PM
Attachments:	OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15_Tracked.docx Regulations 12 May 2017.docx

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Hi Andrew,

Please find attached the materials for Monday's Rate Mitigation Implementation.

Thanks,
Martin

OFHP Annotated Time Line_Final_May 15_1.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Committee / Clause by Clause / Amendments
  - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15_T.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

Item	Key Deliverables / Considerations	Timing / Next Steps
	agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc);	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 12 May 2017.pdf

May 12, 2017

Regulations	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 27
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 27
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 27
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 27

Monday’s OFHP Implmentation Meeting .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject:	Monday"s OFHP Implmentation Meeting
Date:	May 12, 2017 6:18:26 PM
Attachments:	OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15_Tracked.docx

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Hi Martin: attached are updated materials for Monday's implementation meeting (changes highlighted in bold).

Also, below are some discussion topics for Monday's meeting with folks.

Cheer, Steen

Discussion Topics

1. Debrief from the Opposition Briefings
2. Status Update re Navigant Report
3. Regulations / TB Report Back
4. Committee Motions / Process
5. FAO Report
6. Thursday Meeting Prep
7. Timing Considerations

OFHP Annotated Time Line_Final_May 15_2.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Committee / Clause by Clause / Amendments
  - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15_T_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

Item	Key Deliverables / Considerations	Timing / Next Steps
	agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc);	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Implementation Meeting Materials(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	OFHP Implementation Meeting Materials
Date:	May 5, 2017 8:23:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Consolidated - OFHP Matrix - Week of May 8_tracked.docx OFHP Annotated Time Line_Final_May 8.docx

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Hi Andrew,

Please find attached the materials for Monday's Rate Mitigation Implementation meeting. Updated OFHP Matrix (clean and tracked) and Annotated Time Line.

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 8_cl_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of May 8_tr_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8_3.pdf

Ontario's Fair Hydro Plan – Critical Path Dates
(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation

- May 1, 2017 – KPMG and E&Y Opinions

- May 2, 2017 – Caucus Briefing

- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing

- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval

- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)

- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process

- May 10, 2017 – LRC/Cabinet on Legislation

- May 11, 2017 – Introduction Legislation

- May 12, 2017 – Regulatory Posting (TBD)

- May 2017 – Opposition Briefings (TBD)

- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)

- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings

- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)

- Mid and Late June 2017 – Regulations 2 parts (Direct to Cabinet) (TBD)

OFHP Implementation Meeting Materials(2).pdf

From:	Armstrong, Hillary (ENERGY)
To:	Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY); Schlaepfer, Martin (ENERGY)
Subject:	OFHP Implementation Meeting Materials
Date:	July 10, 2017 12:53:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx

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Hi there,

Attached are the materials for Wednesday's OFHP Implementation meeting.

Thanks,
Hillary

2017 07 07 Business Issues v01_13.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _18.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

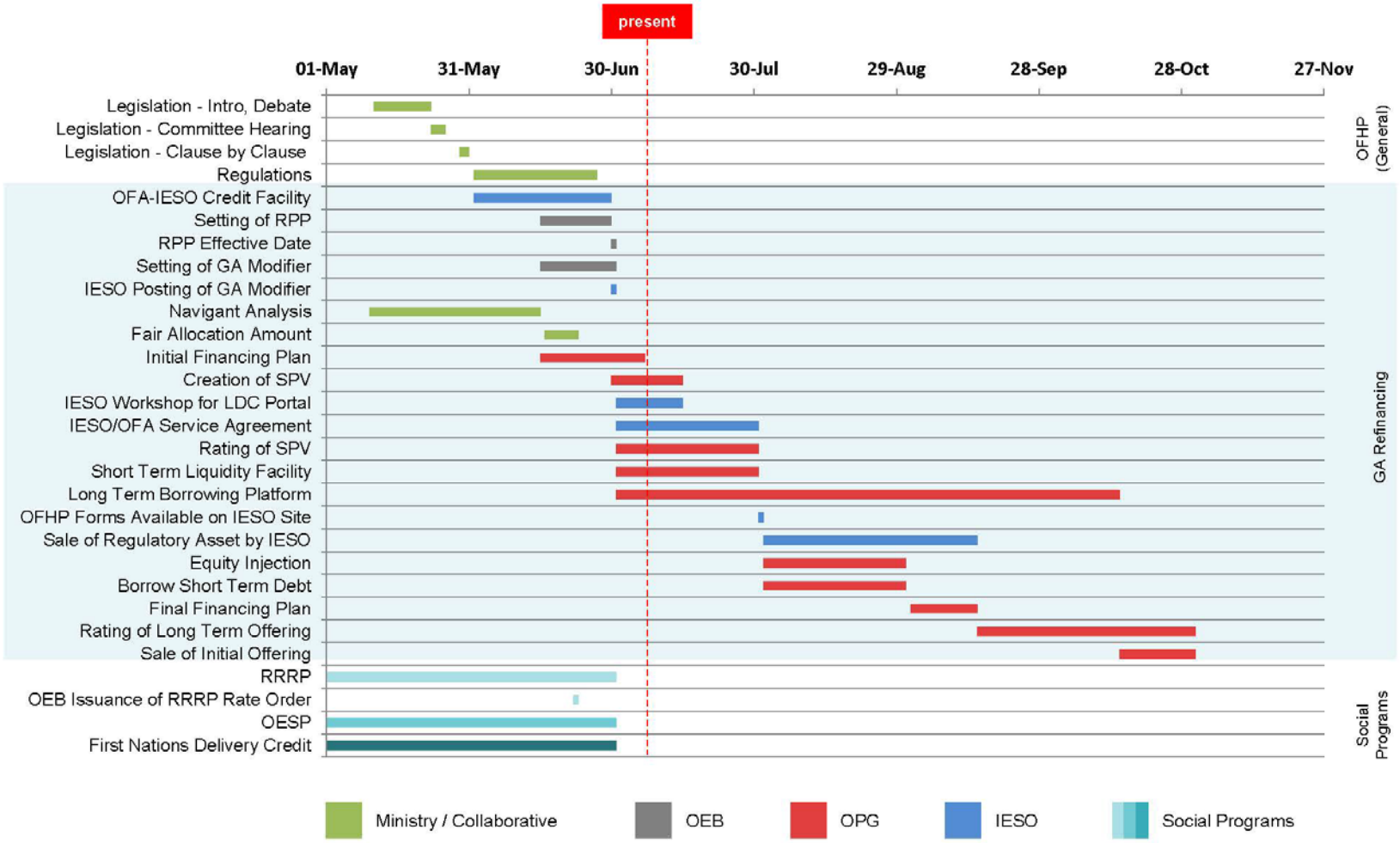
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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OFHP Implementation Meeting Materials(3).pdf

From:	Armstrong, Hillary (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); Ruttan, Craig (ENERGY); Coker, Meaghan (ENERGY); Esdaile, Trevor (ENERGY)
Subject:	OFHP Implementation Meeting Materials
Date:	July 11, 2017 12:11:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx

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Hi Andrew,

Attached are the materials for Wednesday's OFHP Implementation meeting.

Thanks,
Hillary

2017 07 07 Business Issues v01_14.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _19.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

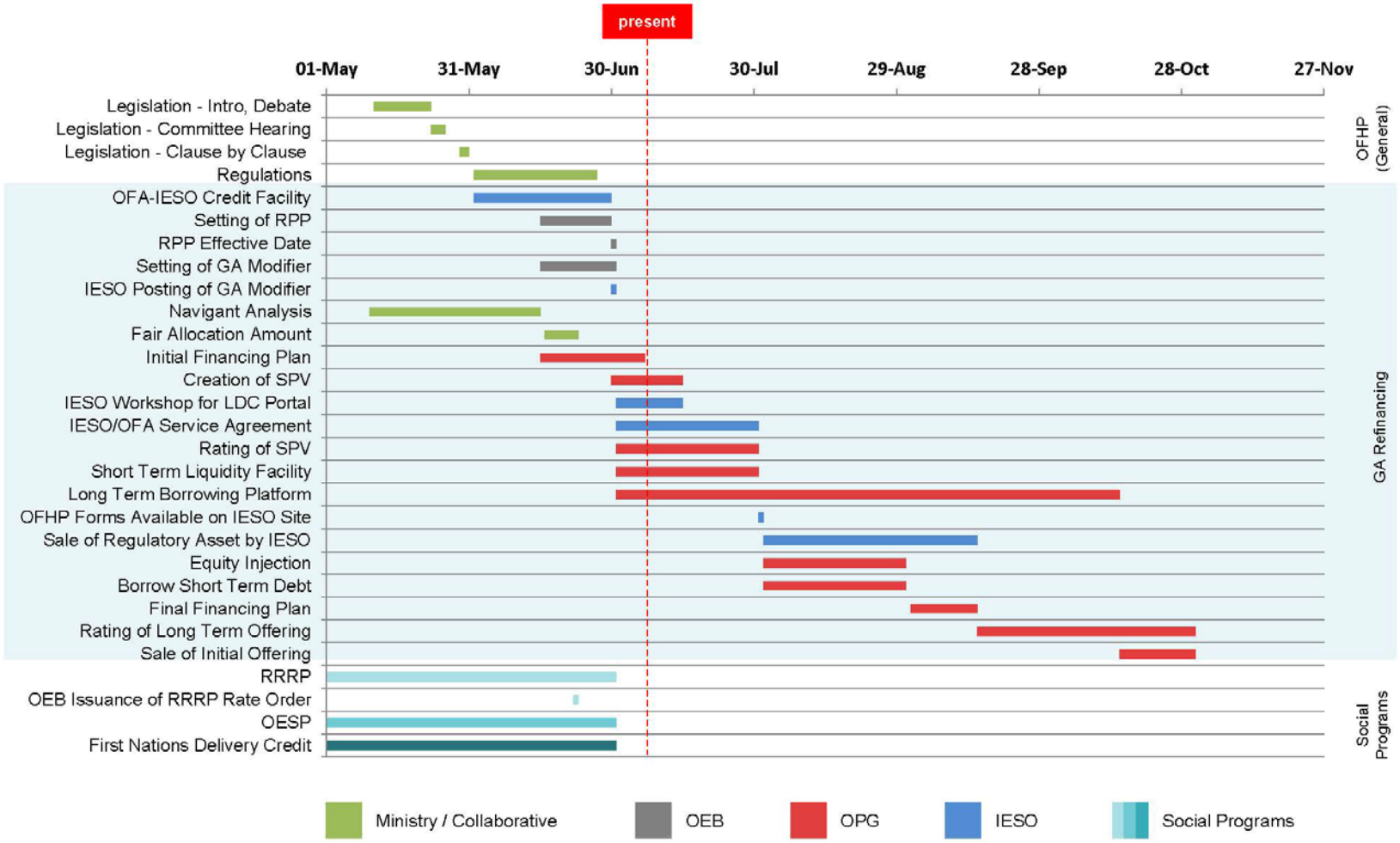
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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OFHP Implementation Meeting Materials.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Imbrogno, Serge (ENERGY)
Subject:	OFHP Implementation Meeting Materials
Date:	May 5, 2017 8:10:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_tracked.docx OFHP Annotated Time Line_Final_May 8.docx

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Hi Deputy,

Please find attached the materials for Monday's Rate Mitigation Implementation meeting with the MO. Updated OFHP Matrix (tracked) and Annotated Time Line.

Ok to share with MO?

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 8_tr_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8_4.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Clause by Clause / Amendments
  - Passage (TBD)
- June 14, 2017 – Regulations (Direct to Cabinet) (TBD)

OFHP Implementation Meeting for July 27.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	OFHP Implementation Meeting for July 27
Date:	July 26, 2017 9:13:00 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

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Hi Andrew,

Attached are materials for this week's OFHP implementation meeting on Thursday.

The OFHP Matrix and the business items chart are the same products we used on Monday.

We will share with the broader group for tomorrow.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 07 07 Business Issues v01_15.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _20.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

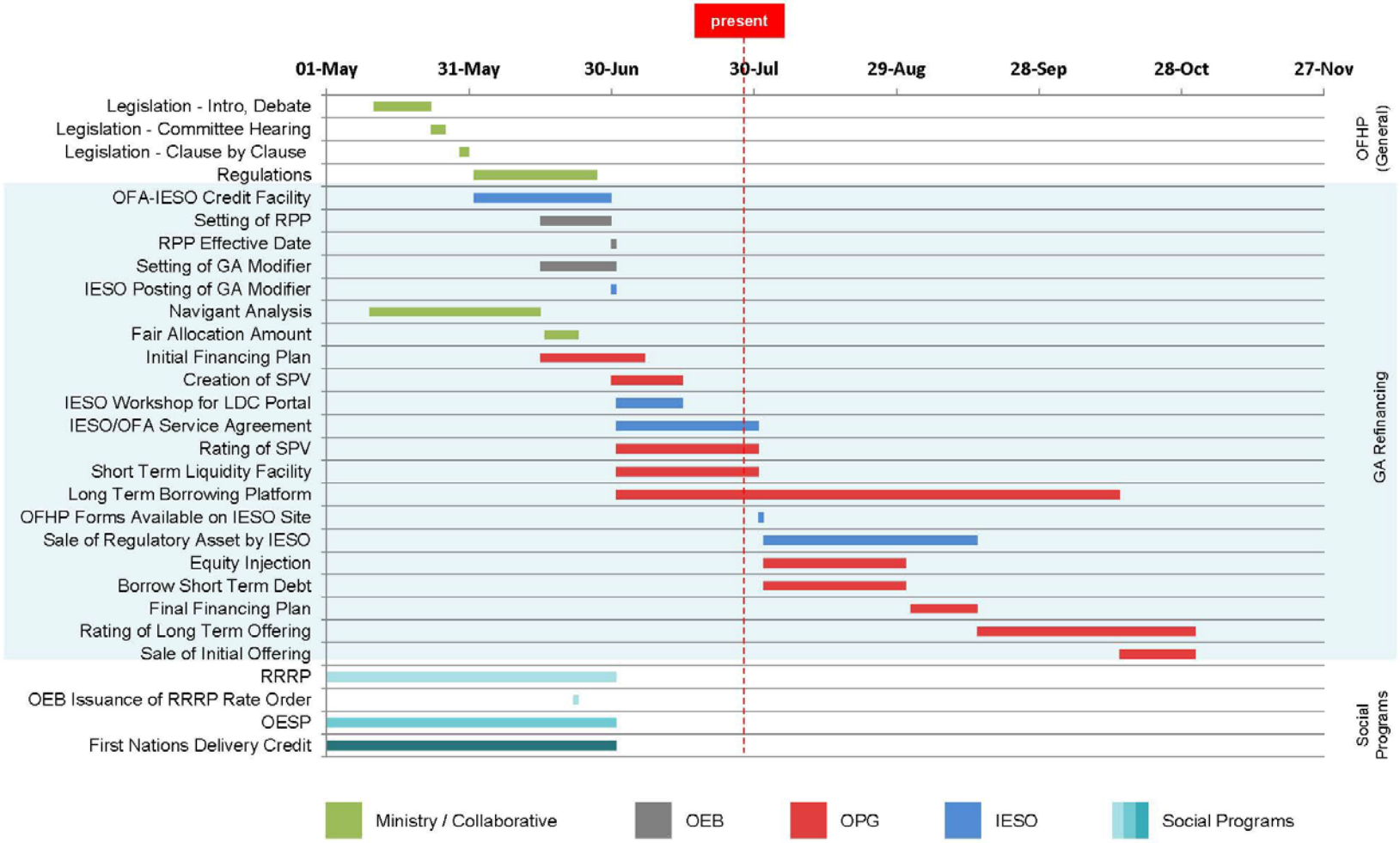
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__48.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

OFHP Implementation Meeting for the Week of Jul....pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	OFHP Implementation Meeting for the Week of July 26
Date:	July 26, 2017 8:37:37 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Tracked.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

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Good morning Martin. Attached are materials for this week's OFHP implementation meeting on Thursday.

The OFHP Matrix (Clean and Tracked) and IGS's business items chart are the same products we used on Monday with DM/COS.

Happy to discuss if you have any questions.

Steen

2017 07 07 Business Issues v01_16.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _21.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

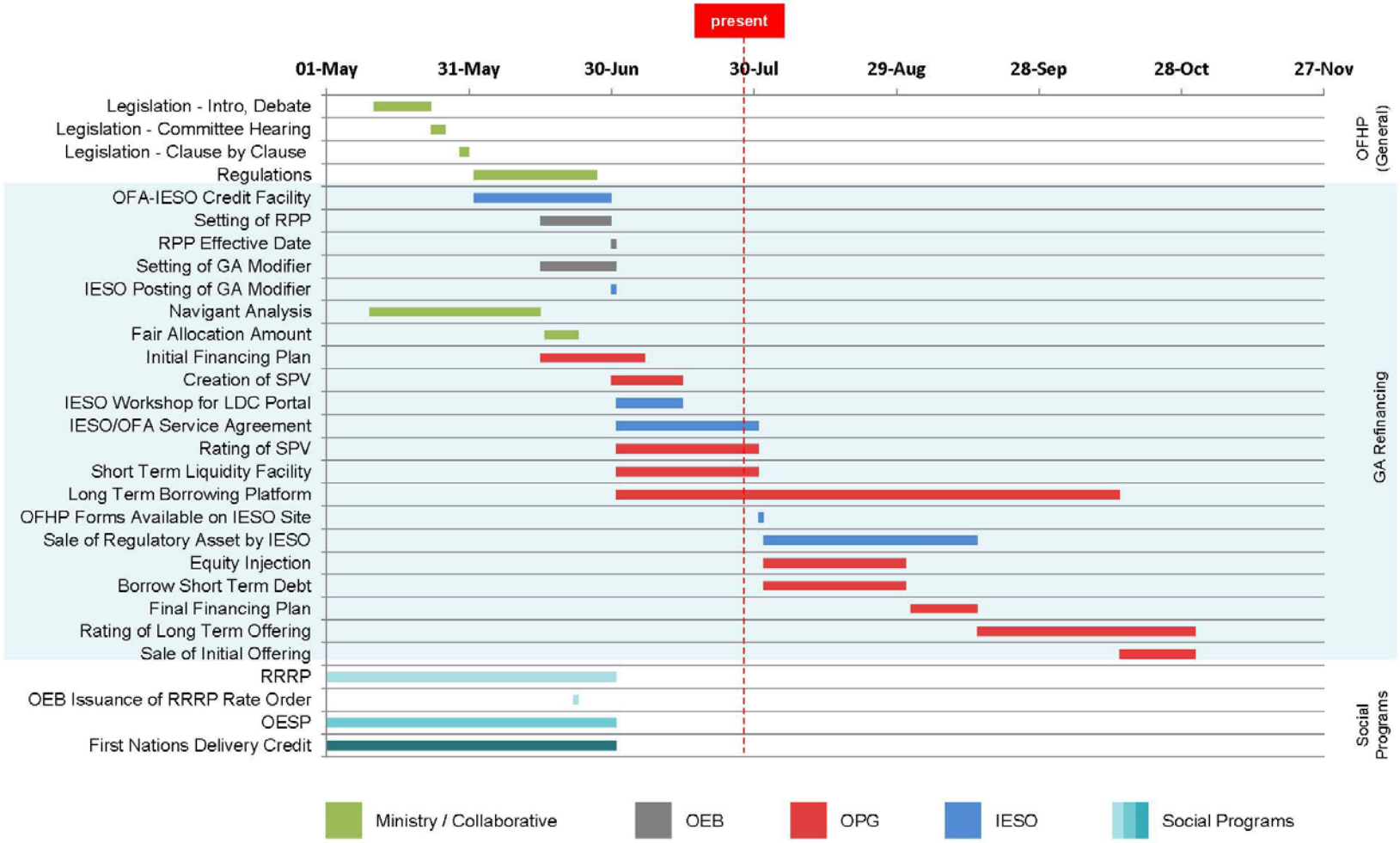
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017-07-07 Consolidated - OFHP Matrix - Week _22.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

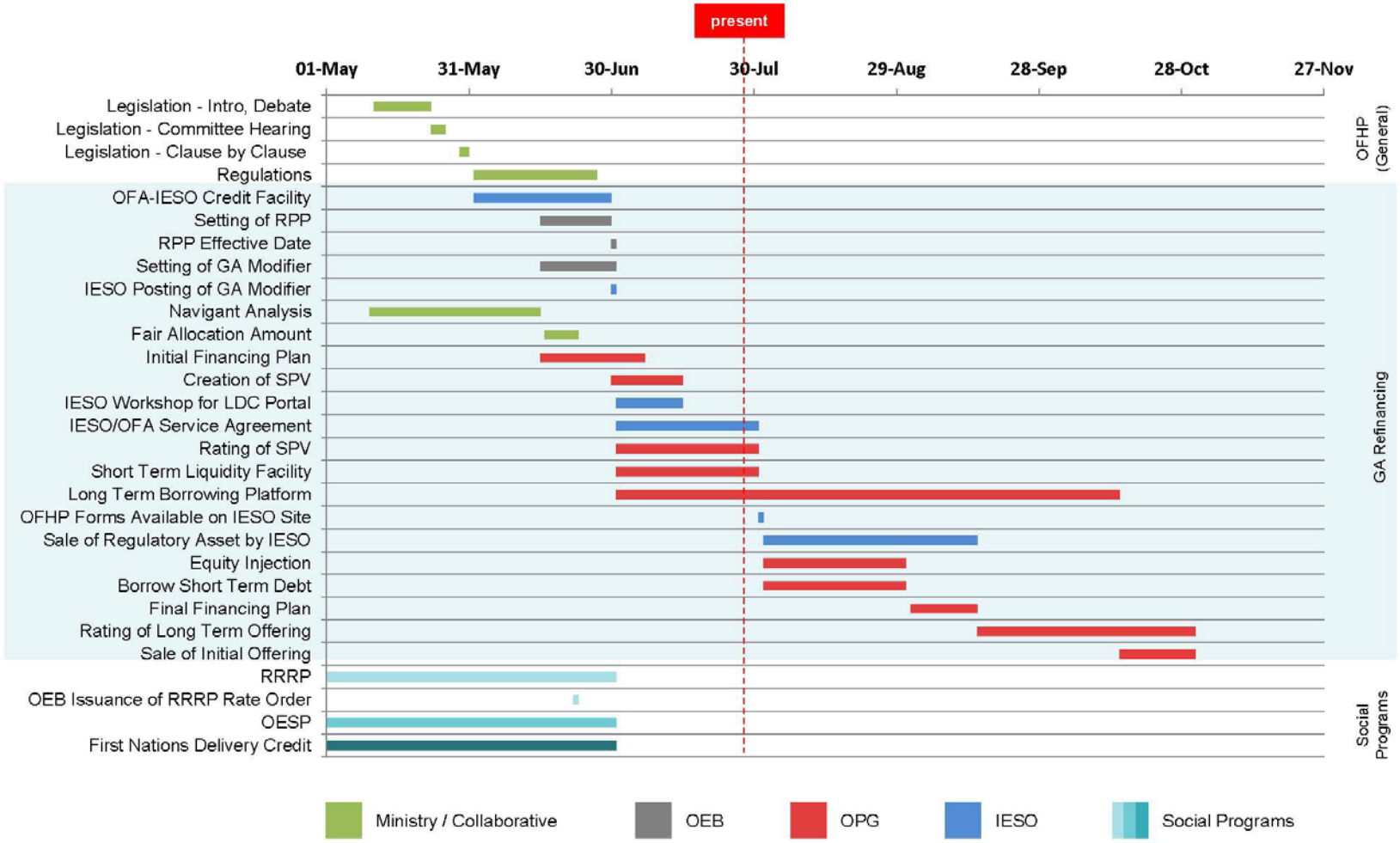
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__49.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

OFHP Implementation Update materials .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	OFHP Implementation Update materials
Date:	August 17, 2017 5:44:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 8 - igs.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

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Hi Andrew,

Attached are the products for tomorrow's meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 Outstanding Business Issues - Week of A_15.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-11 Consolidated - OFHP Matrix - Week _17.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

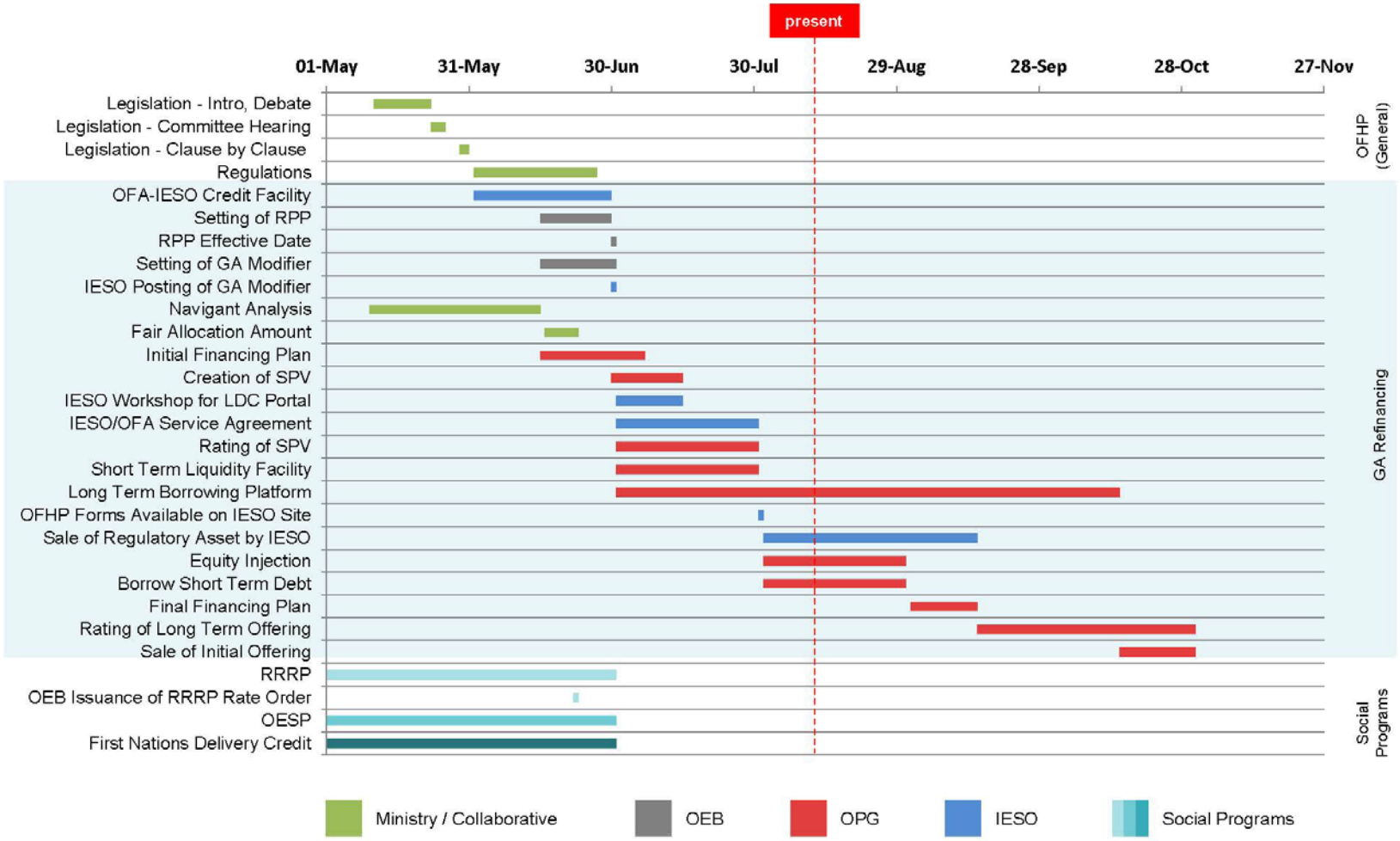
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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OFHP Implmentation Meeting Materials.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	OFHP Implmentation Meeting Materials
Date:	May 5, 2017 6:57:42 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx Consolidated - OFHP Matrix - Week of May 8_tracked.docx OFHP Annotated Time Line_Final_May 8.docx

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Hi Martin: attached is the updated OFHP Matrix (clean and tracked) and Annotated Time Line doc.

We'll likely need these for Monday's meeting.

Steen

Consolidated - OFHP Matrix - Week of May 8_cl_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Consolidated - OFHP Matrix - Week of May 8_tr_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim	~~• Pens down on Legislation – April 28, 2017~~ ~~• KPMG and E&Y comments/ opinions to be provided – May 1, 2017~~ ~~• OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance)~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e.,	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by

Item	Key Deliverables / Considerations	Timing / Next Steps
	structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx.	~~• April 28, pens down on Legislation~~ ~~• Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of

Item	Key Deliverables / Considerations	Timing / Next Steps
	$100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• ~~Pens down on Legislation – April 28, 2017~~ • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes,	• TBC/MBC Submission	**April to May 2017:**

Item	Key Deliverables / Considerations	Timing / Next Steps
CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	• Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u>	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ongoing outreach with LDCs being undertaken by IESO.	
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are	• Report back to TBC/MBC and

Item	Key Deliverables / Considerations	Timing / Next Steps
	not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-	• Preliminary discussion on April 19, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	up on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

OFHP Annotated Time Line_Final_May 8_5.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 8, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Clause by Clause / Amendments
  - Passage (TBD)
- June 14, 2017 – Regulations (Direct to Cabinet) (TBD)

OFHP Matrix - 20170317 - to KSH.pdf

From: Sermat-Harding, Kaili (ENERGY)
To: Thompson, Erin (ENERGY)
Subject: OFHP Matrix - 20170317 - to KSH
Date: March 17, 2017 6:37:00 PM
Attachments: OFHP Matrix - 20170317 - to KSH.docx

With edits.

OFHP Matrix - 20170317 - to KSH_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• ~~TBC/MBC Submission~~ • ~~Trust Structure~~Declaration of Trust ~~Administration Services Agreement~~ • Transfer Payment Agreement ~~(multi-party)~~ Considerations • Legislative changes not required. ENERGY has requested ~~must seek~~ an exemption from the Cash Management Directive from the OFA. ~~OFA is aware that ENERGY will be making this request and understands it is a high priority.~~ This is required before funds can be transferred to the Trust. • ~~Funding needs to flow to the Trust prior to March 31, 2017.~~	• Ongoing engagement with Hydro One, ~~LSB~~, Blakes, OPCD, ~~CSD~~ on development of Transfer Payment Agreement (TPA) and Trust Declaration ~~(including sharing of drafts for comment)~~ • Identification of Advisory Committee Members to recommend Trustees for appointment by the ~~advise~~ interim Trustee (Computershare) ~~on Board of Trustees (to include in Annex to Declaration of Trust)~~ ~~As of March 17, CSD confirmed that ENERGY now has the $100 million in CRED's Green Energy Initiatives TP line.~~ ~~CMD exemption request is with OFA.~~ • ~~Hydro One to finalize establishment of Trust by March 17, 2017~~ ~~**Week of March 20, 2017:**~~ • Execute TPA between the Ministry and the Trust ~~on~~by March 23rd ~~2nd~~

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to be transferred by March 28: ~~Funds flow from CRED's GEI TP line via CEEB's cost centre to Trust bank account~~ • ~~Initiate process to flow funds to the Trust; to be completed before March 31st~~ **April to June~~May~~ 2017:** Appointment of Trustees; ~~Additional trustees to be appointment~~; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Considerations • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC

Item	Key Deliverables / Considerations	Timing / Next Steps
	15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u>	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

OFHP Matrix - Week of July 26.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	OFHP Matrix - Week of July 26
Date:	July 24, 2017 11:19:00 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26.docx

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Hi Andrew,

Attached are materials to support the OFHP implementation discussion this afternoon: updated OFHP Matrix (new additions in bold yellow) and business items chart (no changes to that document).

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 07 07 Business Issues v01_17.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _23.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

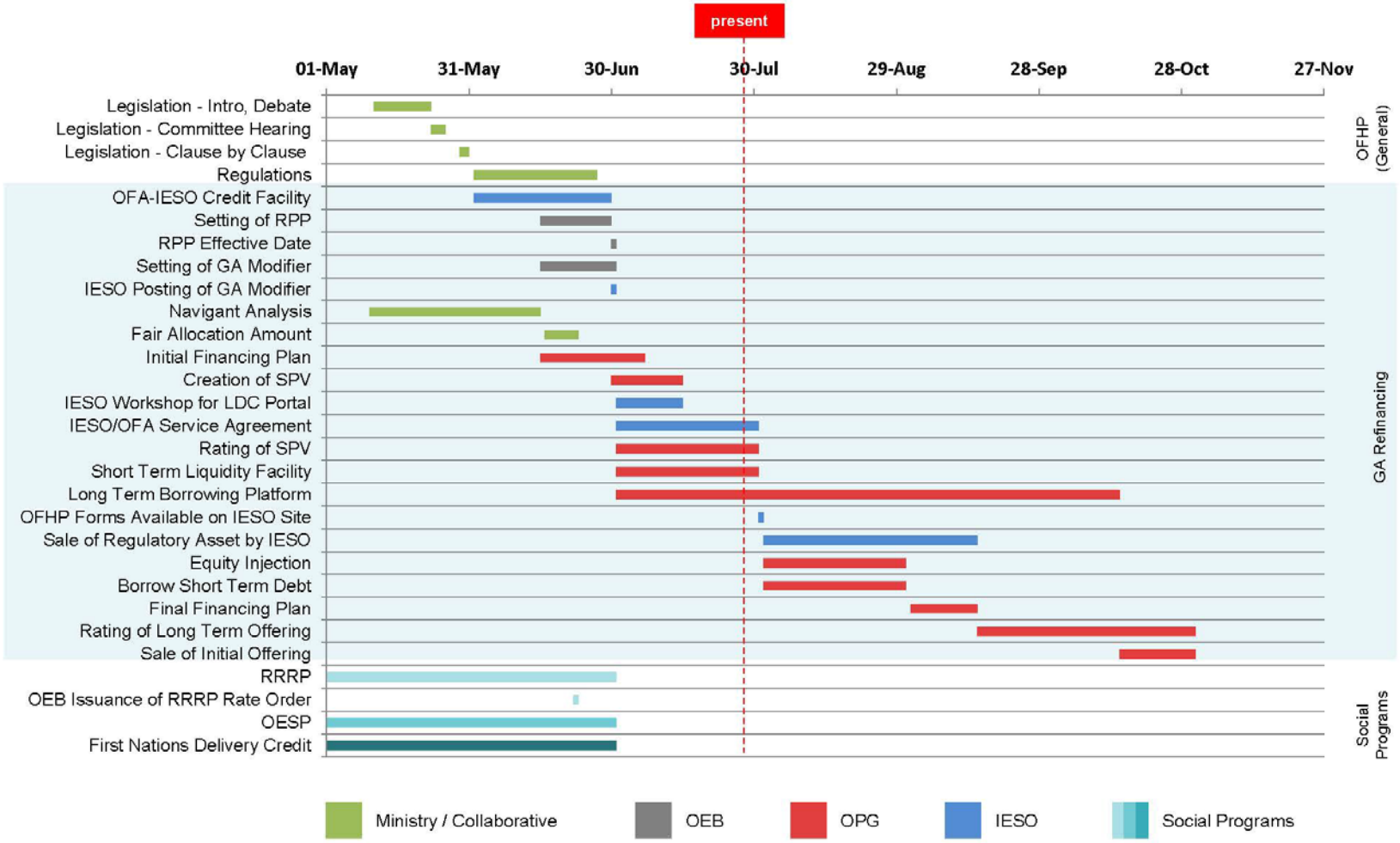
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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OFHP Matrix _ Timelines.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY); Calwell, Carolyn (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Sermat-Harding, Kaili (ENERGY)
Subject:	OFHP Matrix / Timelines
Date:	April 28, 2017 1:29:37 PM
Attachments:	OFHP Annotated Time Line_Final_Apr 28.docx Consolidated - OFHP Matrix - Week of May 1.docx

Hi Martin: thanks for the updated timelines. I've added a couple more items based on some discussion from yesterday. I've flagged the updates in yellow.

I've also attached the OFHP matrix for next week, updates are noted in yellow.

If you have any questions, please let us know.

Steen

From: Schlaepfer, Martin (ENERGY)
Sent: April-28-17 12:13 PM
To: Hume, Steen (ENERGY)
Cc: Cox, Hilary (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Nelms, Scott (MOF); Cayley, Daniel (ENERGY)
Subject: RE: Annotated Timeline for the SOC briefing on FHP

Hi Folks,

The MO requested that under "May 9th TB/MBC" we add a bullet with the following annotation "OPG Business Plan Concurrence - required for OEB process".

Please see an updated version attached. I am recirculating so that folks have the latest.

Martin

OFHP Annotated Time Line_Final_Apr 28.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Updated – April 28, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

Consolidated - OFHP Matrix - Week of May 1_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data	• April 28, pens down on Legislation • Pens down on Legislation – April 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	level slides on legislation	

OFHP Matrix for tomorrow.pdf

From: Cox, Hilary (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Subject: OFHP Matrix for tomorrow
Date: June 5, 2017 9:49:00 AM
Attachments: Consolidated - OFHP Matrix - Week of June 5 Clean.docx
Consolidated - OFHP Matrix - Week of June 5 Tracked.docx

Hi Martin –
Attached are tracked and clean versions of OFHP Matrix for tomorrow's DM-CoS Rate Mitigation Implementation meeting.

HC

Consolidated - OFHP Matrix - Week of June 5 C_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5. • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: o ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• Approval dates: o TB – May 9 2017; and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes

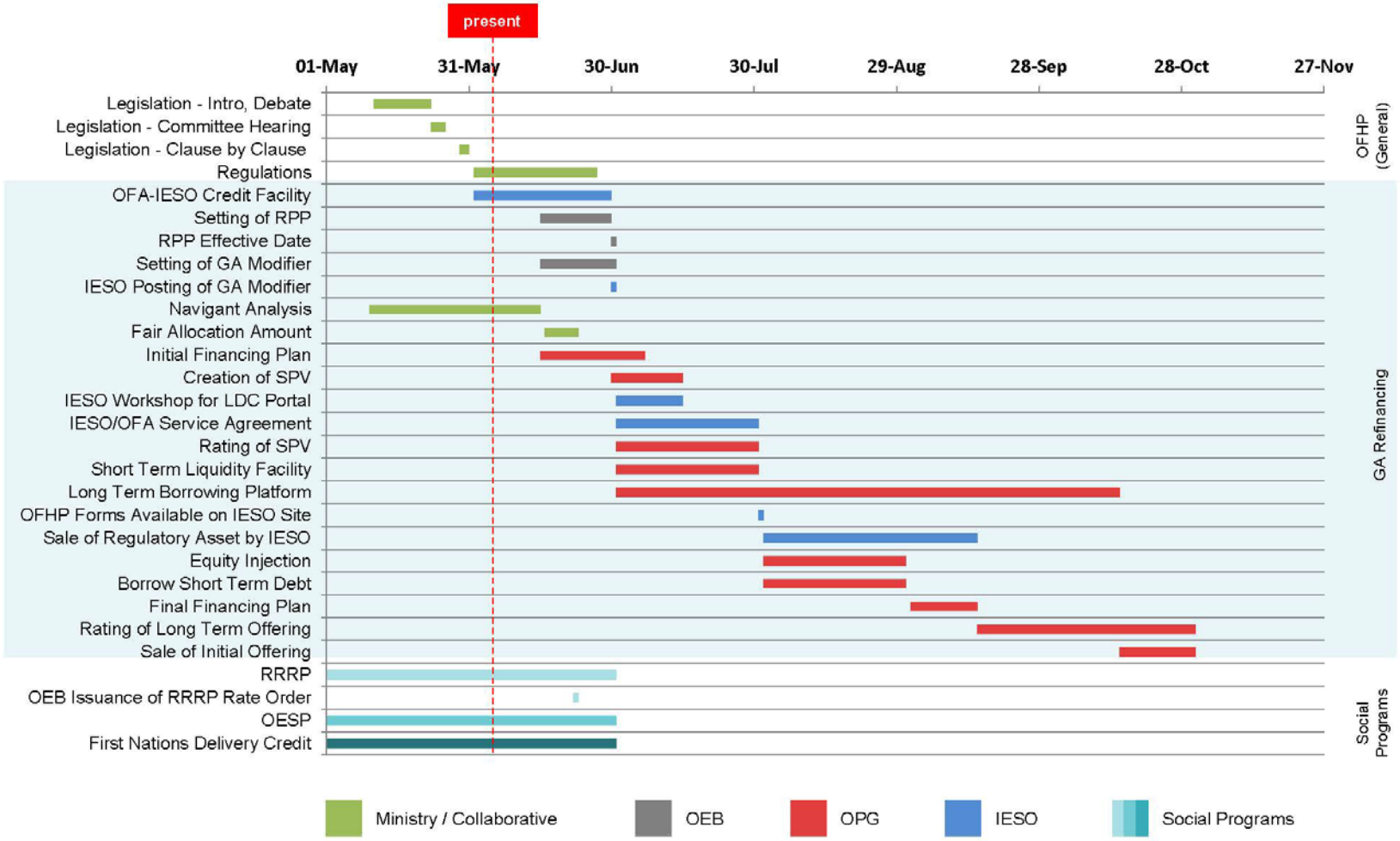
Item	Key Deliverables / Considerations	Timing / Next Steps
	committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	**June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of June 5 T_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** ~~• Leg Counsel finalizing legislation~~ • LSB working on: ~~o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm.~~ o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing ~~• MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017)~~ • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ~~for the next meeting~~ • ENERGY to review and provide comments on OFA ~~to have~~ comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) ~~(ready by end of week)~~by early week of June 5.	~~• Approval dates:~~ ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ ~~• Legislation / House dates:~~ ~~o Legislation introduction – May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ ~~o Committee/Clause by Clause – Week of May 29, 2017~~ • Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps

	• TBS to connect with OFA to determine if it ready to share with IESO
	• IGS to follow-up with MOF/Tax Policy on indirect taxes imlications
	
	TBS, LRC and Cabinet:
	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing	

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in

Item	Key Deliverables / Considerations	Timing / Next Steps
		RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
		• May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

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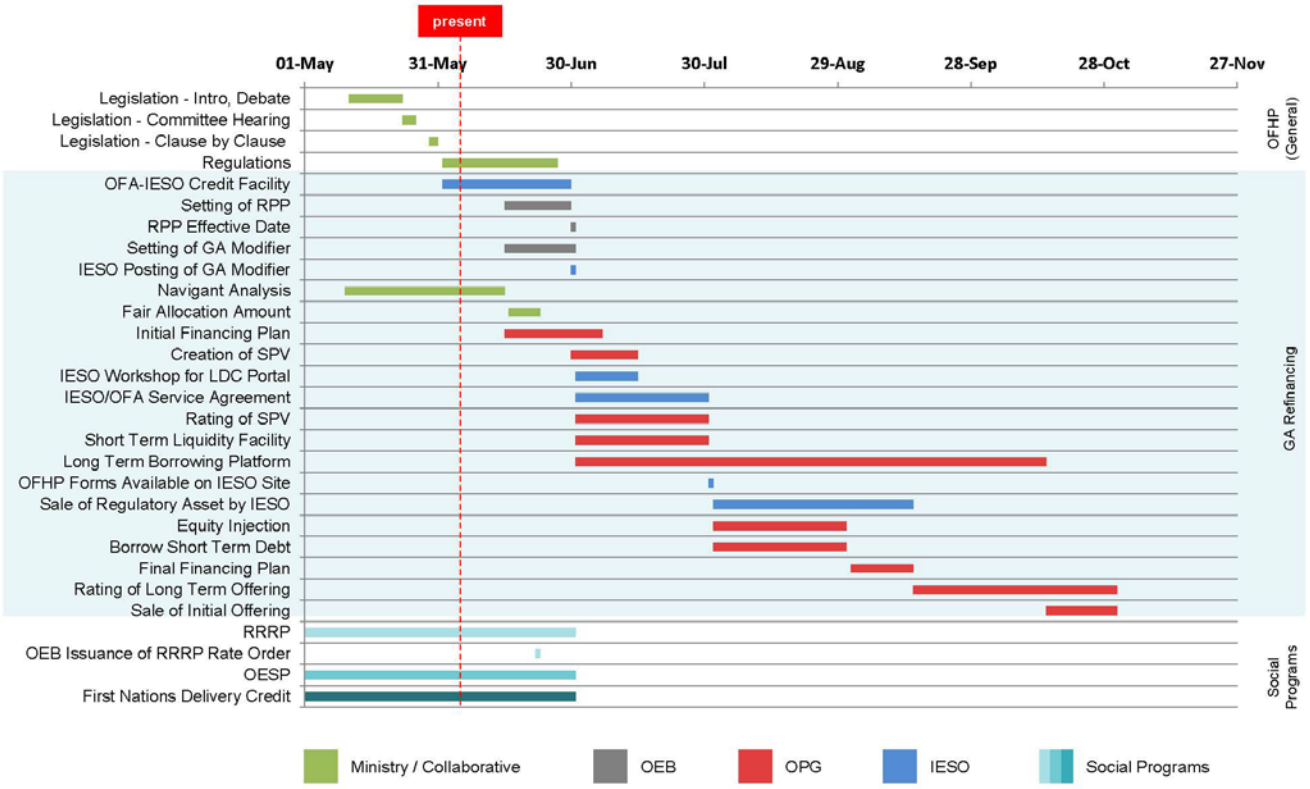
Ontario Fair Hydro Plan Implementation



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

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OFHP Matrix(1).pdf

From:	O"Riordan, Eamon (ENERGY)
To:	Cox, Hilary (ENERGY); Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Cc:	DeSouza, Avril (ENERGY)
Subject:	OFHP Matrix
Date:	April 13, 2017 12:58:09 PM
Attachments:	Document.docx Consolidated - OFHP Matrix - Week of April 10 (2) 041317.docx

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Matrix updates in green text and strikethroughs.

Eamon

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: April-13-17 12:30 PM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Cc: O'Riordan, Eamon (ENERGY); DeSouza, Avril (ENERGY)
Subject: RE: Action Items

Thx

-----Original Message-----
From: Christie, Tim (ENERGY)
Sent: April 13, 2017 12:28 PM
To: Cox, Hilary (ENERGY); Cayley, Daniel (ENERGY)
Cc: O'Riordan, Eamon (ENERGY); DeSouza, Avril (ENERGY)
Subject: RE: Action Items

Hilary, I edited the Navigant item.

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: April-13-17 11:13 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: Re: Action Items

Apologies - this is the action items list from today for updating. I called it B language by accident.

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Cox, Hilary (ENERGY)
Sent: Thursday, April 13, 2017 10:12 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: Action Items

Hi Guys -
Attached is revised B language. Please revise/edit as required and return by 1 pm.

HC

-----Original Message-----
From: Katona, Keley (ENERGY)
Sent: April 13, 2017 10:07 AM
To: Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Nelms, Scott

(MOF)
Cc: Cox, Hilary (ENERGY)
Subject: Action Items

Attached, let me know if you have any comments. Thanks.

Document.pdf

Action Items – April 13, 2017

1) GA Refinancing
    - LSB / Blakes to ask dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers
    - LSB to circulate legislation for review and comment over the weekend and will schedule a meeting on Monday afternoon to discuss a draft and comments
    - OPG Board to meet on May 1 for approval (Committee meetings to occur in advance)
    - TB / MBC to meet at 9am on May 1
    - OEB working to finalize RPP rates and release by May 20
    - OPG to develop note on why we can't revisit borrowing more than 50 per cent…
    - KPMG, E&Y opinions to be provided by May 1
    - Constitutional Law (Hogg) opinion to be provided at a later date
    - ~~'~~Ministry to look into retaining Navigant (likely through Blakes) for a report on asset lives.~~Report' tracking for a later date;~~ Ministry and OPG to work together to ensure alignment with internal OPG report~~as OPG undertaking similar analysis~~ for their Board
    - OPG / OFA to comment / report on overall structure and financibility for TB report back
2) OPG Letter
    - Ministry to turn around comments on letter for end of day April 13
3) Other Items
    - RRRP / OESP / FN Rate
        - Ministry to meet with COO on April 26 re: FN Rate implementation
        - Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases
    - ICI
        - CME / OCC outreach continues
4) Ministry to develop deck on bill presentment with high level slides on legislation

Consolidated - OFHP Matrix - Week of April 10_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Ministry to look into retaining Navigant (likely through Blakes) for report on ~~Third Party Technical Report re~~ Long Lived Assets and associated assessment of value, to ensure alignment with OPG internal report for their Board. ~~(TBD)~~ • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on	• ~~IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP~~ • AG briefing on April 19, 2017 (TBD) • Provide comfort ~~level~~letter to allow OEB to include in May 2017 RPP • April 21, pens down on Legislation • KPMG, E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Committee meetings to occur in advance) • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member. • OPG to develop note on why we can't revisit borrowing more than 50 per cent • OPG to report to their Board on Long-Lived Assets and associated assessment of value. • OPG / OFA to comment / report on overall structure and financibility for TB report back. **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • ~~OEB to draft RPP communique to be released publicly by April 20, 2017~~ • OEB working to finalize RPP rates and release by May 20. **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues including asking dealers about whether a rate class can	• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	be named as the backstop in legislation instead of individual ratepayers. • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • LSB to circulate legislation for review and comment over the weekend. • ENERGY / Blakes / IESO / OEB / OPG to meet on ~~Tuesday~~Monday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • ~~Blakes / OPG to work through financing issues related to 10% cap~~ • Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
		performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items ~~• ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff~~ • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) ~~• ESP to consider implications of dropping below 500kw threshold due to investments in conservation~~ Considerations ~~• Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017).~~ • Ongoing outreach with LDCs being undertaken by IESO	~~• RR posting on the proposed amendment – posted March 9, 2017 for 30 days~~ • Regulatory amendments approved at LRC on April 10, 2016. • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies		

Item	Key Deliverables / Considerations	Timing / Next Steps
(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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

OFHP Matrix.pdf

From:	Thompson, Erin (ENERGY)
To:	Syed, Usman (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY)
Subject:	OFHP Matrix
Date:	March 24, 2017 10:24:00 AM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Hi Usman – see attached OFHP matrix for updating this morning. Tracked changes are fine. I understand ESP is updating it every Friday for DM/MO weekend reading.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March 23, 2017 1:09 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

HC

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)

Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

OFHP Tracking Documents.pdf

From:	Hume, Steen (ENERGY)
To:	Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Syed, Usman (ENERGY)
Cc:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject:	OFHP Tracking Documents
Date:	July 7, 2017 9:52:29 AM
Attachments:	Consolidated - OFHP Matrix - Week of July 10.docx 2017 06 22 Business Issues_July 10.docx

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Good morning all. Next week we have a couple of meeting re OFHP. I've attached our usual tracking documents.

Can I ask that folks take a quick look at the attached and provide any edits for later this afternoon. And for the sake of ease, I prose we take a light touch in our reviews (it is summer after all).

Thanks everyone. Steen

Consolidated - OFHP Matrix - Week of July 10_1_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

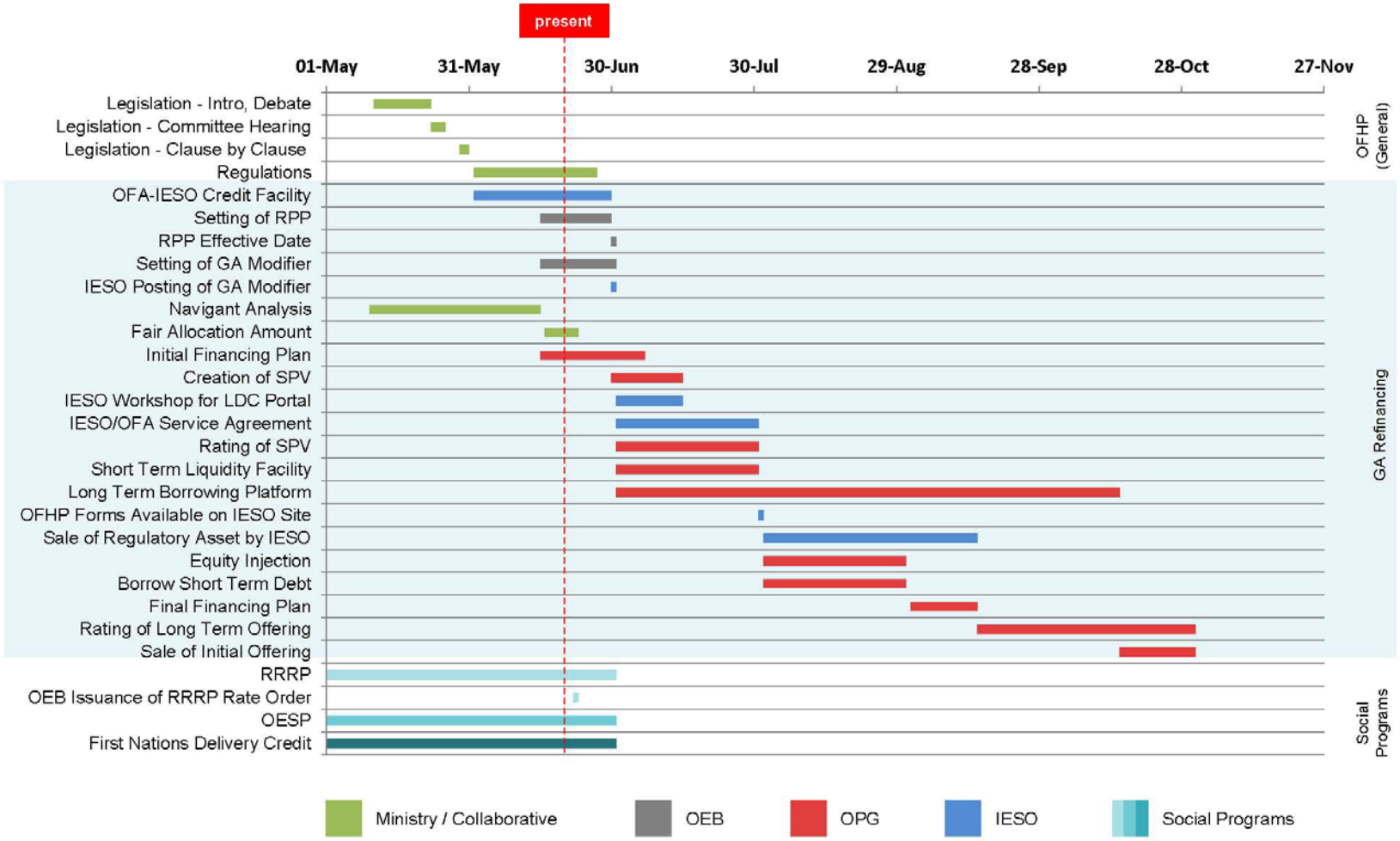
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds

Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 06 22 Business Issues_July 10.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

OFHP Weekly Matrix (1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	OFHP Weekly Matrix
Date:	June 16, 2017 5:52:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of June 19_tracked.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx

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Hi Andrew,

For the Monday meeting, attached is the OFHP Matrix (clean and tracked).

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

Consolidated - OFHP Matrix - Week of June 19__5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 2017 (Tracked)

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc ~~• ENERGY to provide comments on OFA comparison of Clean Energy Adjustment to DRC; which when ready will be shared with AG~~	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

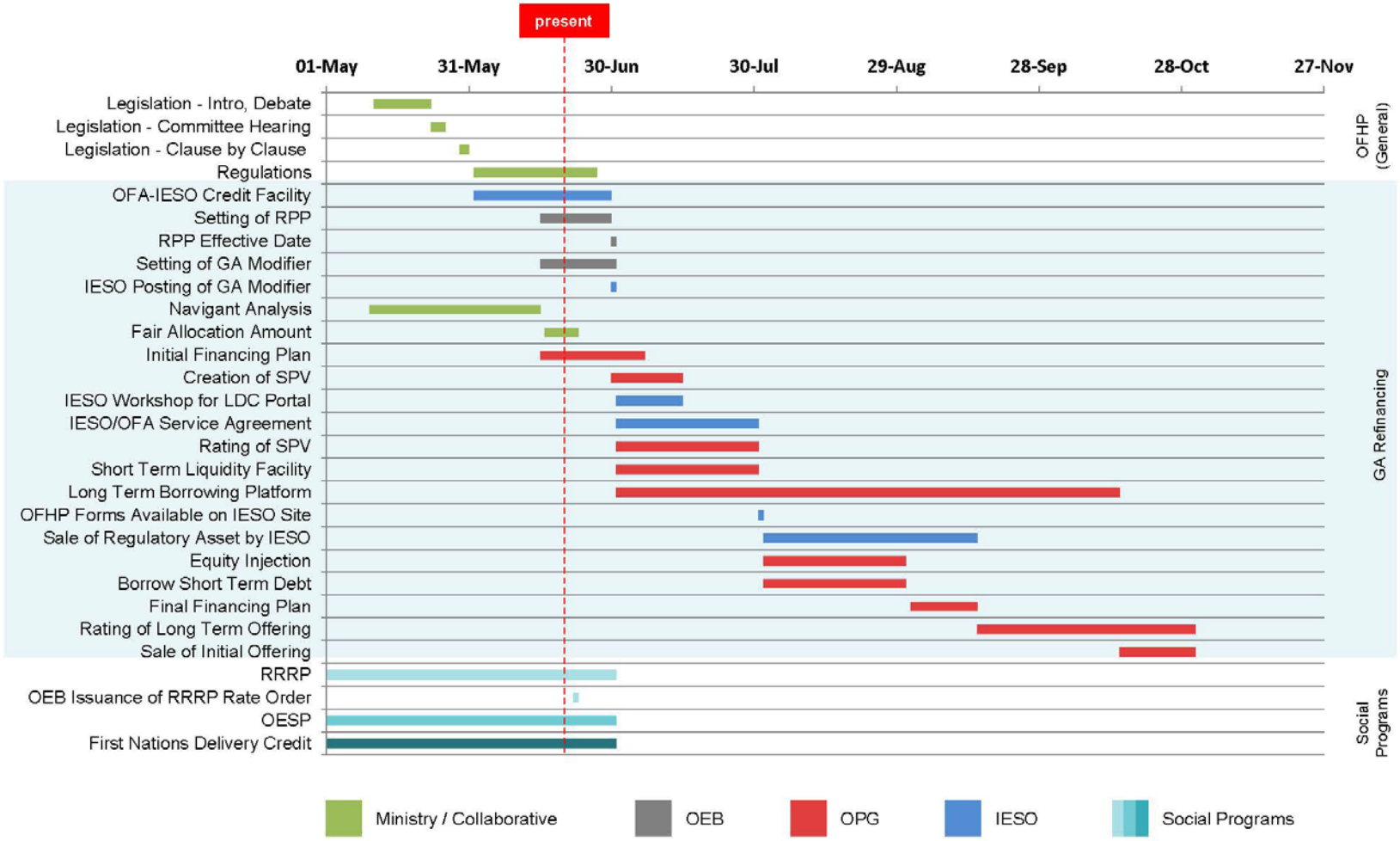
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• ~~See above re approval timing~~ • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29	• ~~See above re approval timing~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	Tranche 2 responsive documents to be provided to AG • June 14 – AG meeting with IESO Board~~. KPMG to attend~~
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	<u>Recent Action Items</u> • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	<u>Recent Action Items</u> • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of June 19__6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		

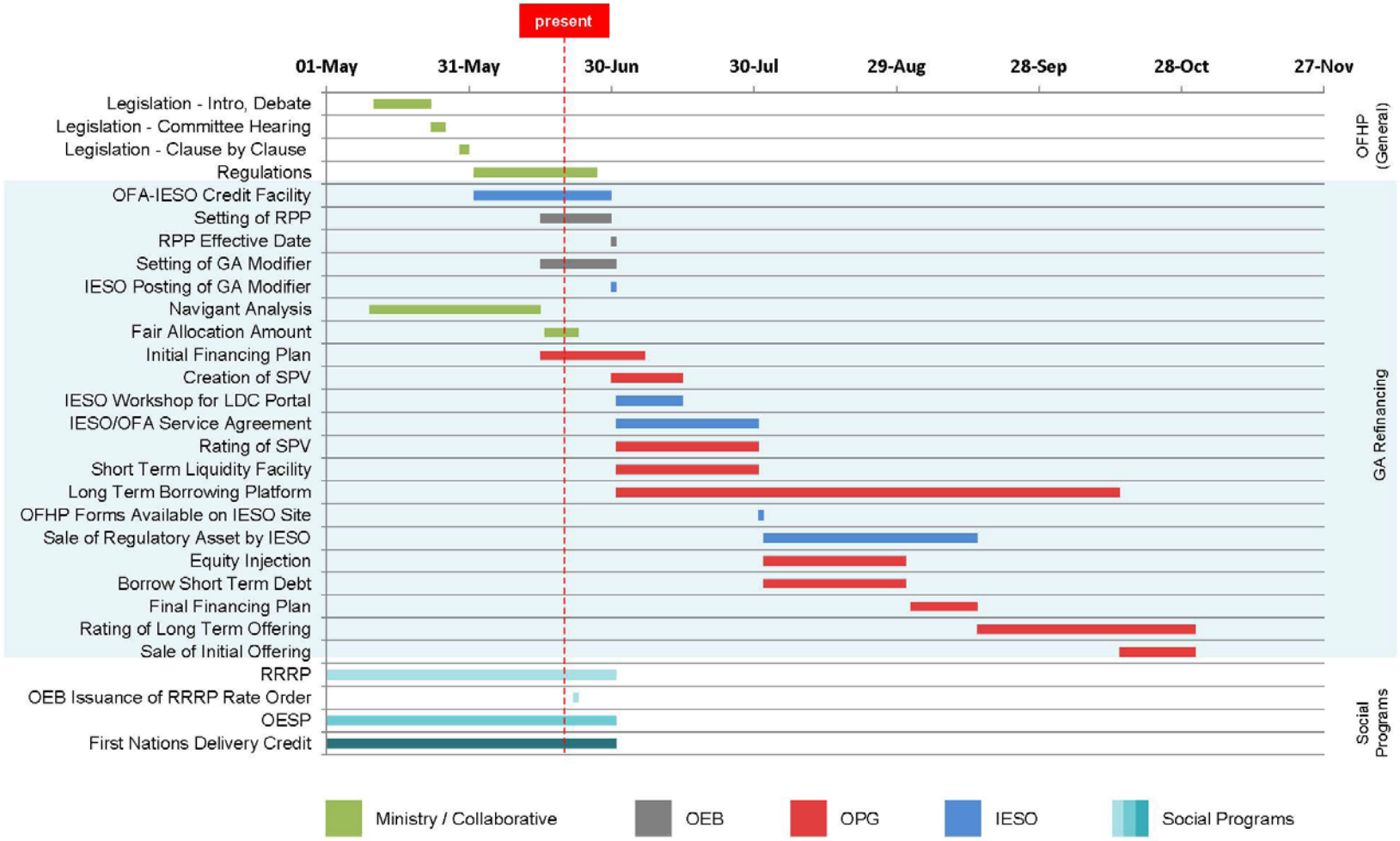
Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) –	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to AG

Item	Key Deliverables / Considerations	Timing / Next Steps
	completed • TBS to follow-up on whether AG met with large audit firms and outcome	• June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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OFHP Weekly Matrix .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	OFHP Weekly Matrix
Date:	June 16, 2017 4:29:59 PM
Attachments:	Consolidated - OFHP Matrix - Week of June 19_tracked.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx

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Hi Martin: for the Monday meeting, attached is the OFHP Matrix (clear and tracked).

No much to update since we didn't have the Thursday meeting. A couple of items.

Have a good weekend. Steen

Consolidated - OFHP Matrix - Week of June 19__7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 2017 (Tracked)

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc ~~• ENERGY to provide comments on OFA comparison of Clean Energy Adjustment to DRC; which when ready will be shared with AG~~	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• ~~See above re approval timing~~ • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29	• ~~See above re approval timing~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	Tranche 2 responsive documents to be provided to AG • June 14 – AG meeting with IESO Board~~. KPMG to attend~~
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	<u>Recent Action Items</u> • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	<u>Recent Action Items</u> • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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.	
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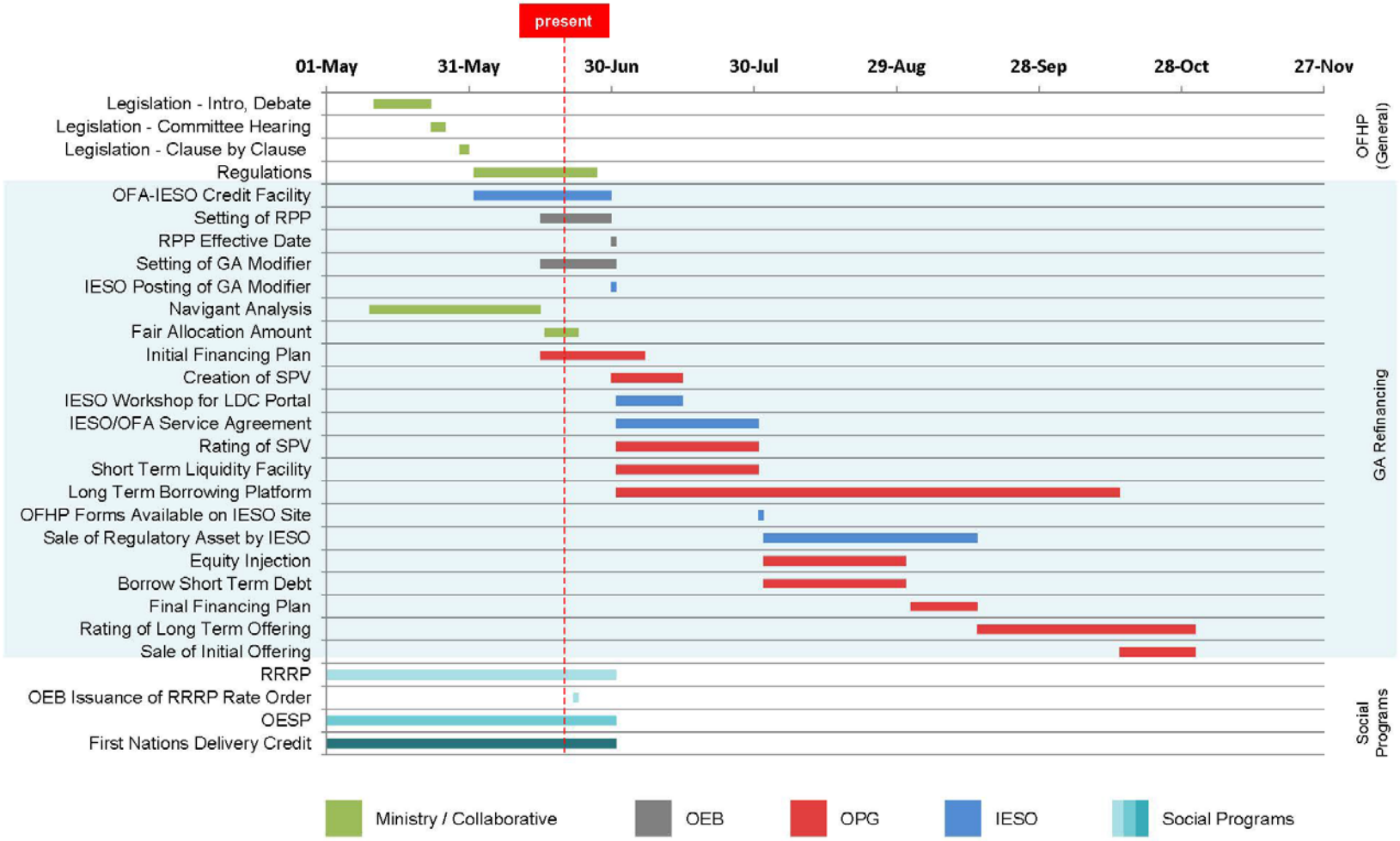
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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Consolidated - OFHP Matrix - Week of June 19__8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect
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Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
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4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
	completed • TBS to follow-up on whether AG met with large audit firms and outcome	• June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
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• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
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Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
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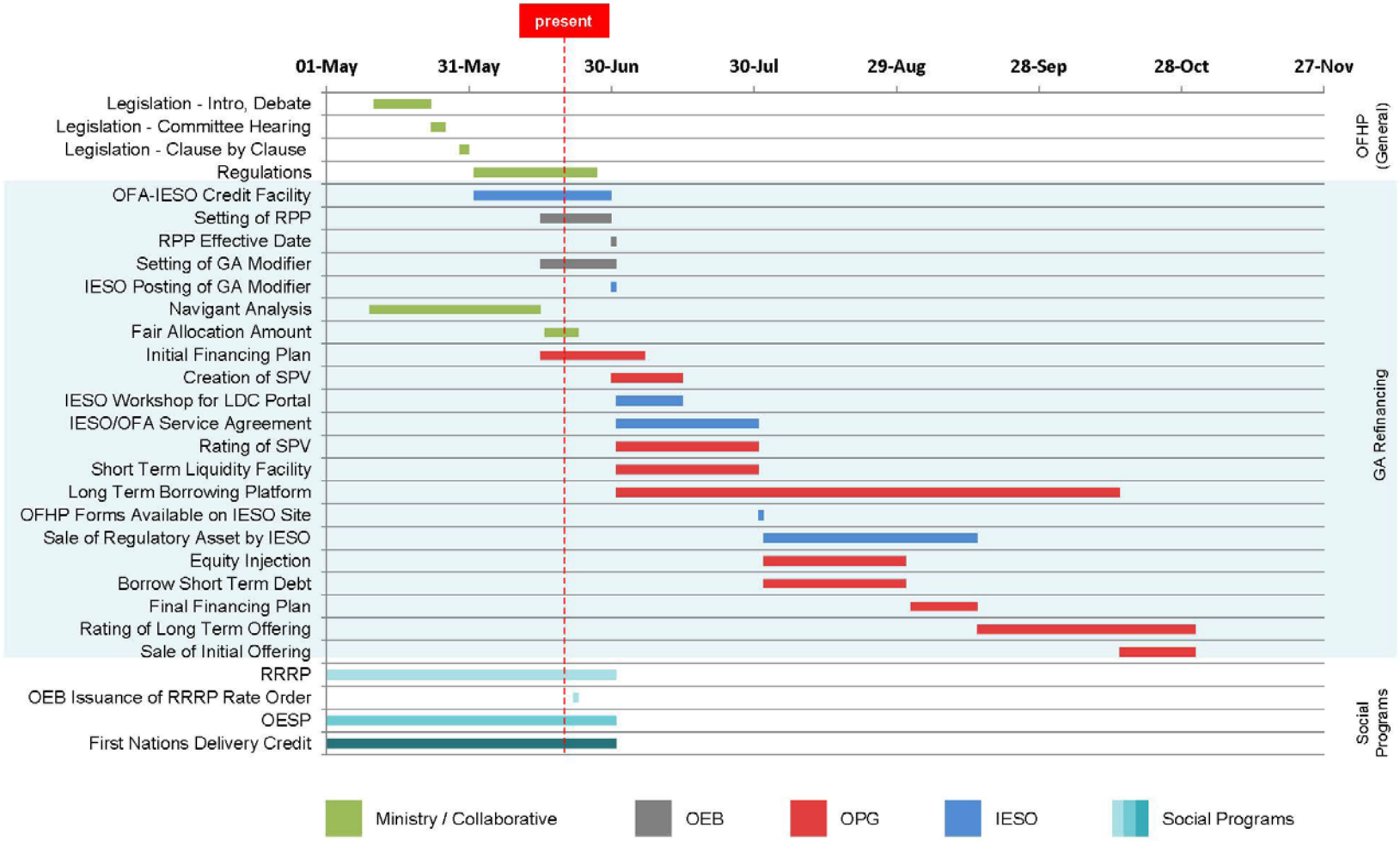
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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Ontario Fair Hydro Plan Act Time Lines _ Martix .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject:	Ontario Fair Hydro Plan Act Time Lines / Martix
Date:	May 1, 2017 8:36:46 AM
Attachments:	OFHP Annotated Time Line_Final_May 1.docx Consolidated - OFHP Matrix - Week of May 1.docx

Hi Martin. Attached are updated time lines doc and the Matrix to reflect the comment re OPG's shareholder resolution.

Thanks, Steen

From: Schlaepfer, Martin (ENERGY)
Sent: May-01-17 8:02 AM
To: Hume, Steen (ENERGY)
Cc: Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Re: Ontario Fair Hydro Plan Act Presentation

Perfect. Thanks, Steen.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Hume, Steen (ENERGY)
Sent: Monday, May 1, 2017 7:58 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Reid, Michael (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Re: Ontario Fair Hydro Plan Act Presentation

Thanks for the update Martin.

We'll take a look at the OFHP matrix we sent up on Friday, but I think it's up-to-date. As for the timeline, we'll make a small up-date to reflect Scott's comment from the weekend re the OPG's shareholder resolution.

Thanks, Steen

Sent from my BlackBerry 10 smartphone on the Rogers network.

OFHP Annotated Time Line_Final_May 1_7.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

Consolidated - OFHP Matrix - Week of May 1_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

Ontario Fair Hydro Plan matrix.pdf

From:	Thompson, Erin (ENERGY)
To:	Syed, Usman (ENERGY); Schwab-Pflug, Emma (ENERGY)
Cc:	Desouza, Charlotte (ENERGY)
Subject:	Ontario Fair Hydro Plan matrix
Date:	March 22, 2017 11:45:00 AM
Attachments:	Consolidated - OFHP Matrix - March 17.docx

Hi Usman, Emma – can you please update the attached this afternoon.

It will be the product for tomorrow's Rate Mitigation Implementation Group meeting 9-10:30am (with CoS, DM, IESO, OEB, OPG). Kaili has a conflict (MTCC on GIF), so I expect one of you will be asked to attend tomorrow morning on her behalf.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-21-17 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

Consolidated - OFHP Matrix - March 17_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) Recent Action Items • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

RE_ 2017-07-07 Consolidated - OFHP Matrix - Wee...(1).pdf

From:	Schwab-Pflug, Emma (ENERGY)
To:	Edwards, Matthew (ENERGY)
Cc:	Syed, Usman (ENERGY); Qureshi, Musab (ENERGY)
Subject:	RE: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date:	August 11, 2017 5:22:04 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

Matt, updated following the BoT call, edits tracked and highlighted yellow:

Thanks,
Emma

From: Edwards, Matthew (ENERGY)
Sent: August-11-17 11:23 AM
To: Schwab-Pflug, Emma (ENERGY)
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Can you update as necessary?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: August 11, 2017 11:22 AM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-11 Consolidated - OFHP Matrix - Week _18.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

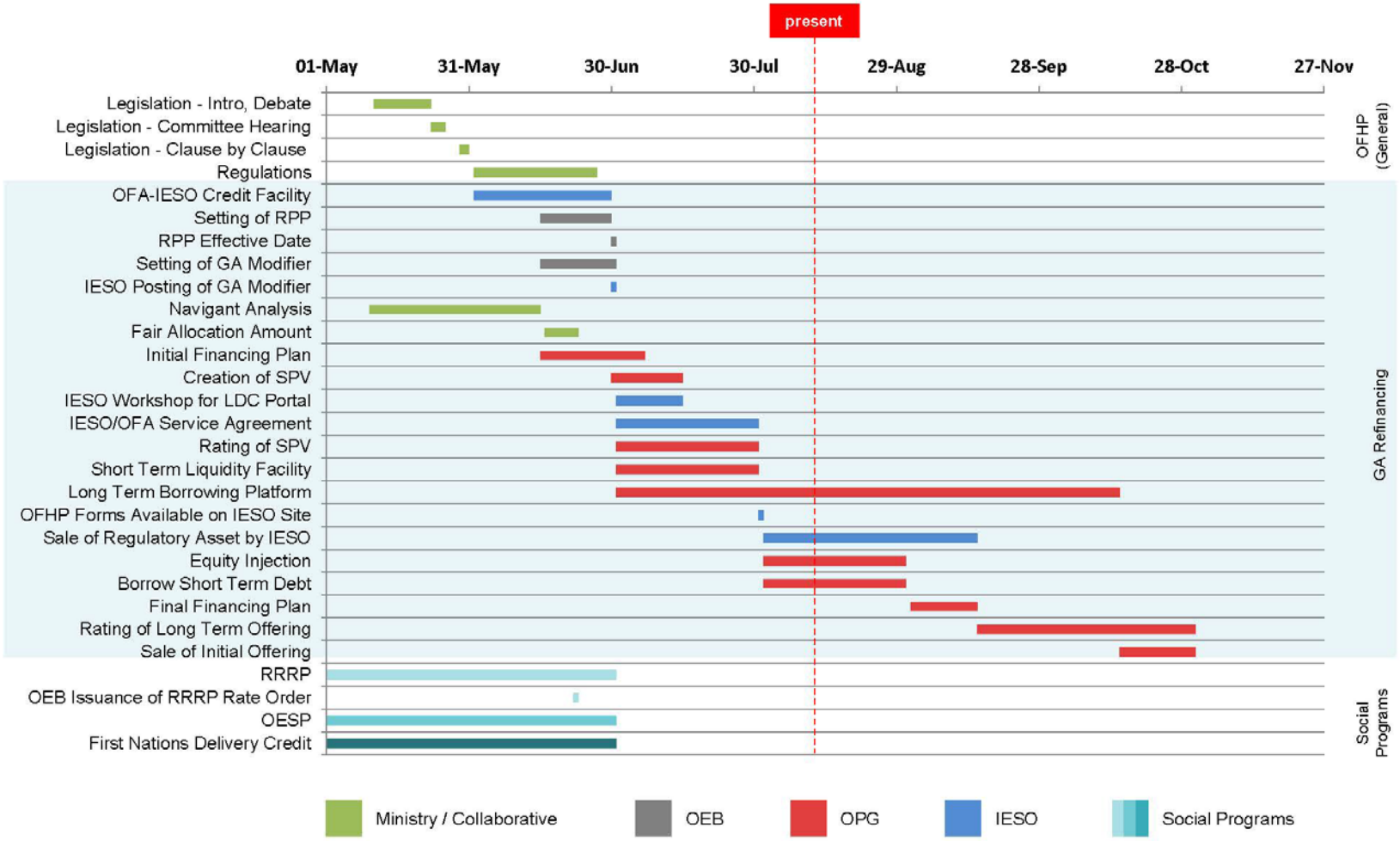
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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		

Item	Key Deliverables / Considerations	Timing / Next Steps
Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is ~~developing~~ offering back office support and ~~preparing~~ helping coordinate stakeholder engagement on program design ~~recommendations~~ for the ~~first meeting of 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 ~~to allow for broader outreach to~~seeking feedback from ~~utilities~~ LDCs on program design held ~~scheduled for~~ 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 ~~scheduled for~~held August 11, 2017~~6~~ (recap of LDC feedback and discussion on program design).	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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RE_ 2017-07-07 Consolidated - OFHP Matrix - Wee...(2).pdf

From:	Edwards, Matthew (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	RE: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date:	August 11, 2017 5:41:00 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

Attached are our edits to A-Fund items.

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: August 11, 2017 11:22 AM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-11 Consolidated - OFHP Matrix - Week _19.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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		

Item	Key Deliverables / Considerations	Timing / Next Steps
Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is ~~developing~~ offering back office support and ~~preparing~~ helping coordinate stakeholder engagement on program design ~~recommendations~~ for the ~~first meeting of 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 ~~to allow for broader outreach to~~seeking feedback from ~~utilities~~ LDCs on program design held ~~scheduled for~~ 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 ~~scheduled for~~held August 11, 2017~~6~~ (recap of LDC feedback and discussion on program design).	**September ~~Summer~~ 2017:** Target for program launch ~~LDCs begin to apply to the Trust for funds~~ **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

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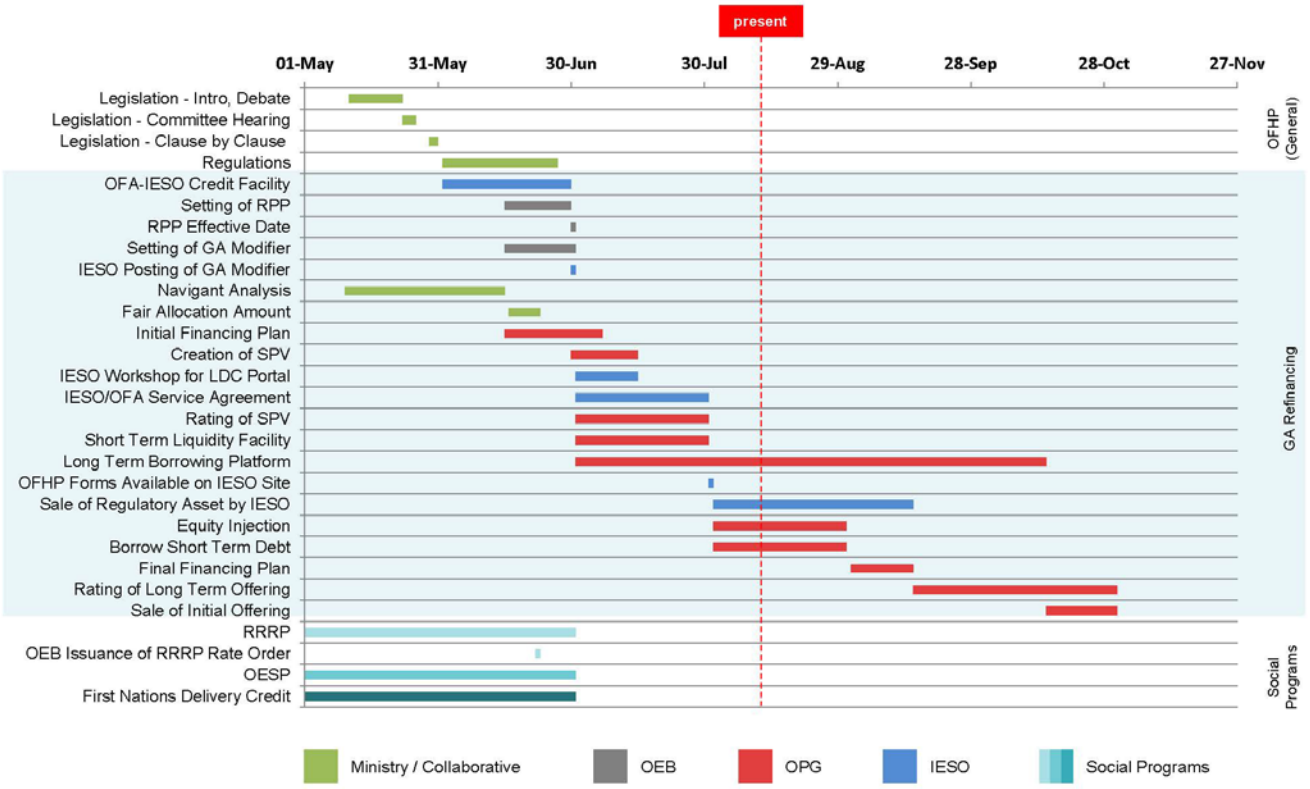
Item	Key Deliverables / Considerations	Timing / Next Steps
	Accounts (PA) on August 18, which would result in an earliest release by the government of the PA on August 28 (Note: The statutory deadline in September 27) • IESO indicates that Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG • AG attended special meeting of IESO Board on OFHP	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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RE_ 2017-07-07 Consolidated - OFHP Matrix - Wee....pdf

From:	Syed, Usman (ENERGY)
To:	Edwards, Matthew (ENERGY)
Cc:	Schwab-Pflug, Emma (ENERGY)
Subject:	RE: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31
Date:	July 27, 2017 5:45:00 PM

This looks fine to me, thans.

From: Edwards, Matthew (ENERGY)
Sent: July 27, 2017 11:55 AM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31

Hi – can you please check this matrix and update if necessary?

Can this be done quickly today?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: July 27, 2017 11:47 AM
To: Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of July 31

Hi Shahrokh and Matt –
I've updated the OFHP matrix for the action items coming out of yesterday's group meeting (also attached for information). Please review and ensure your items have been properly represented. Please also strip out any stale information.

HC

RE_ Action Item - June 1(1).pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY); Chander, Sunita (ENERGY); Cox, Hilary (ENERGY)
Subject:	RE: Action Item - June 1
Date:	June 1, 2017 6:08:44 PM
Attachments:	Action Items_June 1 ksh.docx

Hi Martin: attached are some additional edits.

Thanks,

From: Sermat-Harding, Kaili (ENERGY)
Sent: June-01-17 9:47 AM
To: Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Chander, Sunita (ENERGY)
Subject: RE: Action Item - June 1

I've made a few edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-01-17 9:31 AM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Chander, Sunita (ENERGY)
Subject: Action Item - June 1

Hi everyone,

Attached are today's action items.

Please let me know if you have any updates or changes.

Thanks,
Martin

Action Items_June 1 ksh.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Ccommittee working to confirm remaining ~~still trying to determine~~ social service agency representative required for the Board of Trustees

RE_ Action Item - June 1.pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Chander, Sunita (ENERGY)
Subject:	RE: Action Item - June 1
Date:	June 1, 2017 9:47:12 AM
Attachments:	Action Items_June 1 ksh.docx

I've made a few edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-01-17 9:31 AM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Johnson, Paul (ENERGY/MEDEI/MRI); Chander, Sunita (ENERGY)
Subject: Action Item - June 1

Hi everyone,

Attached are today's action items.

Please let me know if you have any updates or changes.

Thanks,
Martin

Action Items_June 1 ksh_1.pdf

Action Items – June 1

1) GA Refinancing
    - Ministry to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to set up call with Energy on TB report back expectations and timelines
    - Agencies (OPG/IESO/OEB) to develop and circulate more granular work plans
    - IESO provided AG all requested documents yesterday
    - OEB has AG request due tomorrow
    - OFA is also working on response to AG
    - OEB circulated timeline and is working to finalize work by June 22
    - OFA circulated a document comparing of Clean Energy Adj with DRC, which when finalized would be shared with AG
        - Ministry to review and provide comments early next week
    - IGS to connect with Tax policy on indirect taxes implication
    - Ministry to include standing item on future agendas for AG request
    - AG meeting with IESO board on the 14th with KPMG to attend
    - TBS to follow up on whether AG met with large audit firms and outcome

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Ccommittee working to confirm remaining ~~still trying to determine~~ social service agency representative required for the Board of Trustees
        - ~~o~~

RE_ Action Items - Aug 10.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Katona, Keley (MOF); Smith, Mike (ENERGY); Cox, Hilary (ENERGY)
Subject:	RE: Action Items - Aug 10
Date:	August 10, 2017 6:28:09 PM
Attachments:	Action Items_Aug 10 (2).docx

Hi Martin. Attached are some proposed edits.

Thank you,

From: Schlaepfer, Martin (ENERGY)
Sent: August 10, 2017 6:01 PM
To: Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Katona, Keley (MOF); Smith, Mike (ENERGY)
Subject: RE: Action Items - Aug 10

Hi everyone,

Any concerns with the action items?

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 10, 2017 9:32 AM
To: Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Katona, Keley (MOF); Smith, Mike (ENERGY)
Subject: Action Items - Aug 10

Hi Everyone,

Attached are the action items for today's meeting. Please let me know if you have any updates/changes.

Thanks,
Martin

Action Items_Aug 10 (2).pdf

Action Items – August 10, 2017

1) GA Refinancing
   - General Update (OPG / IESO)
     - OPG will go to its ~~their~~ Board with OFHP financing plan following direction from the August 16th meeting
   - Draft Provincial Guarantees for Dealers (OFA/OPG)
     - OPG, TB/OPCD, MOF, OFA and ENEGY had a ~~has~~ discussion on proposed approach ~~with MOF~~ on August 10th. Additional accounting review is requires on proposed approach~~later this afternoon, but is confident that we are close to finalizing~~
     - Note: Initial focus on OPG finiancing will be focused on the Canadian market

2) August 16th Meeting (Provincial Guarantee (PG) Update)
   - OFA will develop proposal summary on the PG for the August 16~~3~~th meeting
   - TB ~~PG~~ submission on the PG will track to TB/Cabinet on September 12th/13th. TBS indicated that it would also like the ~~to see a broader~~ submission to provide~~ing an~~ a general status update on ~~overall~~ OFHP ~~status update to contextualize the PG request~~

3) AG Update
   - On July 25th, IESO had a special Board meeting on the OFHP that the AG attended
   - ENERGY advised that it met with the AG on August 9th
   - TBS expects a separate report by AG will be issued on OFHP
   - ~~IESO had a special Board meeting on the OFHP on July 25 that the AG attended~~
   - There was discussion on the future timing for updated ~~Updating~~ KPMG's advice. It was suggested that an update could occur when the commercial agreements are finalized ~~opinion will need to be updated in the future (probably at the time of finalization of the commercial agreements)~~
   - TBS/OPCD was asked to explore whether the letter from KPMG to AG can be released publically

4) Other OFHP Initiatives
   - RRRP, OESP and FN (SNAP)
     - Discussion are ongoing with MCSS regarding ~~has expressed~~ concerns that "front line" social assistance workers will adjust future support paynment as a result of OESP ~~about a potential clawback by social assistance workers of OESP from support payments~~
   - Affordability Fund (CRED)
     - ~~—~~Trustees have a call on August 11th ~~tomorrow~~
     -

RE_ Action Items July 27.pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Hume, Steen (ENERGY); Schlaepfer, Martin (ENERGY)
Cc:	Reid, Michael (ENERGY); Nelms, Scott (MOF); McKinlay, Tom (ENERGY); Cox, Hilary (ENERGY)
Subject:	RE: Action Items July 27
Date:	July 27, 2017 10:56:33 AM
Attachments:	Action Items_July 27.docx

I've layered in my proposed edits.

From: Hume, Steen (ENERGY)
Sent: July-27-17 10:45 AM
To: Schlaepfer, Martin (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); McKinlay, Tom (ENERGY); Cox, Hilary (ENERGY)
Subject: Action Items July 27

Hi Martin: attached are my proposed edits to the action items.

If you have any questions, happy to chat.

Steen

Action Items_July 27_5.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work ~~with rating agencies~~ by end of September
        - OPG, IESO and ENERGY ~~and needs~~ to work through an approach to address ~~the~~interest payments during the ~~process/accounting of the~~ moratorium period
        - ~~OPG working to finalize work with rating agencies by end of September~~
        - ENERGY ~~Ministry~~ working through the details related to the ~~fair~~ Minister's Fair ~~allocation~~ Allocation Amount~~curve, including a looking at potential options for ranges~~
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA ~~Ministry~~ to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY ~~Ministry~~ legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - TBS advises ~~indicates~~ 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 s~~s~~tatutory dealine in September 27)
    - IESO indicates that ~~KPMG got a second opinion from~~ Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)

- Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities ~~with Utilities~~ is scheduled for ~~et up~~ August 1
- Trustees continue to work through program design concepts and details in order to launch the program ~~tails before launching but is working toward launching~~ as soon as possible
- Trustees have agreed to Hydro One's role as administrator ~~has been chosen to deliver the program~~

RE_ Action Items(1).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc:	Nelms, Scott (MOF)
Subject:	RE: Action Items
Date:	May 18, 2017 11:31:15 AM
Attachments:	Action Items_May 18v2.docx

Hi Martin – see attached. I think the action items are becoming more like minutes. As I understand it, we are only trying to reflect what people are required to bring back to the table, not record the discussion, so I have taken some of the detail out.

Carolyn

From: Schlaepfer, Martin (ENERGY)
Sent: May-18-17 9:40 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc: Nelms, Scott (MOF)
Subject: Action Items

Hi everyone,

Please see attached the Action Items from today's meeting. Let me know if you have any edits/concerns before I distribute.

Thanks,
Martin

Action Items_May 18v2.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions ~~to be distributed to group next week,~~ which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - o Documents will include commentary on credit worthiness
        - o Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - ~~OPG to have term sheet ready in next couple of days~~
    - IESO ~~needs to get~~expecting purchase and~~of~~ sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
        - ~~o IESO has separate agreement with KPMG indicating that it will be delivered to Ministry and can be released publically~~
    - OPG memo and E&Y accounting opinion has been delivered to Ministry ~~and can also be released publically~~
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - ~~TBS/Ministry provided advice to FAO to remove accounting sections from OFHP report~~
        - ~~o Offer was made to review next turn~~
        - ~~o FAO will likely share report 48 hours before release~~
        - o IESO to offer FAO separate meeting with KPMG
        - o FAO report to be provided to MO on Tuesday and be released on Wednesday
    - ~~OPG met with AG last week with focus on IESO regulatory assets as opposed to OPG accounting issues~~
    - ~~OEB also met with AG this week, focus on rate/price setting and rate regulating of IESO~~
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward ~~in June and are expected~~ to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process ~~transaction (Summer/Fall)~~
        - ~~o OPG has been working with OFA on term sheet for guarantees to be signed by Ministers of Finance and Energy~~
        - o Time is required to appropriately brief decision makers
        - o OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - o Ministry working on regulation details

- OESP regulations will be the focus of the post-July 1 work stream
- Products for both June 14 ~~and 27~~
- Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
- Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
- OEB ~~needs certainty on what regulations will say (drafts/letter) prior to June 14 day to determine calculations~~
    - c~~C~~alculation needs to be completed 15 business days from Royal Assent

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- Affordability Fund:
    - Waiting for social service agencies to respond
- ICI:
    - No update

3) A Plan for Monitoring / Oversight
    - ~~Need to ensure that there is alignment of different work streams~~

RE_ Action Items(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc:	Nelms, Scott (MOF)
Subject:	RE: Action Items
Date:	May 18, 2017 4:17:00 PM
Attachments:	Action Items_May 18.docx

Thanks, Carolyn. Appreciate the context that these should focus on the future deliverables. I have integrated Tim's edits with your revised version (attached). Does anyone else have further comments?

Thanks,
Martin

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: May 18, 2017 11:31 AM
To: Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc: Nelms, Scott (MOF)
Subject: RE: Action Items

Hi Martin – see attached. I think the action items are becoming more like minutes. As I understand it, we are only trying to reflect what people are required to bring back to the table, not record the discussion, so I have taken some of the detail out.

Carolyn

From: Schlaepfer, Martin (ENERGY)
Sent: May-18-17 9:40 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc: Nelms, Scott (MOF)
Subject: Action Items

Hi everyone,

Please see attached the Action Items from today's meeting. Let me know if you have any edits/concerns before I distribute.

Thanks,
Martin

Action Items_May 18_5.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

RE_ Action Items(3).pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	RE: Action Items
Date:	May 25, 2017 10:48:40 AM
Attachments:	Action Items_May 25 ksh.docx

See attached for suggested edits. Thx.

From: Schlaepfer, Martin (ENERGY)
Sent: May-25-17 10:34 AM
To: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: Action Items

Hi Folks,

Attached are the action items from today's meeting. This time I have tried to make them less like minutes and more focused on the deliverables, but please let me know if I have missed anything.

Thanks,
Martin

Action Items_May 25 ksh.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to call OPG/OEB/ISEO on regulation feedback
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process
    - All parties to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee ~~Ministry~~ reaching out to another social service agency candidate

RE_ Action Items(4).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Nelms, Scott (MOF)
Subject:	RE: Action Items
Date:	May 25, 2017 11:00:09 AM
Attachments:	Action Items_May 25v2.docx

Hi – some suggestions here.

From: Schlaepfer, Martin (ENERGY)
Sent: May-25-17 10:34 AM
To: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Christie, Tim (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: Action Items

Hi Folks,

Attached are the action items from today's meeting. This time I have tried to make them less like minutes and more focused on the deliverables, but please let me know if I have missed anything.

Thanks,
Martin

Action Items_May 25v2.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to ~~call~~work with OPG/OEB/ISEO on regulations ~~feedback~~
    - ~~Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit~~
    - ~~Letter being drafted by Regional Chief Day tracking for next week~~
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - ~~All~~ OPG, IESO, OEB ~~parties~~ to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Ministry reaching out to another social services agency candidate

RE_ Action Items.pdf

From:	Christie, Tim (ENERGY)
To:	Schlaepfer, Martin (ENERGY); Calwell, Carolyn (ENERGY); Reid, Michael (ENERGY); Montgomery, Kaitlin (MOF)
Cc:	Nelms, Scott (MOF)
Subject:	RE: Action Items
Date:	May 18, 2017 11:30:11 AM
Attachments:	Action Items_May 18.docx

Martin, a few edits on the FAO item.

Tim

From: Schlaepfer, Martin (ENERGY)
Sent: May-18-17 9:40 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Christie, Tim (ENERGY); Montgomery, Kaitlin (MOF)
Cc: Nelms, Scott (MOF)
Subject: Action Items

Hi everyone,

Please see attached the Action Items from today's meeting. Let me know if you have any edits/concerns before I distribute.

Thanks,
Martin

Action Items_May 18_6.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions to be distributed to group next week, which need to be filled a week from today
    - Ministry also working on regulations for end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - OPG to have term sheet ready in next couple of days
    - IESO needs to get purchase of sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
        - IESO has separate agreement with KPMG indicating that it will be delivered to Ministry and can be released publically
    - OPG memo and E&Y accounting opinion has been delivered to Ministry and can also be released publically
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - TBS/Ministry provided advice to FAO to correct ~~remove~~ accounting commentary ~~sections from~~ in the OFHP report
        - Offer was made to review next turn (FAO declined)
        - ~~FAO will likely share report 48 hours before release~~
        - IESO to offer separate meeting with KPMG (FAO declined)
        - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9 AM.
    - OPG met with AG last week with focus on IESO regulatory assets as opposed to OPG accounting issues
    - OEB also met with AG this week, focus on rate/price setting and rate regulating of IESO
    - OFA to work on analysis of comparison of Debt Retirement Charge
    - Indemnities are tracking forward in June and are expected to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with transaction (Summer/Fall)
        - OPG has been working with OFA on term sheet for guarantees to be signed by Ministers of Finance and Energy
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:

- Ministry working on regulation details
- OESP regulations will be the focus of the post-July 1 work stream
- Products for both June 14 and 27
- Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
- Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
- OEB needs certainty on what regulations will say (drafts/letter) prior to June 14 day to determine calculations
    - Calculation needs to be completed 15 business days from Royal Assent

- Affordability Fund:
    - Waiting for social service agencies to respond
- ICI:
    - No update

3) A Plan for Monitoring / Oversight
    - Need to ensure that there is alignment of different work streams

RE_ Action Items_June 22(1).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Sermat-Harding, Kaili (ENERGY); Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Evans, Karen (ENERGY)
Subject:	RE: Action Items_June 22
Date:	June 23, 2017 8:07:20 AM
Attachments:	Action Items_June 22 ksh cc.docx

Hi – some further edits.

From: Sermat-Harding, Kaili (ENERGY)
Sent: June-22-17 10:20 AM
To: Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Some edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-22-17 9:45 AM
To: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: Action Items_June 22

Hi Folks,

Attached are the action items for today. Please let me know if you have any edits.

Thanks,
Martin

Action Items_June 22 ksh cc.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – comms product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - ~~Ministry~~ Next turn~~ing~~ going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs
    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the ~~obligation for~~ need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back ~~(could require a future regulation)~~
        - OPG legal agreements in progress
        - OEB releasing RPP prices today at noon, as well as RRRP amounts
    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief their Minister on Tuesday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - ~~Ministry~~ OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with ~~E~~equity injection process, but OFA would administer on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG ~~who inidicated something is on the way~~
        - AG to provide opinion on August 18
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to their Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives

- RRRP, OESP and FN (SNAP)
  - OESP regs are tracking to Cabinet on the 27th
  - MCSS - OESP automatic enrolment TB submission to track in July
  - One LDC may not be able to implement RRRP ~~for~~
- Affordability Fund (CRED)
  - First meeting of Trustees held on June 21st
  - Key next steps include:
    - Trustees to sign appointment document
    - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
  - ~~Appointment of HydroOne as administrator to occur after call~~
  - ~~HyrdroOne to develop strawman of program design elements~~
  - Next meeting of Trustees to be scheduled for late July
    - Hydro One to develop strawman of program design considerations for Trustees' review~~at the end of July~~

RE_ Action Items_June 22(2).pdf

From:	Nelms, Scott (MOF)
To:	Calwell, Carolyn (ENERGY); Sermat-Harding, Kaili (ENERGY); Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Hume, Steen (ENERGY); Evans, Karen (ENERGY)
Subject:	RE: Action Items_June 22
Date:	June 23, 2017 8:10:54 AM
Attachments:	Action Items_June 22 ksh cc sn.docx

Good morning – a few more adding to others

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: June 23, 2017 8:07 AM
To: Sermat-Harding, Kaili (ENERGY); Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Hi – some further edits.

From: Sermat-Harding, Kaili (ENERGY)
Sent: June-22-17 10:20 AM
To: Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Some edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-22-17 9:45 AM
To: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: Action Items_June 22

Hi Folks,

Attached are the action items for today. Please let me know if you have any edits.

Thanks,
Martin

Action Items_June 22 ksh cc sn.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – comms product to be included in submission

2) GA Refinancing
    - o Regulation (Energy / All)
        - ~~Ministry~~ Next turn~~ing~~ going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs
    - o Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the ~~obligation for~~ need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back ~~(could require a future regulation)~~
        - OPG legal agreements in progress
        - OEB releasing RPP prices today at noon, as well as RRRP amounts
    - o Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief their Minister on ~~Tuesday~~ Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - ~~Ministry~~ OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with ~~E~~equity injection process, but OFA would ~~administer~~coordinate on a montly basis

3) AG
    - o Recent Activities / Requests (All)
        - TBS met with AG ~~who inidicated something is on the way~~
        - AG to provide opinion on August 18
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to their Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP ~~for~~
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - ~~Appointment of HydroOne as administrator to occur after call~~
        - ~~HyrdroOne to develop strawman of program design elements~~
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review~~at the end of July~~

RE_ Action Items_June 22(3).pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Calwell, Carolyn (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Reid, Michael (ENERGY); Evans, Karen (ENERGY)
Subject:	RE: Action Items_June 22
Date:	June 23, 2017 8:26:16 AM
Attachments:	Action Items_June 22 ksh cc sn sh.docx

Good morning all. Few more edits to add to the mix.

Thanks

From: Nelms, Scott (MOF)
Sent: June-23-17 8:11 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Sermat-Harding, Kaili (ENERGY); Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Hume, Steen (ENERGY); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Good morning – a few more adding to others

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: June 23, 2017 8:07 AM
To: Sermat-Harding, Kaili (ENERGY); Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Hi – some further edits.

From: Sermat-Harding, Kaili (ENERGY)
Sent: June-22-17 10:20 AM
To: Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: RE: Action Items_June 22

Some edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-22-17 9:45 AM
To: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: Action Items_June 22

Hi Folks,

Attached are the action items for today. Please let me know if you have any edits.

Thanks,
Martin

Action Items_June 22 ksh cc sn sh.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – ~~comms~~ Communication product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - ~~Ministry~~ Next turn~~ing~~ going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs

    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the ~~obligation for~~ need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back ~~(could require a future regulation)~~
        - OPG legal agreements in progress
            - OPG to provide a detailed list of legal agreements to Ministry
        - OEB releasing RPP prices ~~today~~ June 22, 2017 / Noon~~at noon~~, as well as RRRP amounts

    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief its ~~their~~ Minister on ~~Tuesday~~ Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - ~~Ministry~~ OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with ~~E~~equity injection process, but OFA would ~~administer~~coordinate on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG ~~who inidicated something is on the way~~
        - AG to provide opinion on August 18, 2017
        - AG was going to provide IESO with a document on accounting concerns

        - IESO will be delivering a technical document to its ~~their~~ Board by the end of the week
    - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP ~~for~~
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - ~~Appointment of HydroOne as administrator to occur after call~~
        - ~~HyrdroOne to develop strawman of program design elements~~
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review~~at the end of July~~

RE_ Action Items_June 22.pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Schlaepfer, Martin (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject:	RE: Action Items_June 22
Date:	June 22, 2017 10:19:37 AM
Attachments:	Action Items_June 22 ksh.docx

Some edits.

From: Schlaepfer, Martin (ENERGY)
Sent: June-22-17 9:45 AM
To: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Hume, Steen (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Evans, Karen (ENERGY)
Subject: Action Items_June 22

Hi Folks,

Attached are the action items for today. Please let me know if you have any edits.

Thanks,
Martin

Action Items_June 22 ksh.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – comms product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Ministry turning going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs
    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the obligation for interest
            - OPG/IESO to report back (could require a future regulation)
        - OPG legal agreements in progress
        - OEB releasing RPP prices today at noon, as well as RRRP amounts
    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief their Minister on Tuesday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit going to LRC on June 27th
        - Ministry to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with Equity injection process, but OFA would administer on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG who inidicated something is on the way
        - AG to provide opinion on August 18
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to their Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)

- OESP regs are tracking to Cabinet on the 27th
- MCSS - OESP automatic enrolment TB submission to track in July
- One LDC may not be able to implement RRRP for

o Affordability Fund (CRED)

- First meeting of Trustees held on June 21st
- Key next steps include:
  - Trustees to sign appointment document
  - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
- ~~Appointment of HydroOne as administrator to occur after call~~
- ~~HyrdroOne to develop strawman of program design elements~~
- Next meeting of Trustees to be scheduled for late July
  - Hydro One to develop strawman of program design considerations for Trustees' review~~at the end of July~~

RE_ Action Items_June 8(1).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Cc:	Christie, Tim (ENERGY); Chander, Sunita (ENERGY)
Subject:	RE: Action Items_June 8
Date:	June 8, 2017 11:30:57 AM
Attachments:	Action Items_June 8v2.docx

Hi – please see suggestions in attachment.

From: Schlaepfer, Martin (ENERGY)
Sent: June-08-17 9:54 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Cc: Christie, Tim (ENERGY); Chander, Sunita (ENERGY)
Subject: Action Items_June 8

Hi everyone,

Attached are today's action items. Please let me know if you have any updates.

Thanks,
Martin

Action Items_June 8v2.pdf

Action Items – June 8

1) GA Refinancing
    - Ministry tracking 8 regs for next week
    - Ministry moved OESP reg to June 27
        - Ministry continues to work with MCSS on OESP automatic enrolment, which is tracking for Sept at the earliest
    - Ministry continues to work on general reg and requires input from OPG, IESO and OEB to ensure they have what they need
    - TBS would like a road map to facilitate for the presentation at TB
    - OPG to provide language to Ministry for regulation drafting
    - OPG to draft a deck for Minister's OFHP implementation briefing with input from IGSs
    - IESO expecting AG coming to their Board on June 14 ~~and will report back~~
    - IESO is working with KPMG to review the interest cost coming back to IESO from OPG during moratorium period
    - OEB drafting supplementary report to go out with revised pricing on June 22
        - OEB to consider announcing pricing earlier in the day rather than afternoon
    - OEB refining answer and key messages to how HydroOne rate application impacts OFHP and will share with Ministry ~~to review~~
    - Ministry/OFA to provide comments back to OPG on Provincial Support Agreement Term Sheet by next week
    - MOF, not TBS, to provide S. 28 approval
    - OPG/IESO to confirm timing of when they need Board indemnities (potentially required before IESO Board meeting on the 14th of June)
    - MOF/TBS to look into whether appropriation from TB is required to facilitate the S.28 approval
    - Ministry reviewing CEB/DRC comparison document and will provide comments next week.

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working with Chiefs on First Nations Delivery credit with Chiefs expecting to table and pass a resolution next week on who receives credit
    - Affordability Fund:
        - Formal agreement being drafted for final trustee who has agreed verbally

RE_ Action Items_June 8.pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	RE: Action Items_June 8
Date:	June 8, 2017 10:00:30 AM
Attachments:	Action Items_June 8 ksh.docx

I've made a few tweaks.

From: Schlaepfer, Martin (ENERGY)
Sent: June-08-17 9:54 AM
To: Calwell, Carolyn (ENERGY/MEDEI/MRI); Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Cc: Christie, Tim (ENERGY); Chander, Sunita (ENERGY)
Subject: Action Items_June 8

Hi everyone,

Attached are today's action items. Please let me know if you have any updates.

Thanks,
Martin

Action Items_June 8 ksh.pdf

Action Items – June 8

1) GA Refinancing
    - Ministry tracking 8 regs for next week
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    - Ministry to provide comments back to OPG on Provincial Support Agreement Term Sheet by next week
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    - MOF/TBS to look into whether appropriation from TB is required to facilitate the S.28 approval
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2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working with Chiefs on First Nations Delivery credit with Chiefs expecting to table and pass a resolution next week on who receives credit

    - Affordability Fund:
        - Formal written invitation ~~agreement~~ being sent to ~~drafted for~~ final trustee who has agreed verbally

RE_ Consolidated - OFHP Matrix -Week March 13(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	RE: Consolidated - OFHP Matrix -Week March 13
Date:	March 17, 2017 6:45:00 PM
Attachments:	OFHP Matrix - 20170317 - to ESP.docx

See attached ADM approved edits. Sorry for the delay.

From: Thompson, Erin (ENERGY)
Sent: March-17-17 3:47 PM
To: Cox, Hilary (ENERGY)
Subject: RE: Consolidated - OFHP Matrix -Week March 13

Didn't realize it would be used to for the briefing too. I'll check.

From: Cox, Hilary (ENERGY)
Sent: March-17-17 3:41 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –
How are your edits tracking for attached OFHP Matrix? Will also be used for Minister's briefing on Monday.

HC

From: Cox, Hilary (ENERGY)
Sent: March-16-17 11:03 AM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –
Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

OFHP Matrix - 20170317 - to ESP.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• ~~TBC/MBC Submission~~ • ~~Trust Structure~~Declaration of Trust • Transfer Payment Agreement ~~(multi-party)~~ Considerations • Legislative changes not required. ENERGY has requested an exemption from the Cash Management Directive from the OFA. This is required before funds can be transferred to the Trust. • ~~Funding needs to flow to the Trust prior to March 31, 2017.~~	• Ongoing engagement with Hydro One, ~~LSB~~, Blakes, OPCD, ~~CSD~~ on development of Transfer Payment Agreement (TPA) and Trust Declaration ~~(including sharing of drafts for comment)~~ • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • ~~Hydro One to finalize establishment of Trust by March 17, 2017~~ ~~**Week of March 20, 2017:**~~ • Execute TPA between the Ministry and the Trust on~~by~~ March 23rd ~~2nd~~ • Funds to be transferred by March 28 • ~~Initiate process to flow funds to the Trust; to be completed before March 31st~~ **April to June~~May~~ 2017:** Appointment of Trustees;

Item	Key Deliverables / Considerations	Timing / Next Steps
		~~Additional trustees to be appointmen~~t; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

RE_ Consolidated - OFHP Matrix -Week March 13.pdf

From:	Schwab-Pflug, Emma (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Syed, Usman (ENERGY); Desouza, Charlotte (ENERGY)
Subject:	RE: Consolidated - OFHP Matrix -Week March 13
Date:	March 17, 2017 5:18:10 PM
Attachments:	2017-03-17 Consolidated - OFHP Matrix -Week March 13_CEEB_v1.docx

Hi Erin,

Please see revised OFHP matrix attached.

Thanks,
Emma

From: Thompson, Erin (ENERGY)
Sent: March-17-17 3:55 PM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Desouza, Charlotte (ENERGY)
Subject: RE: Consolidated - OFHP Matrix -Week March 13

Checking on this. I understand it will be used on Monday's Minister's briefing re: OFHP too (along with the deck)

From: Thompson, Erin (ENERGY)
Sent: March-16-17 12:03 PM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY); Qureshi, Musab (ENERGY); Desouza, Charlotte (ENERGY)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi Usman – please update the attached OFHP matrix for tomorrow morning.

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-16-17 11:03 AM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF)
Subject: FW: Consolidated - OFHP Matrix -Week March 13

Hi All –
Please update the attached OFHP matrix for Monday's Rate Mitigation implementation meeting with DM and CoS. Also included is list of action items from yesterday's big table rate mitigation implementation meeting for incorporation into the matrix as necessary.

Appreciate input by tomorrow afternoon at 3 pm.

HC

2017-03-17 Consolidated - OFHP Matrix -Week M.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Considerations</u>
	• GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit.
	• Ongoing legal, accounting and financing risk assessments.
	• Impact on Electricity Sector Dedicated Income.
	• OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• ~~TBC/MBC Submission~~ • ~~Trust Structure~~Declaration of Trust ~~Administration Services Agreement~~ • Transfer Payment Agreement ~~(multi-party)~~ Considerations • Legislative changes not required. • In advance of funds transfer, ENERGY must seek an exemption from the Cash Management Directive from the OFA. OFA is aware that ENERGY will be making this request and understands it is a high priority. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration ~~(including sharing of drafts for comment)~~ • Identification of Advisory Committee Members to advise interim Trustee (Computershare) on Board of Trustees (to include in Annex to Declaration of Trust) • As of March 17, ~~CSD is working with TBS to ensure the~~CSD confirmed that ENERGY now has the $100 million in CRED's Green Energy Initiatives TP line ~~is reflected our allocation, which is expected to be complete by Friday~~. • CMD ~~E~~exemption request is with ~~DM for approval (Friday)~~OFA. • ~~Hydro One to finalize establishment of Trust by March 17, 2017~~ ~~**Week of March 20, 2017:**~~

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Execute TPA between the Ministry and the Trust by March 23rd ~~2nd~~ • March 28: Funds flow from CRED's GEI TP line via CEEB's cost centre to Trust bank account • ~~Initiate process to flow funds to the Trust; to be completed before March 31st~~ **April to May 2017:** • Additional trustees ~~to be~~ appointment; Trust develops further details, e.g. customer eligibility criteria and processes for ~~LDCs~~ electricity distributors to apply for funds; to be developed in consultation with electricity distributors~~LDCs~~ **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • Electricity distributors ~~LDCs~~ begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04)	• RR posting on the proposed

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e.,		

Item	Key Deliverables / Considerations	Timing / Next Steps
Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April

Item	Key Deliverables / Considerations	Timing / Next Steps
General (AG)		2017 (TBD)

RE_ EXTERNAL Fwd_ Rate Mitigation Implementat....pdf

From: Hume, Steen (ENERGY)
To: LEE John -TREASURY
Cc: Cox, Hilary (ENERGY); HARTWICK Ken -FINANCE
Subject: RE: EXTERNAL – Fwd: Rate Mitigation Implementation Meeting - May 25, 2017
Date: May 31, 2017 8:51:00 AM
Attachments: Action Items_May 25.docx

Good morning John. Thanks for the updates.

Re draft Provincial Guarantees, please follow-up with Mike.

Re the OPG critical path / workplan. Although I wasn't at last week's meeting, I understand from Martin that the DM was looking for a more detailed product from OPG then Energy's higher level workplan. Also, in that Action Items that Martin circulated following the meeting there is a reference that "OPG has workplan for working group that it can table every week".

Happy to chat. Steen

-----Original Message-----
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: May-30-17 9:53 PM
To: Hume, Steen (ENERGY); HARTWICK Ken -FINANCE
Cc: Cox, Hilary (ENERGY)
Subject: Re: EXTERNAL – Fwd: Rate Mitigation Implementation Meeting - May 25, 2017

Steen

We are waiting for feedback from OFA lawyers Malley on the term sheet. She was to meet with Energy lawyers to review the document since it will require signoff from both ministry's. I can follow up with Mike Manning to see where they are in the process.

With respect to the critical path, the key deliverables have been reflected in the integrated timeline chart that Tim had produced and handed out at the last meeting. I also handed out a status update as well. I don't think anything further is expected from us. The IESO and OEB didn't provide any of this at the last meeting

John

Sent from my BlackBerry 10 smartphone on the Bell network.
Original Message
From: Hume, Steen (ENERGY)
Sent: Tuesday, May 30, 2017 7:29 PM
To: HARTWICK Ken -FINANCE
Cc: Cox, Hilary (ENERGY); LEE John -TREASURY
Subject: EXTERNAL – Fwd: Rate Mitigation Implementation Meeting - May 25, 2017

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Ken. Hope you're keep well.

Just following up on Martin's email from last week re the action items for our next weekly OFHP meeting. Will OPG be able to bring in a critical path document and a draft Provincial Guarantee for Thursday?

I'm around tomorrow if you'd like to chat. Cheers, Steen

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca<mailto:Martin.Schlaepfer@ontario.ca>>
Sent: Thursday, May 25, 2017 6:34 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); "jeffrey.lyash@opg.com<mailto:jeffrey.lyash@opg.com>' (jeffrey.lyash@opg.com<mailto:jeffrey.lyash@opg.com>)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com<mailto:ken.hartwick@opg.com>)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca<mailto:maryanne.aldred@ontarioenergyboard.ca>)'; 'Campbell, Bruce (bruce.campbell@ieso.ca<mailto:bruce.campbell@ieso.ca>)'; 'Kim Marshall (Kim.Marshall@ieso.ca<mailto:Kim.Marshall@ieso.ca>)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca<mailto:jordan.penic@ieso.ca>'; 'sarah.branco@ontarioenergyboard.ca<mailto:sarah.branco@ontarioenergyboard.ca>'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com<mailto:catriona.king@opg.com>'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - May 25, 2017

Hi everyone,

Please find attached the action items from today's meeting. For any items that require providing materials for next week's meeting, please send them to me in advance by end of day Tuesday. I will ensure hard copies are available at the meeting.

For next week it would be helpful to receive materials for the following items:

• Critical paths from OPG, IESO and OEB

• OFA's comparison of the Clean Energy Adjustment with the DRC

• Draft Provincial Guarantees for the dealers from OPG

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 24, 2017 6:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); "jeffrey.lyash@opg.com<mailto:jeffrey.lyash@opg.com>' (jeffrey.lyash@opg.com<mailto:jeffrey.lyash@opg.com>)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com<mailto:ken.hartwick@opg.com>)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca<mailto:maryanne.aldred@ontarioenergyboard.ca>)'; 'Campbell, Bruce (bruce.campbell@ieso.ca<mailto:bruce.campbell@ieso.ca>)'; 'Kim Marshall (Kim.Marshall@ieso.ca<mailto:Kim.Marshall@ieso.ca>)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca<mailto:jordan.penic@ieso.ca>'; 'sarah.branco@ontarioenergyboard.ca<mailto:sarah.branco@ontarioenergyboard.ca>'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com<mailto:catriona.king@opg.com>'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam

(ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 25, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

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Action Items_May 25_3.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to work with OPG/OEB/ISEO on regulations
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - OPG, IESO, OEB to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee reaching out to another social services agency candidate

RE_ For ADM Review_ 2017-07-07 Consolidated - O....pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Edwards, Matthew (ENERGY)
Subject:	RE: For ADM Review: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14
Date:	August 11, 2017 5:39:00 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 14_CEEB_v1.docx

With my edits. Thx.

From: Edwards, Matthew (ENERGY)
Sent: August-11-17 5:25 PM
To: Sermat-Harding, Kaili (ENERGY)
Subject: For ADM Review: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Kaili,

Are you OK with Emma's updates to the OFHP Matrix for Affordability Fund?

OK to send to ESPD?

Thanks,

Matt

From: Schwab-Pflug, Emma (ENERGY)
Sent: August 11, 2017 5:22 PM
To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Cc: Syed, Usman (ENERGY) <Usman.Syed@ontario.ca>; Qureshi, Musab (ENERGY) <Musab.Qureshi@ontario.ca>
Subject: RE: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Matt, updated following the BoT call, edits tracked and highlighted yellow:

Thanks,
Emma

From: Edwards, Matthew (ENERGY)
Sent: August-11-17 11:23 AM
To: Schwab-Pflug, Emma (ENERGY)
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Can you update as necessary?

Thanks,

Matt

From: Cox, Hilary (ENERGY)
Sent: August 11, 2017 11:22 AM

To: Edwards, Matthew (ENERGY) <Matthew.Edwards@ontario.ca>
Subject: FW: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi Matt –
Attached is the updated OFHP matrix. Hoping that you can review and update anything on the A-Fund (I believe there's a call of the trustees today?).

HC

From: Hume, Steen (ENERGY)
Sent: August 11, 2017 11:20 AM
To: Cox, Hilary (ENERGY)
Subject: 2017-07-07 Consolidated - OFHP Matrix - Week of August 14

Hi. I'm good with the attached.

Thank you,

2017-07-11 Consolidated - OFHP Matrix - Week _20.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 14, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 12 and 13 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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		

Item	Key Deliverables / Considerations	Timing / Next Steps
Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is ~~developing~~ offering back office support and ~~preparing~~ helping coordinate stakeholder engagement on program design ~~recommendations~~ for the ~~first meeting of 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 ~~to allow for broader outreach to~~seeking feedback from ~~utilities~~ LDCs on program design held ~~scheduled for~~ 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 ~~scheduled for~~held August 11, 2017~~6~~ (recap of LDC feedback and discussion on program design).	**September ~~Summer~~ 2017:** Target for program launch ~~LDCs begin to apply to the Trust for funds~~ **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

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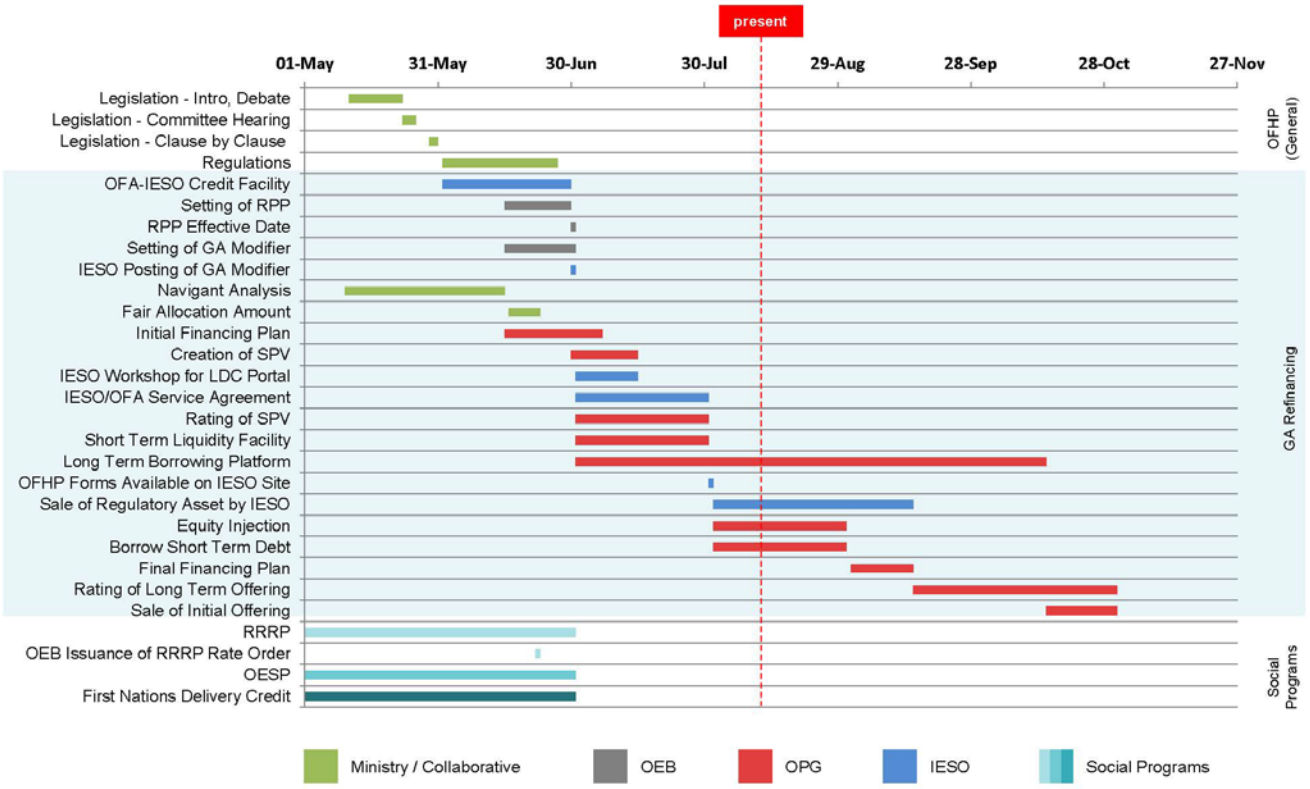
Item	Key Deliverables / Considerations	Timing / Next Steps
	Accounts (PA) on August 18, which would result in an earliest release by the government of the PA on August 28 (Note: The statutory deadline in September 27) • IESO indicates that Deloitte has provided KPMG a second opinion on the accounting treatment that is supportive, which was provided to the AG • AG attended special meeting of IESO Board on OFHP	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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RE_ For review_ OFHP Matrix (1).pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	RE: For review: OFHP Matrix
Date:	March 24, 2017 5:46:00 PM
Attachments:	OFHP Matrix - 20170324 - to ESP.docx

See attached ADM approved.

From: Cox, Hilary (ENERGY)
Sent: March-24-17 2:51 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: RE: Consolidated - OFHP Matrix - March 17

Hi All –
What's your ETA for edits to the OFHP matrix please?

HC

From: Cox, Hilary (ENERGY)
Sent: March 23, 2017 1:09 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

HC

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

OFHP Matrix - 20170324 - to ESP.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • ~~Tracking to have TPA / other documents finalized by end of next week~~ • ~~CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway~~.~~ Considerations	• ~~Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration~~ • ~~Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare)~~ • ~~Execute TPA between the Ministry and the Trust on March 23rd~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	~~• Funds to flow by March 28, 2017~~ **April to ~~June~~ May 31, 2017:** • ~~Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **Late 2017/early 2018:** • ENERGY can apply for additional funds through 2018-19 PRRT based on performance and need. Trust

Item	Key Deliverables / Considerations	Timing / Next Steps
		term can be extended with amended/new TPA if agreed by Trust.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

RE_ For review_ OFHP Matrix .pdf

From:	Sermat-Harding, Kaili (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Kitchen, Matthew (ENERGY)
Subject:	RE: For review: OFHP Matrix
Date:	March 24, 2017 5:37:00 PM
Attachments:	OFHP Matrix - 20170324 - to KSH ksh.docx

With edits discussed.

From: Thompson, Erin (ENERGY)
Sent: March-24-17 4:46 PM
To: Sermat-Harding, Kaili (ENERGY)
Cc: Kitchen, Matthew (ENERGY)
Subject: For review: OFHP Matrix

Hi Kaili – see attached CEEB's updates to the OFHP matrix. I understand ESP is regularly updating these on Friday for DM/MO weekend reading…

Thanks,
Erin

From: Cox, Hilary (ENERGY)
Sent: March-24-17 2:51 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: RE: Consolidated - OFHP Matrix - March 17

Hi All –
What's your ETA for edits to the OFHP matrix please?

HC

From: Cox, Hilary (ENERGY)
Sent: March 23, 2017 1:09 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Now officially accepting edits to the OFHP matrix – please incorporate any items from this morning's Rate Mitigation Implementation group meeting.

HC

From: Cox, Hilary (ENERGY)
Sent: March 21, 2017 12:50 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph

(MEDG/MRIS); Christie, Tim (ENERGY)
Subject: FW: Consolidated - OFHP Matrix - March 17

Hi All –
Please update the attached OFHP matrix for use at Thursday's meeting. I believe there were specific action items for SNAP:

- COO meeting on FN credit
- Bill presentment work under item 10

HC

From: Hume, Steen (ENERGY)
Sent: March 17, 2017 7:48 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Consolidated - OFHP Matrix - March 17

Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.

I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).

Cheers, Steen

OFHP Matrix - 20170324 - to KSH ksh.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP to move forward with including COO in FN rate implementation / work through implementation issues Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ~~Structure~~("Trust Deed") • Transfer Payment Agreement (TPA) ~~(multi-party)~~ • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~Blakes to review draft TPA and Trust deed~~ • ~~Tracking to have TPA / other documents finalized by end of next week~~ • ~~CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation~~ • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line ~~March 21: DM Briefing; Secured Advisory Committee members (who will recommend Board of Trustees to Original Trustee)~~ • March 23 and 24: ~~DM signs TPA and~~ Trust Deed and TPA executed. Process to transfer funds underway~~.~~	• ~~Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration~~ • ~~Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare)~~ • ~~Execute TPA between the Ministry and the Trust on March 23rd~~

Item	Key Deliverables / Considerations	Timing / Next Steps
	~~March 24: Computershare and H1 sign Admin. Services Agreement.~~ Considerations • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	~~March 27: Prepare Minister's thank you letters to Advisory Committee members.~~ • ~~Funds to flow by March 28, 2017~~ **April to ~~June~~ May 31, 2017:** • ~~Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs)~~Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **~~May/~~June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **Late 2017/early 2018:** • ENERGY can apply for

Item	Key Deliverables / Considerations	Timing / Next Steps
		additional funds through 2018-19 PRRT based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust.
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 11, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

RE_ Marterials for Thursday Morning.pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY)
Cc:	Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject:	RE: Marterials for Thursday Morning
Date:	April 5, 2017 3:50:48 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_Mar 6.docx FHP Policy Foundations 04 04 2017 v.3.docx Consolidated - OFHP Matrix - Week of April 3.docx

I made a minor change to the agenda (renamed item 2). This is the complete set of material we will be circulating.

From: Hume, Steen (ENERGY)
Sent: April-05-17 1:05 PM
To: Katona, Keley (ENERGY)
Cc: Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Cox, Hilary (ENERGY)
Subject: Marterials for Thursday Morning

Hi Keley: please find attached the materials for tomorrow's meeting on OFHP implementation.

Give me a call if you have any questions. Steen

Agenda_Weekly Rate Mitig Implmentation Group__50.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 6, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - Affordability Fund (CRED)
    - RRRP, OESP and FN (SNAP)
    - ICI (ESPD)

3) Bill Presentment (SNAP)

4) Update on Action Items / Policy Matrix

Notes:

FHP Policy Foundations 04 04 2017 v.3_1.pdf

Policy and Legal Foundations for the Proposed Ontario Fair Hydro Plan Act
April 4, 2017

Creating the Regulatory Framework

- Principles will link the benefit of the "Green Generation Initiative" with the regulatory cost that future rate payers will pay
- Need to name and articulate "Green Generation Initiative"

Fair Allocation Plan

- Policy direction around intergenerational funding will be established by the Minister of Energy
- The Fair Allocation Plan has been determined for the 1st four years, as set out in the March 2nd announcement
- Should there be a process around the Fair Allocation Plan [or as necessary]?
- [Role for the OEB?]

Treasury Plan

- Created by OPG to implement the Fair Allocation Plan
- Will pass through actual costs and expenses of funding obligations incurred
- 3 components:
    - Treasury Plan must be compliant with principles and parameters of the Fair Allocation Plan;
    - The Plan must match maturities to allocations under the Fair Allocation Plan, as well as achieve funding efficiencies and cost management articulated in the Fair Allocation Plan; and
    - Implementation
- Should [Minister?] [OEB?] review [and approve?] the Treasury Plan? At what point in process?

Establishment of the Regulatory Asset

- Right to recover from rate payers, through collection by LDCs and IESO, the regulatory charge, late fees, interest established by legislation
- IESO may dispose of (by assignment, transfer, sale, etc.) its right, title and interest in the Regulatory Asset
- Legislation will create property rights and allow for security interests in the Regulatory Asset
- [Role of the OEB in establishing the Regulatory Asset?]
- Role of OPG in acquiring the asset?

Ensuring Collectability

- Clearly defined class of rate payers that receive and pay for the benefit
- Charges are irrevocable
- LDCs have duty to invoice rate payers for the charge
- IESO and LDCs have duty to collect charges as agent and pay remittances to IESO
- IESO has duty to pay remittances to the Regulatory Asset Owner
- Non-by-passability – subject rate payers who opt to go off grid to a penalty (prepayment)?
- True up mechanism to reconcile collections with incurrences
- Province shall not take steps to reduce, alter, impair or terminate the Regulatory Asset or collection

OEB Role

- [Inspect books and records?]

DRAFT

- [Approve administrative costs?]
- [Prudence review of financing costs?]
- [Consequences of OEB review?]
    - Ability to review
    - Ability to review and make recommendations (non-binding)
    - Review and approve or refer back for reconsideration (binding)

Provincial Guarantee

- Scope / Triggers / Consequences / Form

DRAFT

Consolidated - OFHP Matrix - Week of April 3_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

RE_ Materials(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Calwell, Carolyn (ENERGY)
Subject:	RE: Materials
Date:	May 15, 2017 11:12:00 AM
Attachments:	IESO letter _Clean.docx OPG Letter - Clean.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15_Tracked.docx Regulations 12 May 2017.docx

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-----Original Message-----
From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: May 15, 2017 11:10 AM
To: Schlaepfer, Martin (ENERGY)
Subject: Materials

Hi - could you please flip me the pages on the table? Thank you!

Carolyn Calwell
416.212.8392

IESO letter _Clean.pdf

MEMO

Date:

To: Glenn Thibeault, Minister of Energy

Re: Fair Hydro Plan Impact on IESO Accounting Practices

The accounting opinion issued by KPMG to the Independent Electricity System Operator (IESO), entitled *An Accounting Opinion on the Application of PSAS to the Consolidation of a Trust and to the Recognition and Derecognition of a Variance Account in Relation to the Proposed Ontario Fair Hydro Plan Act, 2017* indicates that the accounting practices and structures proposed in the Fair Hydro Act, 2017 are consistent and compatible with the IESO's current financial accounting practices. As a result, the IESO can recognize a regulatory asset related to the variance account created by the proposed Act, and that the regulatory asset will no longer be included in IESO financial statements upon transfer of the variance account to the OPG special purpose vehicle (SPV) entity.

Based on the 11 indicators of control as defined in Section PS 1300 *Government Reporting Entity*, there is no evidence of control by the IESO for the OPG SPV entity either collectively or individually. The IESO will not have the power to govern the entity, nor have ongoing access to the entity's assets. The IESO will also not have any voting shares or future rights to the special purpose vehicle (SPV) entity nor the power to dissolve the entity. Without control, the entity is not subject to consolidation within the IESO financial statements.

The variance account created by the proposed legislation is subject to rate regulation by the Ontario Energy Board (OEB) and the variance account will be established with the right to collect funds against the variance amount in the future. In these circumstances, the IESO is able to establish a regulated asset, in accordance with Canadian public sector accounting standards.

Sincerely,

Bruce Campbell

[Title]

OPG Letter - Clean.pdf

MEMO

Date:

To: Glenn Thibeault, Minister of Energy

Re: Fair Hydro Plan Impact on OPG

The government introduced Ontario's Fair Hydro Plan in early March and the proposed Fair Hydro Act, 2017 in April. If passed, the proposed legislation would lower hydro bills by 25 per cent on average for all residential customers. The following describes the role the Ontario Power Generation (OPG) will play in financing the customer reductions envisioned in the proposed legislation and the impact on its accounting and business results.

As outlined in the proposed legislation, OPG will provide industry expertise and financial resources through its role in managing the refinancing of the Global Adjustment (GA) based on the following:

- Broad experience with Ontario's energy market system, regulatory environment and management of large monetary funds;
- Manages over $30 billion related to OPG pension and nuclear decommissioning funds, and has the capability for managing this program; and
- As Ontario's low cost generator the ability to accommodate customer hydro bill reductions is another way OPG can play a part in helping customers manage electricity costs.

As part of refinance of the GA, the OPG will need to create a "ring-fenced" special purpose vehicle (SPV) entity that will operate outside OPG's regular operations. The entity would refinance payments that underlie the 25 per cent bill reduction to consumers and spread recovery of these costs over a longer period of time, which would lower customer bills in the intervening period.

While the operation of the SPV entity will be distinct and separate from the generation business, OPG believes the legislation, in combination with the future regulations, will enable OPG to consolidate the operations of this entity. Through these regulations and other supporting documents, OPG would demonstrate control over the financing entity that is needed to support consolidation. OPG sought advice from its auditors, Ernst & Young, on this matter through a memorandum entitled *OPG Accounting Considerations of Ontario Fair Hydro*.

All documentation that outlines the roles of various parties including the Independent Electricity System Operation (IESO) and the Ontario Energy Board (OEB) will have to fit together to provide a complete picture. With the consolidation of OPG by the Province, the operations of Ontario's Fair Hydro Plan will be fully reflected in the Province's financial statements as Government Business Enterprise. Our auditors, Ernst & Young, have concurred with the company's assessment regarding consolidation of the entity with OPG.

Sincerely,

Jeff Lyash
President and Chief Executive Officer

OFHP Annotated Time Line_Final_May 15_3.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

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Consolidated - OFHP Matrix - Week of May 15_T_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

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2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

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4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

Item	Key Deliverables / Considerations	Timing / Next Steps
	agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc);	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 12 May 2017_1.pdf

May 12, 2017

Regulations	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 27
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 27
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 27
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 27

RE_ Materials.pdf

From: Schlaepfer, Martin (ENERGY)
To: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject: RE: Materials
Date: May 15, 2017 11:12:00 AM
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To: Glenn Thibeault, Minister of Energy

Re: Fair Hydro Plan Impact on IESO Accounting Practices

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• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

Item	Key Deliverables / Considerations	Timing / Next Steps
	agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc);	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 12 May 2017_2.pdf

May 12, 2017

Regulations	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 27
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 27
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 27
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 27

RE_ OFHP Matrix edits for tomorrow(1).pdf

From:	Christie, Tim (ENERGY)
To:	Cox, Hilary (ENERGY)
Cc:	Cayley, Daniel (ENERGY); DeSouza, Avril (ENERGY)
Subject:	RE: OFHP Matrix edits for tomorrow
Date:	March 31, 2017 11:26:42 AM
Attachments:	Consolidated - OFHP Matrix - April 3-ESP.docx

Hilary, here are our edits to the matrix.

From: Cox, Hilary (ENERGY)
Sent: March-30-17 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

Hi All –
Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

Consolidated - OFHP Matrix - April 3-ESP.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.~~429/04~~95/05) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May ~~15~~31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ <u>fall</u> 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

RE_ OFHP Matrix edits for tomorrow(2).pdf

From:	Johnson, Paul (ENERGY/MEDEI/MRI)
To:	Pau, Joseph (TBS)
Subject:	RE: OFHP Matrix edits for tomorrow
Date:	March 31, 2017 2:53:00 PM
Attachments:	Consolidated - OFHP Matrix - April 3 PJ.docx

Hi Joseph,

Here are my updates.

Paul

From: Pau, Joseph (MEDG/MRIS)
Sent: Friday, March 31, 2017 8:55 AM
To: Johnson, Paul (ENERGY/MEDEI/MRI)
Subject: FW: OFHP Matrix edits for tomorrow

Hi Paul,

Please let me know if there were any comments or edits and I will pass them along. Thanks!

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: March 30, 2017 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

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Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

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HC

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Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Letter/OPG Plan/~~Regulation (amend O.Reg.429/04)~~ • Shareholder ~~Declaration and~~ Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB ~~to consider contempt of legislature issue~~has drafted a letter for the Minister to send to LDCs re contempt of the Legislature. • ~~Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017~~Legislative walk-through and working group meetings Monday and Tuesday. Considerations • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1.	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
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• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

RE_ OFHP Matrix edits for tomorrow.pdf

From:	Cayley, Daniel (ENERGY)
To:	Christie, Tim (ENERGY)
Cc:	DeSouza, Avril (ENERGY)
Subject:	RE: OFHP Matrix edits for tomorrow
Date:	March 31, 2017 10:02:00 AM
Attachments:	Consolidated - OFHP Matrix - April 3-ESP.docx

Made some minor tweaks. Didn't incorporate much of the GA financing updates as it was mostly just status updates on items already noted.

Daniel

From: Christie, Tim (ENERGY)
Sent: March 31, 2017 9:36 AM
To: Cayley, Daniel (ENERGY)
Cc: DeSouza, Avril (ENERGY)
Subject: FW: OFHP Matrix edits for tomorrow

This is for today as well.

From: Cox, Hilary (ENERGY)
Sent: March-30-17 9:36 PM
To: Christie, Tim (ENERGY); Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: OFHP Matrix edits for tomorrow

Hi All –
Please add your items to the OFHP Matrix from this week's Action Items list (attached) as required. Please also delete any stale content that does not need to be noted to DMO and MO.

Request back by 3 pm tomorrow for consolidation and distribution to weekend package up the street.

HC

Consolidated - OFHP Matrix - April 3-ESP_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of ~~March 27, 2017~~April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • ~~Regulation (amend O.Reg.429/04)~~ • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger Recent Action Items **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) ~~by Spring 2017~~ • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC on May 1, 2017 (TBD) • ~~Report back to TB/MBC by Spring 2017~~ • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May ~~15~~31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • ~~Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute)~~ • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in ~~spring~~ <u>fall</u> 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

RE_ OFHP Tracking Documents(1).pdf

From:	Feather, Adam (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	RE: OFHP Tracking Documents
Date:	July 7, 2017 5:23:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of July 10.docx

Minor edit re MCSS and OESP. Attached.

I'll send ADM approval once I have it.

From: Cox, Hilary (ENERGY)
Sent: July-07-17 5:09 PM
To: Feather, Adam (ENERGY)
Subject: Fw: OFHP Tracking Documents

Anything from SNAP?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Syed, Usman (ENERGY) <Usman.Syed@ontario.ca>
Sent: Friday, July 7, 2017 5:05 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject: RE: OFHP Tracking Documents

Hi Steen – here are CRED edits to the Affordability Fund item, thanks…

- Usman

From: Hume, Steen (ENERGY)
Sent: July 7, 2017 9:52 AM
To: Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Syed, Usman (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: OFHP Tracking Documents

Good morning all. Next week we have a couple of meeting re OFHP. I've attached our usual tracking documents.

Can I ask that folks take a quick look at the attached and provide any edits for later this afternoon. And for the sake of ease, I prose we take a light touch in our reviews (it is summer after all).

Thanks everyone. Steen

Consolidated - OFHP Matrix - Week of July 10_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

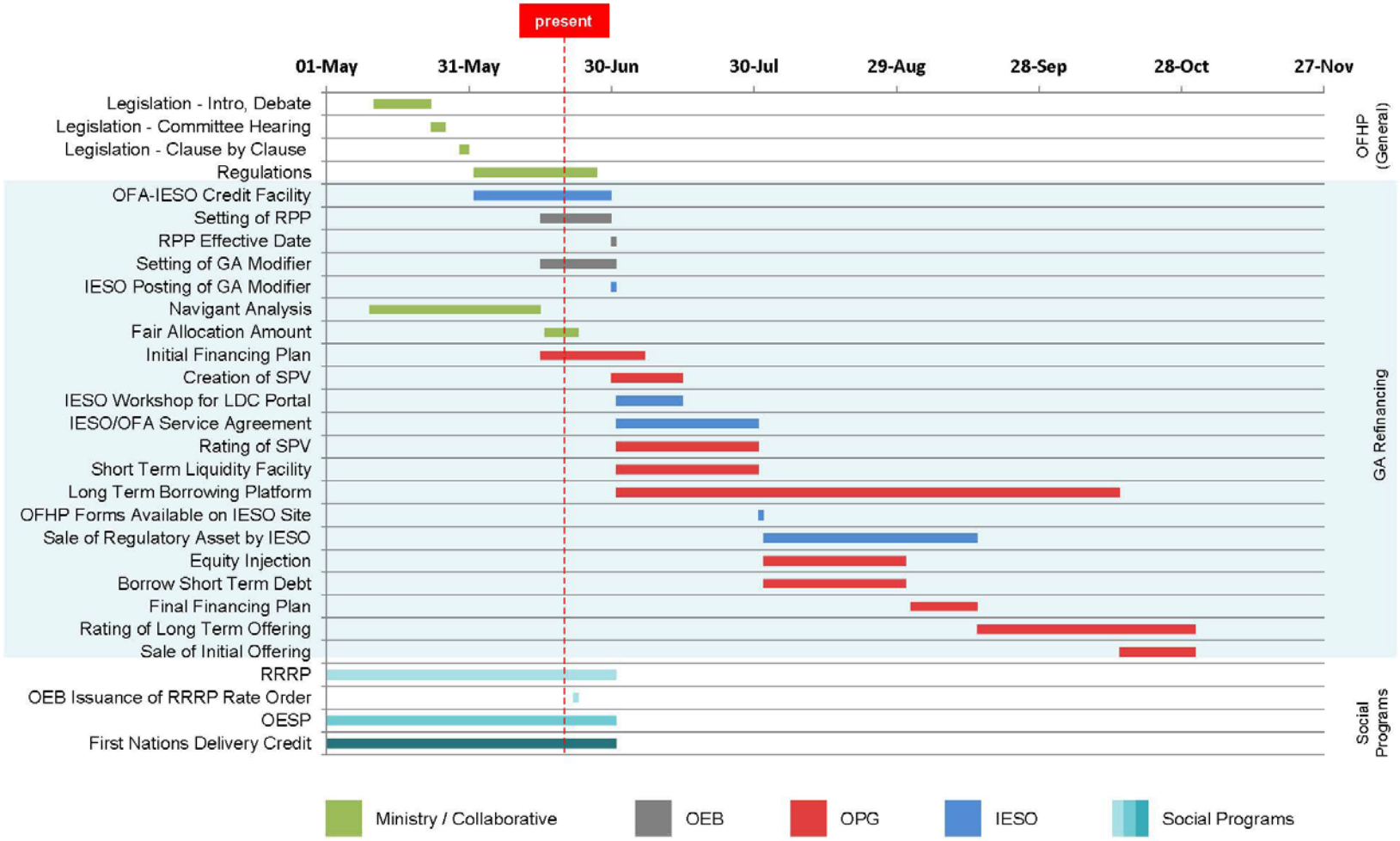
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	MCSS going to TB on July 26

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds

Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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RE_ OFHP Tracking Documents.pdf

From:	Syed, Usman (ENERGY)
To:	Hume, Steen (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF)
Cc:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Edwards, Matthew (ENERGY)
Subject:	RE: OFHP Tracking Documents
Date:	July 7, 2017 5:05:50 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 10 v4.docx 2017 06 22 Business Issues_July 10.docx

Hi Steen – here are CRED edits to the Affordability Fund item, thanks…

- Usman

From: Hume, Steen (ENERGY)
Sent: July 7, 2017 9:52 AM
To: Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Syed, Usman (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: OFHP Tracking Documents

Good morning all. Next week we have a couple of meeting re OFHP. I've attached our usual tracking documents.

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Thanks everyone. Steen

2017-07-07 Consolidated - OFHP Matrix - Week _24.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity.~~Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra)~~ • ~~ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to~~	~~**June** **July** **2017:**~~ • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • ~~Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets~~ **Summer 2017:** • LDCs begin to apply to the Trust for funds

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Item	Key Deliverables / Considerations	Timing / Next Steps
	~~invite a representative to participate on the Board. Response pending.~~ • ~~Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees~~ • ~~Formal written invitation being sent to final trustee who has agreed verbally~~ • ~~In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees.~~ Hydro One, in its administrative capacity, is ~~also~~ developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	Q2~~Fall~~ 2017-2018 ~~(TBC)~~: • 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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

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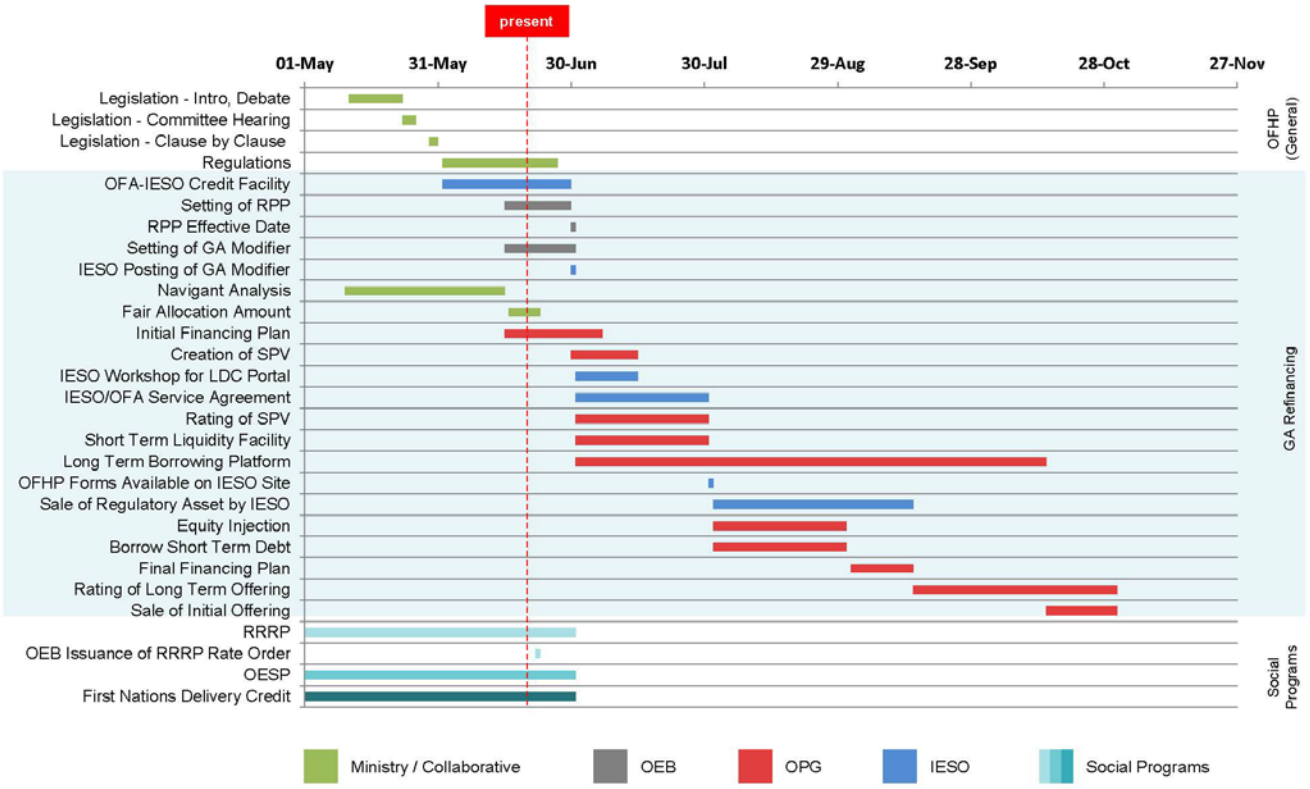
Item	Key Deliverables / Considerations	Timing / Next Steps
9) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u> • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 06 22 Business Issues_July 10_1.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

RE_ OFHP matrix update.pdf

From: Sermat-Harding, Kaili (ENERGY)
To: Thompson, Erin (ENERGY)
Cc: Kitchen, Matthew (ENERGY)
Subject: RE: OFHP matrix update
Date: May 26, 2017 1:59:00 PM
Attachments: Consolidated - OFHP Matrix - Week of May 23 Tracked ESPD SNAP CRED.docx

With edits. Please hold for now. Thx.

From: Thompson, Erin (ENERGY)
Sent: May-26-17 11:48 AM
To: Sermat-Harding, Kaili (ENERGY)
Cc: Kitchen, Matthew (ENERGY)
Subject: FW: OFHP matrix update

Hi Kaili – ESP has shared the OFHP matrix for updating. Is the advisory group still awaiting a response from the Advocacy Centre for Tenants Ontario? I've copied the A-Fund section below for convenience.

1) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~ The advisory group is awaiting response from Advocacy Centre for Tenants Ontario. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

From: Cox, Hilary (ENERGY)
Sent: May-26-17 11:33 AM
To: Feather, Adam (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Waddell, Colleen (MOF)
Subject: FW: OFHP matrix update

Hi Folks –
Please use the attached list of action items coming out of yesterday's OFHP group meeting to update attached OFHP matrix for use next week.

By EOD If at all possible please.

HC

Consolidated - OFHP Matrix - Week of May 23 T_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 23, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Draft motions to be shared early week of May 22. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • ~~OPG is finalizing E&Y's work~~ OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • ~~IESO to work with KPMG on IESO recovery mechanism~~ IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • ~~OAG request to IESO for emails has been expanded~~ • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
(SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs ~~• SNAP to collect billing implementation timeline estimates from LDCs~~ • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases ~~• New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline~~ ~~• Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible~~ • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff ~~• Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs.~~ ~~• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.~~ ~~• Work with LDCs to consider any bill messaging.~~	• Approval dates: o Cabinet June 14th ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ • Legislation / House dates: ~~o~~ Legislation introduction – ~~May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ ~~o Debate – Week of May 15, 2017~~ ~~o Committee/Public Hearings – Week of May 23, 2017~~ o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction –

Item	Key Deliverables / Considerations	Timing / Next Steps
	working to meet with COO to have preliminary discussion of the FNDC • ~~OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation~~ • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation Considerations • ~~On-reserve eligibility considerations require discussion with Chiefs of Ontario~~ • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~captured in legislation.~~ legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • ~~Work with LDCs to consider any bill messaging.~~	May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~ ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee ~~group~~ is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. ~~awaiting response from Advocacy Centre for Tenants Ontario~~. Response pending. • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board		

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Item	Key Deliverables / Considerations	Timing / Next Steps
and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on

Item	Key Deliverables / Considerations	Timing / Next Steps
		Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• ~~Preliminary discussion on April 19, 2017~~ IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment Recent Action Items • ~~MO to clarify bill presentment expectations with PO (~~Bill inserts will be ready for July 1 with bill redesign to occur in the Fall~~)~~ • ~~Ministry has developed deck on bill presentment with high level slides on legislation~~	• Initial discussion on March 31, 2017

RE_ OFHP matrix updates_.pdf

From:	Thompson, Erin (ENERGY)
To:	Cox, Hilary (ENERGY)
Cc:	Feather, Adam (ENERGY)
Subject:	RE: OFHP matrix updates?
Date:	April 13, 2017 2:29:00 PM
Attachments:	2017-04-13 Consolidated - OFHP Matrix - Week of April 18 v2.docx

Hilary:

CRED a/ADM approved additions – highlighted tracked changes p 6.

Matt

From: Cox, Hilary (ENERGY)
Sent: April-13-17 1:59 PM
To: Feather, Adam (ENERGY); Thompson, Erin (ENERGY)
Subject: OFHP matrix updates?

Hi Adam and Matt –
Any updates to your OFHP matrix entries?

HC

2017-04-13 Consolidated - OFHP Matrix - Week _1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees Considerations • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is scheduled for April 18, 2017. **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

RE_ Ontario Fair Hydro Plan Act - Briefing Pres...(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY)
Cc:	Calwell, Carolyn (ENERGY); Johnson, Paul (ENERGY); Reid, Michael (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
Subject:	RE: Ontario Fair Hydro Plan Act - Briefing Presentation_Clean
Date:	May 1, 2017 9:54:00 AM
Attachments:	Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

Thanks, Steen. Bringing copies would be great. Not sure if we'll use them for that meeting, but it will likely come up. Can you also please bring copies of the Timeline and Matrix (attached is the latest version without the highlights)?

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From: Hume, Steen (ENERGY)
Sent: May-01-17 9:47 AM
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Cc: Calwell, Carolyn (ENERGY/MEDEI/MRI); Johnson, Paul (ENERGY/MEDEI/MRI); Reid, Michael (ENERGY); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY)
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Propose that we use the attached version going forward.

Do you want us bring copies to the 11:45?

Thanks, Steen

Consolidated - OFHP Matrix - Week of May 1_9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
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3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

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• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

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6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

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• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
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	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_8.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

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To:	Hume, Steen (ENERGY)
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Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_9.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence - required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
    - Clause by Clause / Amendments
- Week of May 30, 2017 – Passage (TBD)
- June 2017 – LRC with Regulations

RE_ Rate Mitigation Implementation Action Items...(1).pdf

From:	Calwell, Carolyn (ENERGY/MEDEI/MRI)
To:	Hume, Steen (ENERGY); Katona, Keley (ENERGY)
Cc:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Subject:	RE: Rate Mitigation Implementation Action Items March 23-dc
Date:	March 23, 2017 12:56:36 PM
Attachments:	Rate Mitigation Implementation Action Items March 23 cc.docx

Some further edits.

From: Hume, Steen (ENERGY)
Sent: March-23-17 12:28 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Rate Mitigation Implementation Action Items March 23-dc

Hi. attached are edits to the action list.

Thanks, Steen

Rate Mitigation Implementation Action Items M_1.pdf

Action Items – March 23rd, 2017

1) GA Refinancing
    - AG briefing on April 19, 2017
    - Legislative Drafting
        - Legislation to be complete by April 17 , ~~first draft will be available for review / circulated next week~~drafting instructions are in circulation
        - OPG to undertake modelling on assets / determine whether rating agency risk to proposed structure
        - OPG / IESO to determine who will finance / hold the asset until it goes to the market
    - OPG Update
        - OPG / LSB continue to work on shareholder direction / resolution
        - OPG continues to work on indemnification of Board issue
        - OPG to embed OFA/ENERGY (as necessary) in their ongoing internal discussions
        - OPG, ENERGY and IESO to continue discussions around refining refinancing modelling
    - IESO Update
        - IESO to discuss LDC issues with OEB
        - IESO to work through legislation / accounting opinion
    - OEB Update
        - OEB decision this week on removing OESP from bill as of May 1st
        - OEB to work with ENERGY to finalize RPP comfort letter
2) Affordability Fund
    - No follow ups, except that everything is on track to be finalized for ~~next~~ this week
3) RRRP / OESP / FN Rate
    - OESP to continue to track to April 10th LRC
    - MOF continues to work with CRA on "wet signature"
    - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on what rate design mechanism is going forward
    - OEB needs separate letter from Minister on FN rate that acknowledges receipt of report
4) ICI
    - ICI to continue to track to April 10th LRC / materials being finalized
    - TPA being finalized with OCC / discussions ongoing with CME
    - ESP to continue to meet with MEDG / MOECC / MOL on broader issues for business
5) Other items
    - Ministry to begin work on bill presentment / add as agenda item for next week

RE_ Rate Mitigation Implementation Action Items...(2).pdf

From:	Reid, Michael (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI); Hume, Steen (ENERGY); Katona, Keley (ENERGY)
Cc:	Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Subject:	RE: Rate Mitigation Implementation Action Items March 23-dc
Date:	March 23, 2017 1:00:12 PM
Attachments:	Rate Mitigation Implementation Action Items March 23 ccmr.docx

Few additional tweaks…

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: Thursday, March 23, 2017 12:57 PM
To: Hume, Steen (ENERGY); Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Nelms, Scott (MOF)
Subject: RE: Rate Mitigation Implementation Action Items March 23-dc

Some further edits.

From: Hume, Steen (ENERGY)
Sent: March-23-17 12:28 PM
To: Katona, Keley (ENERGY)
Cc: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Subject: Rate Mitigation Implementation Action Items March 23-dc

Hi. attached are edits to the action list.

Thanks, Steen

Rate Mitigation Implementation Action Items M_2.pdf

Action Items – March 23rd, 2017

1) GA Refinancing
   - AG briefing on April 19, 2017
   - Legislative Drafting
     - Legislation to be complete by April 17 , ~~first draft will be available for review / circulated next week~~drafting instructions are in circulation
     - OPG to undertake modelling on assets / determine whether rating agency risk to proposed structure
     - OPG / IESO to determine who will finance / hold the asset until it goes to the market
   - OPG Update
     - OPG / LSB continue to work on shareholder direction / resolution
     - OPG continues to work on indemnification of Board issue
     - OPG to embed OFA/ENERGY (as necessary) in their ongoing internal discussions
     - OPG, ENERGY and IESO to continue discussions around refining refinancing modelling
   - IESO Update
     - IESO to discuss LDC issues with OEB
     - IESO to work through legislation / accounting opinion
   - OEB Update
     - OEB decision this week on removing OESP from bill as of May 1st
     - OEB to work with ENERGY to finalize RPP comfort letter
2) Affordability Fund
   - No follow ups, except that everything is on track to be finalized for ~~next~~ this week
3) RRRP / OESP / FN Rate
   - OESP reg to continue to track to April 10th LRC
   - MOF / OEB / ENE continues to work with CRA on "wet signature"
   - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation
   - ~~on what rate design mechanism is going forward~~
   - ~~OEB needs separate letter from Minister on FN rate that acknowledges receipt of report~~
4) ICI
   - ICI to continue to track to April 10th LRC / materials being finalized
   - TPA being finalized with OCC / discussions ongoing with CME
   - ESP to continue to meet with MEDG / MOECC / MOL on broader issues for business
5) Other items
   - Ministry to begin work on bill presentment / add as agenda item for next week

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RE_ Rate Mitigation Implementation Action Items....pdf

From:	Cayley, Daniel (ENERGY)
To:	Hume, Steen (ENERGY)
Cc:	Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject:	RE: Rate Mitigation Implementation Action Items March 23
Date:	March 23, 2017 12:04:48 PM
Attachments:	Rate Mitigation Implementation Action Items March 23-dc.docx

Steen – a few proposed items in the attached.

Daniel

From: Hume, Steen (ENERGY)
Sent: March 23, 2017 11:42 AM
To: Cayley, Daniel (ENERGY)
Cc: Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject: Rate Mitigation Implementation Action Items March 23

Hi. Anything to add?

Thanks

Rate Mitigation Implementation Action Items M_3.pdf

Action Items – March 23rd, 2017

1) GA Refinancing
    - AG briefing on April 19, 2017
    - Legislative Drafting
        - OPG to undertake modelling on assets / determine whether rating agency risk
        - OPG to determine who will finance / hold the asset until it goes to the market
        - Legislation to be complete by April 17th , first draft will be available for review / circulated next week
        - LRC/TB May 1, 2017
        - Cabinet May 3, 2017
        - Leg introduced May 4, 2017
    - OPG Update
        - OPG / LSB continue to work on shareholder direction / resolution
        - OPG continues to work on indemnification of Board issue
        - OPG to embed OFA/ENERGY (as necessary) in their ongoing internal discussions
        - OPG, ENERGY and IESO to continue discussions around refining refinancing modelling.
    - IESO Update
        - IESO to discuss LDC issues with OEB
        - IESO to work through legislation / opinion
    - OEB Update
        - Board decision this week on removing OESP from bill as of May 1.
        - OEB to work with ENERGY to finalize RPP comfort letter
2) Affordability Fund
    - No real follow ups except that everything is on track to be finalized for next week
3) RRRP / OESP / FN Rate
    - OESP to continue to track to April 10 LRC
    - MOF continues to work with CRA on wet signature
    - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on what rate design mechanism is going forward
    - OEB needs separate letter from Minister on FN rate that acknowledges receipt of report
4) ICI
    - ICI to continue to track to April 10 LRC / materials being finalized
    - TPA being finalized with OCC / discussions ongoing with CME
    - ESP to continue to meet with MEDG / MOECC / MOL on broader issues for business
5) Other items
    - Ministry to begin work on bill presentment / add as agenda item for next week

RE_ Rate Mitigation Implementation Meeting - Ap....pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - April 6, 2017
Date:	April 6, 2017 6:24:58 PM
Attachments:	Action Items - April 6.docx

Attached are the action items from today's meeting.

From: Katona, Keley (ENERGY)
Sent: April-05-17 5:10 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - April 6, 2017

Good evening,

Please find attached material for tomorrow's meeting.

Keley

Action Items - April 6.pdf

Action Items – April 6, 2017

Global Adjustment Refinancing

- Legislation pens down April 21 for May 4 introduction
- OPG / IESO / Blakes to provide feedback on document that will provide instructions to Leg Counsel today
- MOs/PO meeting on Friday
- OPG providing shareholder resolution to OPG Board committee tomorrow and will be provided to Ministry following that
- OEB working with Ministry to finalize comfort letter

Affordability Fund

- Briefing of Advisory Committee scheduled for April 7

RRRP, OESP , FN Rate

- SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each
- SNAP working with MOF / CRA on waiving wet signature

ICI

- ESP / Comms continue to work with chamber of commerce / CME on outreach campaigns to business communities

Bill Presentment

- MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)

Other Items

- AG meeting on April 19 will walk through a technical briefing deck (OFA / ENERGY / MOF / TBS to attend)

RE_ Rate Mitigation Implementation Meeting - Au....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS); Katona, Keley (MOF)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Smith, Mike (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - August 10, 2017
Date:	August 10, 2017 6:49:00 PM
Attachments:	Action Items_Aug 10_Final.docx

Hi everyone,

Attached are the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: August 9, 2017 8:19 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); 'David Barrett'
Subject: Rate Mitigation Implementation Meeting - August 10, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_Aug 10_Final_2.pdf

Action Items – August 10, 2017

1) GA Refinancing
    - o General Update (OPG / IESO)
        - OPG will go to its Board with OFHP financing plan following direction from the August 16th meeting
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG, TB/OPCD, MOF, OFA and ENEGY had a discussion on proposed approach on August 10th. Additional accounting review is required on proposed approach
        - Note: Initial focus on OPG finiancing will be focused on the Canadian market

2) August 16th Meeting (Provincial Guarantee (PG) Update)
    - OFA will develop proposal summary on the PG for the August 16th meeting
    - TB submission on the PG will track to TB/Cabinet on September 12th/13th. TBS indicated that it would also like the submission to provide a general status update on OFHP

3) AG Update
    - On July 25th, IESO had a special Board meeting on the OFHP that the AG attended

4) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)
        - Trustees have a call on August 11th

RE_ Rate Mitigation Implementation Meeting - Ju...(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	RE: Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 7, 2017 8:01:51 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 8.docx Consolidated - OFHP Matrix - Week of June 5 Clean (3).docx Submission to the Standing Committee on Justice Policy.pdf Regulations 6 June 2017.docx 2017 06 07 Outstanding Business Issues Ontario Fair Hydro Plan - v05.docx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__51.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 8, 2017

Agenda

1) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (IGS)

2) AG
    - Requests (All)
    - Standing Committee

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 5 C_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5 • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes	• Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry to meet with MCSS regarding taking over OESP administration
	• Ministry received final legislation, which includes information sharing provision with MCSS
	
	<u>Considerations</u>
	• Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise.
	• Positive progress with OEB on implementation:
	  o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts;
	  o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place.
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	

4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC	• Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

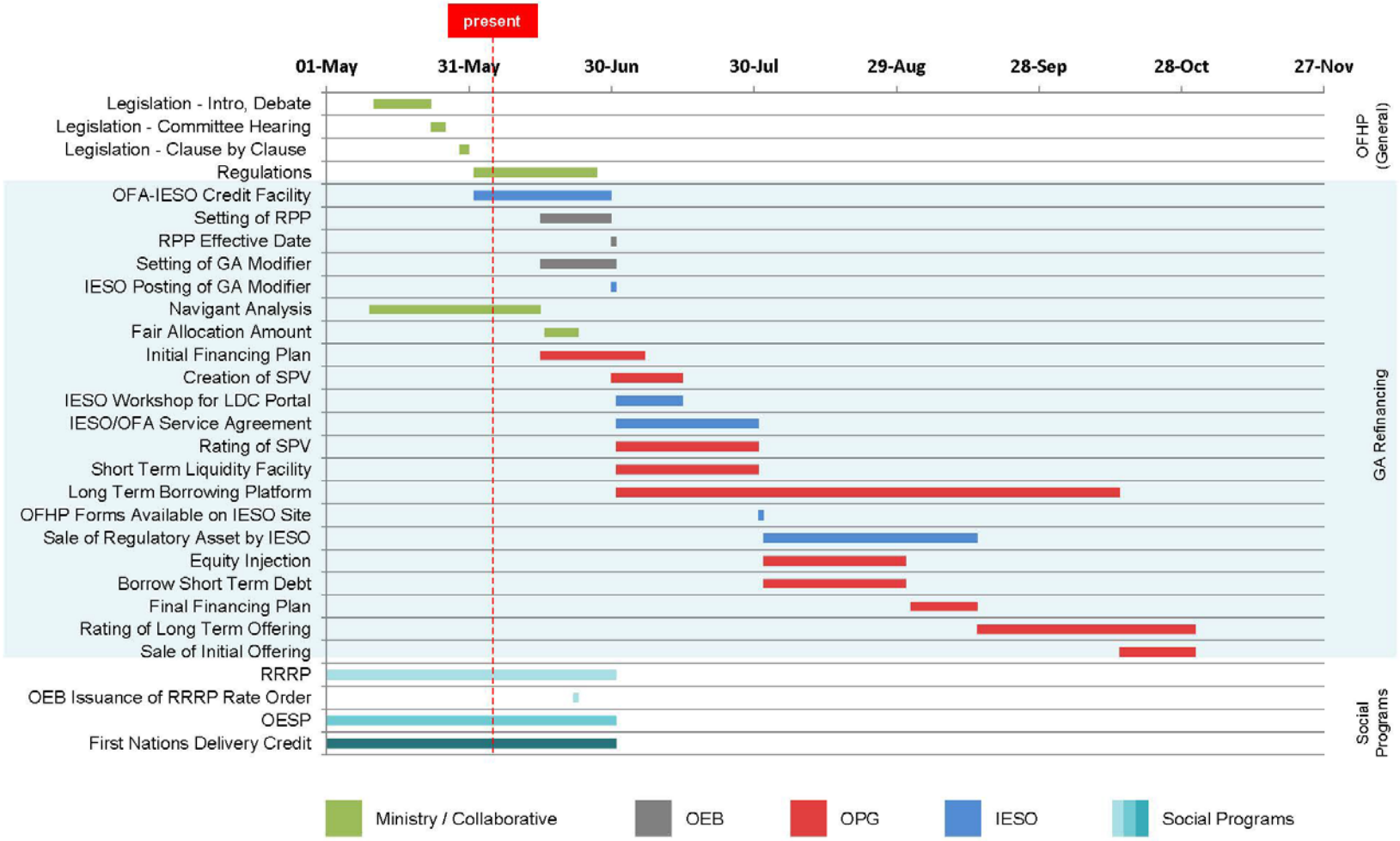
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Submission to the Standing Committee on Justic_2.stub.pdf

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Regulations 6 June 2017_2.pdf

Updated: June 6, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	Now tracking to June 27
• RRRP expansion to R2	In progress
• Distribution Rate Protection	Ready
• First Nation Rate Distribution	Ready
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	Ready
GA Refinancing	
• Part II Reg.	In progress
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	No longer required
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	Ready
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	COMPLETED
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	Ready
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	Ready

2017 06 07 Outstanding Business Issues Ontar_2.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

The following provides an overview of outstanding business issues that OPG and Ministry of Finance, in coordination with Energy are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments
   - **Next Steps:**
     - Province will provide comments back to OPG on the draft term sheet, anticipated next week
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
       Timing: A call with tax policy, OPG and Torys is set for early next week

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT
    - **Next Steps:**
        - Finalize a draft term sheet
        - to serve as the basis for the Master Subscription Agreement between OPG/ENE and OFA
        - OFA and ENE to develop Service Level Agreement for monthly cash management services
        - Amendment to OPG articles required to facilitate issuance of new class of shares
        - Timing: OPG will require the ability to issue equity in August, so mechanics and agreements should be finalized in July

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - There are two components to the management fee model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes
        - Performance fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount
    - **Next Steps:**
        - OEB to provide comments on OPG's proposed framework.
        - Draft regulations enabling this fee structure in development in parallel
        - Timing: For incorporation into the June 27th regulations

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt
    - Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
    - OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
    - **Next Steps:**
        - OPG and OFA will bring forward a recommended framework for determining interest rates
        - Timing: TBD

6. **IESO – Increased OFA Credit Facilities**
    - THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs
    - There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for
    - In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it
    - IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
    - **Next Steps:**
        - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility
        - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. **OPG Indemnity**
    - OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing
    - Indemnification will need to ensure separation between the Province and OPG is maintained

- **Next Steps:**
    - Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing
    - Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
    - Timing: If an OIC is required this would be included in the June 27th, 2017 submission in order for July 1 implementation

RE_ Rate Mitigation Implementation Meeting - Ju...(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Subject:	RE: Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 8, 2017 7:01:00 PM
Attachments:	Action Items_June 8.docx

Hi everyone,

Attached are the action items from today's meeting.

Thanks,
Martin

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Sent: June 7, 2017 8:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
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Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 8_1_1.pdf

Action Items – June 8

1) GA Refinancing
    - Ministry tracking 8 regs for next week
    - Ministry moved OESP reg to June 27
        - Ministry continues to work with MCSS on OESP automatic enrolment, which is tracking for Sept at the earliest
    - Ministry continues to work on general reg and requires input from OPG, IESO and OEB to ensure they have what they need
    - TBS would like a road map to facilitate the presentation at TB
    - OPG to provide language to Ministry for regulation drafting
    - OPG to draft a deck for Minister's OFHP implementation briefing with input from IGSs
    - IESO expecting AG coming to their Board on June 14
    - IESO is working with KPMG to review the interest cost coming back to IESO from OPG during moratorium period
    - OEB drafting supplementary report to go out with revised pricing on June 22
        - OEB to consider announcing pricing earlier in the day rather than afternoon
    - OEB refining answer and key messages to how HydroOne rate application impacts OFHP and will share with Ministry
    - Ministry/OFA to provide comments back to OPG on Provincial Support Agreement Term Sheet by next week
    - MOF, not TBS, to provide S. 28 approval
    - OPG/IESO to confirm timing of when they need Board indemnities (potentially required before IESO Board meeting on the 14th of June)
    - MOF/TBS to look into whether appropriation from TB is required to facilitate the S.28 approval
    - Ministry reviewing CEB/DRC comparison document and will provide comments next week.

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working with Chiefs on First Nations Delivery credit with Chiefs expecting to table and pass a resolution next week on who receives credit
    - Affordability Fund:
        - Formal written invitation being sent to final trustee who has agreed verbally

RE_ Rate Mitigation Implementation Meeting - Ju...(3).pdf

From: Hume, Steen (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017
Date: June 9, 2017 5:28:13 PM

Hi. We might want to talk about the TB / LRC submissions and the regulations. I suspect edits will come in over the weekend.

I might also have an updated Matrix. And finally, the Minister's briefing on Tuesday.

A few things. Steen

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Do we have anything else we can table on Monday?

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Before we fill it out, we might want to talk to the DM and COS on Monday about it.

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Subject: FW: Rate Mitigation Implementation Meeting - June 8, 2017

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Cc: Hosick, Sarah (TBS)
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Cc:	Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Reid, Michael (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 9, 2017 5:32:04 PM

Great. That sounds like a packed agenda.

I've shared the TB / LRC submissions and regulations with the MO, so I suspect we'll hear from Andrew over the weekend.

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Sent: June 9, 2017 5:28 PM
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From: Schlaepfer, Martin (ENERGY)
Sent: June 7, 2017 8:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: RE: Rate Mitigation Implementation Meeting - June 8, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

RE_ Rate Mitigation Implementation Meeting - Ju...(5).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS); Evans, Karen (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	RE: Rate Mitigation Implementation Meeting - June 22, 2017
Date:	June 23, 2017 10:33:00 AM
Attachments:	Action Items_June 22.docx

Hi everyone,

Attached are the action items from yesterday's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: June 21, 2017 8:39 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - June 22, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 22_3.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – Communication product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Next turn going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs

    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back
        - OPG legal agreements in progress
            - OPG to provide a detailed list of legal agreements to Ministry
        - OEB releasing RPP prices June 22, 2017 / Noon, as well as RRRP amounts

    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief its Minister on Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with equity injection process, but OFA would coordinate on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG
        - AG to provide opinion on August 18, 2017
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to its Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review

RE_ Rate Mitigation Implementation Meeting - Ju...(6).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	RE: Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 28, 2017 3:06:00 PM
Attachments:	Action Items_July 27.docx

Hi everyone,

Attached are the Action Items from yesterday's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: July 26, 2017 9:22 AM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject: Rate Mitigation Implementation Meeting - July 27, 2017

Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_July 27_6.pdf

Action Items – July 27, 2017

1) GA Refinancing
    - General Update (OPG / IESO)
        - OPG continues to work with the rating agencies. OPG working to finalize this work by end of September
        - OPG, IESO and ENERGY to work through an approach to address interest payments during the moratorium period
        - ENERGY working through the details related to the Minister's Fair Allocation Amount
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
        - OPG to set up meeting with OFA and IGS to discuss dealers questions on the guarantee
        - OPG would like to settle on an approach to the guarantee by early August to begin the rating process, pending final approval at a later date
            - ENERGY and OFA to bring this forward a proposed approach to CO/PO on August 16, with a TB meeting / approval to follow
    - Business Item (OPG/IGS)
        - MOF/Tax Policy is working on confort letter regarding PILs for OPG
        - ENERGY legal and OFA legal continues to work on process for the equity injection

2) AG Update
    - 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 dealine 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

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - Ministry working on post card for FN delivery credit
    - Affordability Fund (CRED)
        - Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1

- 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

RE_ Rate Mitigation Implementation Meeting - Ju....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Campbell, Bruce (bruce.campbell@ieso.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - June 1, 2017
Date:	June 1, 2017 7:55:02 PM
Attachments:	Action Items_June 1.docx

Please find attached the action items from today's meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 31, 2017 7:03 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 1, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_June 1_9.pdf

Action Items – June 1

1) GA Refinancing
    - Energy to share draft regulations with TBS and others once received from leg council (aiming for early next week)
    - TBS to follow-up with Energy on TB Report Back expectations and timelines
    - IGS to follow-up with MOF/Tax Policy on indirect taxes implication
    - Agencies (OPG/IESO/OEB) to develop and circulate more detailed work plans, as required. OEB provided a detailed work plan that outlined timeline and work deliverables to be finalized by June 22
    - OFA circulated a document comparing of Clean Energy Adjustment to the Debt Retirement Charge (DRC), which when finalized would be shared with AG
        - Energy to review and provide comments early next week
    - IESO provided AG with all requested documents yesterday. OEB has AG request due June 2. OFA is also working on AG request. AG is meeting with IESO Board on June 14, KPMG will attend
        - TBS to follow-up on whether AG met with large audit firms and outcome
        - Energy to include standing item on future agendas regarding AG matters

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - No substantive update
    - Affordability Fund:
        - Advisory Committee working to confirm remaining social service agency representative required for the Board of Trustees

RE_ Rate Mitigation Implementation Meeting - Ma...(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - May 4, 2017
Date:	May 4, 2017 8:33:00 PM
Attachments:	Action Items - May 4.docx

Please find attached action items from today's meeting.

From: Schlaepfer, Martin (ENERGY)
Sent: May-03-17 6:43 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); 'jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); LEE John -TREASURY
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; 'sarah.branco@ontarioenergyboard.ca'; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 4, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items - May 4_3.pdf

Action Items – May 4

1) GA Refinancing
    - Leg Counsel finalizing legislation
    - LSB working on:
        - Committee motions
        - Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation
        - Indemnities for OPG and IESO Board members to be in place around Royal Assent
    - Ministry working on approval documents for Minister signature for end of week:
        - LRC / Cabinet Submission on OFH Legislation
        - TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
        - Ministry to share drafts by end of week
    - OPG and IESO's independent accounting work is complete:
        - OPG is finalizing E&Y's work
        - IESO has finalized KPMG's work
        - Agencies are each working a one page summary that could be released publically
    - OPG to meet with OAG next Thursday (TBC); OAG request to IESO for emails has been expanded
    - OPG on track with Board meeting on May 12 to approve recommendation
    - OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry received final legislation, which includes information sharing provision with MCSS
        - Ministry working with LDCs to finalize program design
    - Affordability Fund:
        - Advisory group reaching out to social agencies
    - ICI:
        - Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting)
        - Ministry discussing with CME ongoing

3) Other Items
    - OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations
    - Regulation tracking for direct to Cabinet on June 14th (TBC)
    - Ministry to follow up with stakeholder on rate cap

RE_ Rate Mitigation Implementation Meeting - Ma...(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Christie, Tim (ENERGY); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Campbell, Bruce (bruce.campbell@ieso.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - May 18, 2017
Date:	May 18, 2017 6:53:50 PM
Attachments:	Action Items_May 18.docx

Please find attached action items from today's meeting.

From: Schlaepfer, Martin (ENERGY)
Sent: May 17, 2017 7:09 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 18, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_May 18_7.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

RE_ Rate Mitigation Implementation Meeting - Ma...(3).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Christie, Tim (ENERGY); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Campbell, Bruce (bruce.campbell@ieso.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject:	RE: Rate Mitigation Implementation Meeting - May 25, 2017
Date:	May 25, 2017 6:34:00 PM
Attachments:	Action Items_May 25.docx

Hi everyone,

Please find attached the action items from today's meeting. For any items that require providing materials for next week's meeting, please send them to me in advance by end of day Tuesday. I will ensure hard copies are available at the meeting.

For next week it would be helpful to receive materials for the following items:

- Critical paths from OPG, IESO and OEB
- OFA's comparison of the Clean Energy Adjustment with the DRC
- Draft Provincial Guarantees for the dealers from OPG

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 24, 2017 6:02 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 25, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Action Items_May 25_4.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to work with OPG/OEB/ISEO on regulations
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - OPG, IESO, OEB to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee reaching out to another social services agency candidate

RE_ Rate Mitigation Implementation Meeting - Ma...(4).pdf

From: Schlaepfer, Martin (ENERGY)
To: Cox, Hilary (ENERGY)
Subject: RE: Rate Mitigation Implementation Meeting - May 25, 2017
Date: June 16, 2017 2:43:00 PM

Yes, please share.

Thanks,
Martin

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: June 16, 2017 2:36 PM
To: Schlaepfer, Martin (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Hey Martin -
Were our edits/comments in attached comparison b/w CEA and DRC approved to send back to Cindy/Ron to share with AG?

HC

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: June 8, 2017 11:56 AM
To: Schlaepfer, Martin (ENERGY)
Subject: FW: Rate Mitigation Implementation Meeting - May 25, 2017

Hi Martin -
Attached are ESPD and LSB edits to the Clean Energy Adjustment vs. DRC comparison chart tabled by OFA to be shared with the AG by Ron/Cindy - as below.

HC

Good morning all. Hope folks had a good weekend.

At last week's OFHP implementation meeting, OFA/Ron tabled the attached. It's a comparison between Clean Energy Adjustment and DRC. Ron/Cindy are planning to share with AG as some point. One of the action items coming out of last week's meeting was for ENERGY to review / fact check the Clean Energy Adjustment content for this week.

Could I ask that folks review and pass on along edits/comments on the OFA doc to Hilary for mid-week.

Thank you, Steen

RE_ Rate Mitigation Implementation Meeting - Ma....pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); Greenberg, Martha (CAB)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; catriona.king@opg.com; Neil Brodie; Turnevicius, Lorraine; "Sarah Branco"
Subject:	RE: Rate Mitigation Implementation Meeting - March 15, 2017
Date:	March 15, 2017 3:05:51 PM
Attachments:	Action Items_March 15.docx

Good afternoon,

Further to this morning's meeting, attached are the follow ups and next steps. These will be tabled for discussion at next week's meeting.

Keley

From: Katona, Keley (ENERGY)
Sent: March-14-17 3:47 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'catriona.king@opg.com'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Sarah Branco'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Turnevicius, Lorraine'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB)
Subject: Rate Mitigation Implementation Meeting - March 15, 2017

Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Action Items_March 15_3.pdf

Rate Mitigation Implementation Follow Ups / Next Steps: Wednesday March 15, 2017

1) **GA Financing**

a) OPG
   a. OPG to continue to work with lead banks / rating agencies / OFA on financing issues
   b. OPG to confirm accounting if OFA were to act as lead on borrowing
   c. ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
   d. OPG special Board committee to meet on March 17, 2017
   e. OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board members

b) IESO
   a. IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
   b. IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available

c) OEB
   a. OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP
   b. OEB to draft RPP communique to be released publicly by April 20, 2017
   c. OEB to issue OESP orders in early April

d) Legislative drafting
   a. LSB / Blakes will continue to work through legislative drafting issues
   b. LSB to consider contempt of legislature issue

2) **Affordability Fund**

   a. Blakes to review draft TPA and Trust deed
   b. Tracking to have TPA / other documents finalized by end of next week
   c. CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation

3) RRRP / OESP / FN

a. SNAP to continue to work through OESP automatic qualification with MCSS / OEB
b. SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF
c. SNAP to convene first RRRP sub-committee meeting next week
d. SNAP to continue to monitor rate hearings for RRRP LDCs
e. SNAP to move forward with including COO in FN rate implementation / work through implementation issues

4) ICI

a. ESP working to finalize materials for LRC on April 11, 2017
b. Communications to finalize TPA with OCC / ESP to consider providing support to CME
c. ESP to work with other ministries regarding other measures that can be considered for SMEs
d. ESP to consider implications of dropping below 500kw threshold due to investments in conservation

5) Other items

a. ENERGY to participate in briefing of OAGO

RE_ Rate Mitigation Implementation Weekly Meeting (1).pdf

From: Sermat-Harding, Kaili (ENERGY)
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting
Date: March 14, 2017 2:38:47 PM

Yes, that is correct for the Affordability Fund subcommittee (we've had several conference calls).

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: March-14-17 2:37 PM
To: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting

Hi. See below Can I say that the following subcommittees / working group have met since last week:

> Social Programs (including OEB)
> Affordability Fund
> LDC Working Group

Thanks,

-----Original Message-----
From: Katona, Keley (ENERGY)
Sent: March-14-17 2:27 PM
To: Hume, Steen (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting

Do you know which ones specifically have met?

-----Original Message-----
From: Imbrogno, Serge (ENERGY)
Sent: March-14-17 2:18 PM
To: Katona, Keley (ENERGY)
Subject: Re: Rate Mitigation Implementation Weekly Meeting

Hi. Did the subcommittees meet?

Sent from my iPad

> On Mar 14, 2017, at 1:33 PM, Katona, Keley (ENERGY) <Keley.Katona@ontario.ca> wrote:
>
> Hi Deputy,
> Attached is an agenda for tomorrow's WG meeting as well as an updated matrix. Blakes is working on something with LSB that they may be able to walk in to the meeting. Ok to share attached with MO?
> Thanks,
> Keley
> <Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx>
> <Consolidated - OFHP Matrix -Week March 13.docx>

RE_ Rate Mitigation Implementation Weekly Meeting (2).pdf

From: Feather, Adam (ENERGY)
To: Cox, Hilary (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting
Date: March 14, 2017 8:14:00 PM

Thanks, I appreciate it!

-----Original Message-----
From: Cox, Hilary (ENERGY)
Sent: March 14, 2017 8:12 PM
To: Feather, Adam (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting

From: Hume, Steen (ENERGY)
Sent: Tuesday, March 14, 2017 1:03 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Implementation Weekly Meeting

Hi Keley: attached a is draft agenda and our OFHP matrix (updated for this week; updates are highlighted in yellow).

Give me a call when you have a moment. Steen

RE_ Rate Mitigation Implementation Weekly Meeting .pdf

From: Hume, Steen (ENERGY)
To: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting
Date: March 14, 2017 2:36:44 PM

Hi. See below Can I say that the following subcommittees / working group have met since last week:

> Social Programs (including OEB)
> Affordability Fund
> LDC Working Group

Thanks,

-----Original Message-----
From: Katona, Keley (ENERGY)
Sent: March-14-17 2:27 PM
To: Hume, Steen (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting

Do you know which ones specifically have met?

-----Original Message-----
From: Imbrogno, Serge (ENERGY)
Sent: March-14-17 2:18 PM
To: Katona, Keley (ENERGY)
Subject: Re: Rate Mitigation Implementation Weekly Meeting

Hi. Did the subcommittees meet?

Sent from my iPad

> On Mar 14, 2017, at 1:33 PM, Katona, Keley (ENERGY) <Keley.Katona@ontario.ca> wrote:
>
> Hi Deputy,
> Attached is an agenda for tomorrow's WG meeting as well as an updated matrix. Blakes is working on something with LSB that they may be able to walk in to the meeting. Ok to share attached with MO?
> Thanks,
> Keley
> <Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx>
> <Consolidated - OFHP Matrix -Week March 13.docx>

RE_ Rate Mitigation Implementation meeting mate....pdf

From:	Christie, Tim (ENERGY)
To:	Calwell, Carolyn (ENERGY/MEDEI/MRI); Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	RE: Rate Mitigation Implementation meeting materials for tomorrow
Date:	May 17, 2017 4:42:26 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx

And an updated agenda is attached.

Tim

From: Calwell, Carolyn (ENERGY/MEDEI/MRI)
Sent: May-17-17 3:49 PM
To: Schlaepfer, Martin (ENERGY); Christie, Tim (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: RE: Rate Mitigation Implementation meeting materials for tomorrow

Thanks, Martin. Here is an updated regulations chart. (I think the DM also wanted this for a discussion with the SoC.) I will get you the motions chart by EOD.

From: Schlaepfer, Martin (ENERGY)
Sent: May-17-17 2:55 PM
To: Christie, Tim (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Implementation meeting materials for tomorrow

Hi Tim and Carolyn,

I just wanted to touch base on the materials for tomorrow's Rate Mitigation Implementation meeting. I have attached the materials used for Monday's meeting and I would propose that we use these in addition to an agenda and the plain language description of the legislative amendments. I will remove the highlights, please let me know if these need to be updated further.

Carolyn, I know you're still tracking to share the plain language description of the legislative amendments for EOD today.

Tim, can you prepare an agenda?

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__52.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 18, 2017

Agenda

1) GA Refinancing
    - Legislation process/amendments (LSB)
    - Regulation drafting (LSB)
    - Creation of SPV (OPG)
    - Rating agency process (OPG)
    - Transaction steps memo (OPG)
    - Line of Credit (IESO)
    - Accounting letters/opinions (IESO/OPG)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

RE_ Rate mitigation meeting Monday.pdf

From: Schlaepfer, Martin (ENERGY)
To: Imbrogno, Serge (ENERGY)
Subject: RE: Rate mitigation meeting Monday
Date: May 29, 2017 10:46:00 AM
Attachments: Consolidated - OFHP Matrix - Week of May 29 Tracked ESPD SNAP CRED.DOCX
OFHP Work Plan.pptx

Hi Deputy,

ESP has just shared the attached materials for the 11am meeting this morning, including an updated OFHP Matrix and Workplan. I have added these to your Day Binder, but I just wanted to give you the heads up given the last minute nature of sending.

ESP will bring hard copies to the meeting.

Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: May 28, 2017 9:37 AM
To: Imbrogno, Serge (ENERGY)
Subject: Rate mitigation meeting Monday

Hi Deputy,

As I mentioned earlier, legal would like to put on the agenda for Monday the indemnity to OPG's board. They are making some significant asks that would depart from regular commercial and government practice and legal thinks we should discuss them. Attached is a briefing note that outlines the issue.

There is also an issue with the s. 28 approval, as TBS and MOF can't seem to decide who should provide the approval between themselves.

This is the only topic and material for Monday's meeting.

OK to share with MO?

Thanks,
Martin

Consolidated - OFHP Matrix - Week of May 29 T_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 29, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions – Ministry working on motions. Ministry to finalize motions by noon May 29 to deliver to Clerks by 6 pm. o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) • Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting • OFA to have comparison of Clean Energy Adjustment to DRC (ready by end of week) • TBS to connect with OFA to determine if it ready to share with IESO **TBS, LRC and Cabinet:**	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry working on approval documents for Minister signature for end of week:
	  o LRC / Cabinet Submission on OFH Legislation
	  o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs
	  o TBS to draft a chart with report backs
	  o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
	  o Ministry to share drafts by end of week
	• Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June
	• OPG and IESO's independent accounting work is complete:
	• OPG memo and E&Y accounting opinion has been delivered to Ministry
	• IESO has finalized KPMG's work
	• Agencies are each working a one page summary that could be released publically
	• OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
	• Indemnities for Boards are tracking forward to be in place when legislation comes into force
	• Guarantees for dealers are still being explored and to be done in conjunction with rating process
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing
	• OPG to confirm accounting if OFA were to act as lead order on borrowing
	• OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:**	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u>	• Approval dates:

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u>	• Approval dates: o TB – May 9 2017; and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust (“Trust Deed”) • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB,

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ~~Hydro One to prepare letters that will go out to social service agencies~~ ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. . Response pending. • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	<u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be

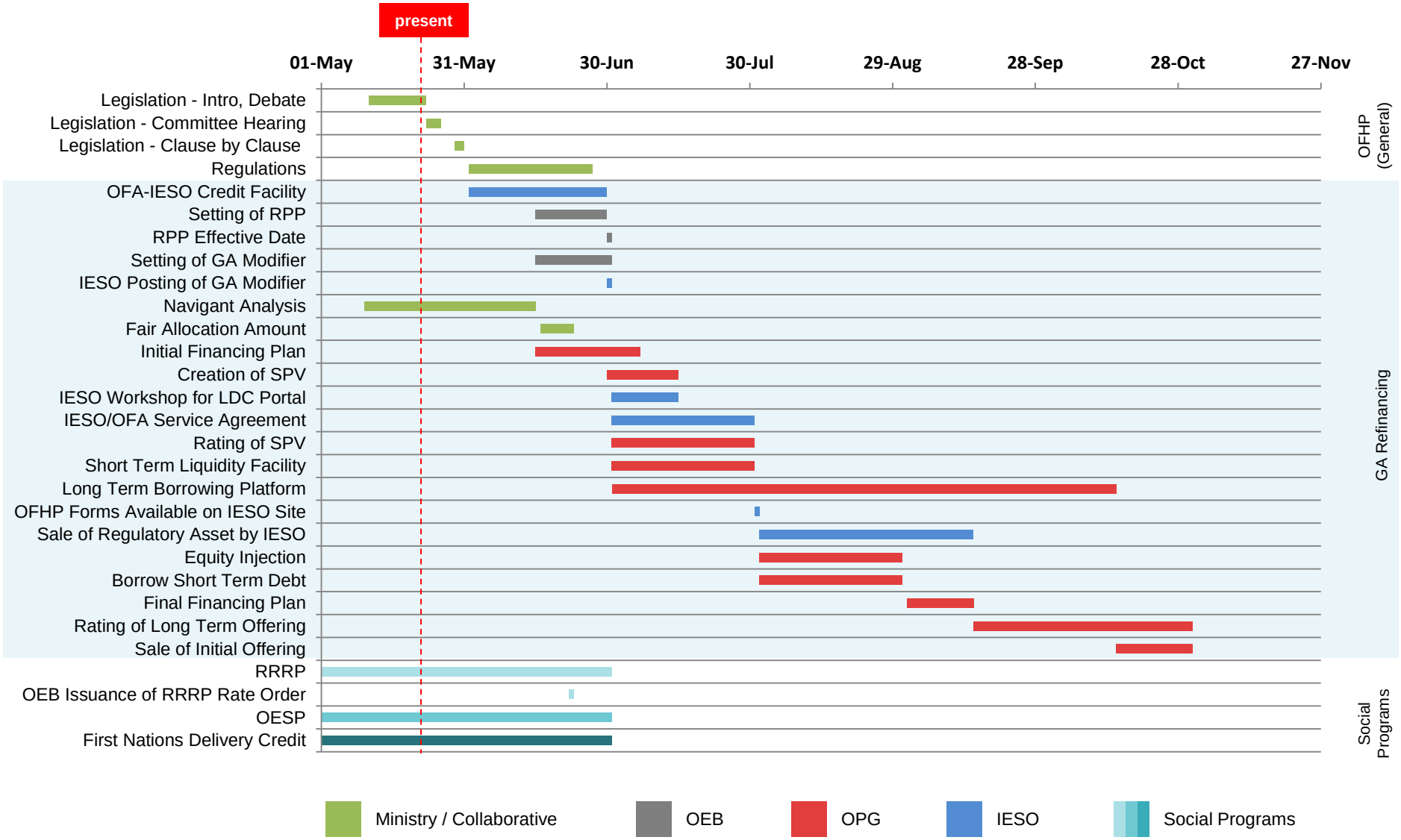
Item	Key Deliverables / Considerations	Timing / Next Steps
		released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies)	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

OFHP Work Plan_3.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

RE_ Requested by 3 pm - Consolidated - OFHP Mat...(1).pdf

From:	Schwab-Pflug, Emma (ENERGY)
To:	Thompson, Erin (ENERGY)
Cc:	Qureshi, Musab (ENERGY)
Subject:	RE: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 11:18:52 AM
Attachments:	2017-04-13 Consolidated - OFHP Matrix - Week of April 18 v2.docx

Matt, here are our updates (highlighted yellow):

Thanks,
Emma

From: Thompson, Erin (ENERGY)
Sent: April-13-17 8:58 AM
To: Syed, Usman (ENERGY)
Cc: Schwab-Pflug, Emma (ENERGY)
Subject: Fw: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Emma

Please update the attached matrix as necessary.

Due 2pm

(sorry if there is nothing for us, I am on BlackBerry so haven't opened the doc)

From: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Sent: Thursday, April 13, 2017 8:52 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

2017-04-13 Consolidated - OFHP Matrix - Week _2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is scheduled for April 18, 2017. **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

RE_ Requested by 3 pm - Consolidated - OFHP Mat....pdf

From:	Pau, Joseph (MEDG/MRIS)
To:	Cox, Hilary (ENERGY); Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF)
Subject:	RE: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)
Date:	April 13, 2017 11:04:20 AM
Attachments:	Consolidated - OFHP Matrix - Week of April 18 - LSB Edits.docx

Hi Hilary,

Please see the attached for edits from Legal.

Thanks,

Joseph Pau

From: Cox, Hilary (ENERGY)
Sent: April 13, 2017 8:53 AM
To: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Kitchen, Matthew (ENERGY); Feather, Adam (ENERGY); Leung, Thomas (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Requested by 3 pm - Consolidated - OFHP Matrix - Week of April 18 (2)

Hi All –
Please use attached OFHP Matrix to update for this week's developments and next week's actions.

Hard stop to have it back here ADM approved by 3 pm. I'll consolidate.

Thanks,

HC

Consolidated - OFHP Matrix - Week of April 18_12.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder ~~resolution~~ letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG ~~providing shareholder resolution~~provided draft letter to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • ~~Working group meetings Monday and Tuesday~~Next all hands meeting Monday, April 17 to review draft legislation • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on anya ~~second~~ constitutional law ~~opinion from Peter Hogg~~issues • TD engaged through OFA to provide financial advice Considerations • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	to programs. Need to work with IESO/OEB/MOF.	
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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

RE_ To Action Friday - OFHP MAtrix updates(1).pdf

From:	Thompson, Erin (ENERGY)
To:	Feather, Adam (ENERGY); Cox, Hilary (ENERGY)
Cc:	Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY); Pau, Joseph (TBS)
Subject:	RE: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 4:59:00 PM
Attachments:	Consolidated - OFHP Matrix - 20170519 - CRED edits.docx

CRED edits attached.

From: Feather, Adam (ENERGY)
Sent: May-19-17 4:49 PM
To: Cox, Hilary (ENERGY)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Subject: RE: To Action Friday - OFHP MAtrix updates

SNAP edits attached.

From: Cox, Hilary (ENERGY)
Sent: May-19-17 4:13 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: RE: To Action Friday - OFHP MAtrix updates

Hi,

Just waiting on updates on the OFHP matrix.

Thanks,

Jas

From: Cox, Hilary (ENERGY)
Sent: May 19, 2017 9:38 AM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Cc: Christie, Tim (ENERGY); Cayley, Daniel (ENERGY)
Subject: FW: To Action Friday - OFHP MAtrix updates

Good Morning,

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thank you,

Jas

Consolidated - OFHP Matrix - 20170519 - CRED _1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • ~~March 23 and 24: Trust Deed and TPA executed.~~ • ~~March 30: Funds transferred to Computershare.~~ • ~~April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees~~ • Affordability Fund advisory committee ~~met this week and~~ reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • ~~Hydro One to prepare letters that will go out to social service agencies~~The advisory group is awaiting a response from Advocacy Centre for Tenants Ontario. • ~~Advisory group reaching out to social agencies~~ Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

RE_ To Action Friday - OFHP MAtrix updates.pdf

From:	Feather, Adam (ENERGY)
To:	Cox, Hilary (ENERGY)
Cc:	Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Thompson, Erin (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
Subject:	RE: To Action Friday - OFHP MAtrix updates
Date:	May 19, 2017 4:49:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 8_clean.docx

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From: Cox, Hilary (ENERGY)
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To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Calwell, Carolyn (ENERGY/MEDEI/MRI); Pau, Joseph (MEDG/MRIS)
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Consolidated - OFHP Matrix - Week of May 8_cl_9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
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Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and • SNAP to continue to monitor rate hearings for RRRP LDCs ~~• SNAP to collect billing implementation timeline estimates from LDCs~~ • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases ~~• New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline~~ ~~• Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible~~ • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB	• Approval dates: o Cabinet June 14th ~~o TB – May 9 2017; and~~ ~~o LRC/Cabinet – May 10, 2017~~ • Legislation / House dates: ~~o~~ Legislation introduction – ~~May 11, 2017~~ ~~o Opposition Briefing (TBD)~~ o ~~Debate – Week of May 15, 2017~~ o Committee/Public Hearings – Week of May 23, 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• ~~Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff~~~~Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs.~~ • ~~Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.~~ • ~~Work with LDCs to consider any bill messaging.~~	o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS Considerations • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • ~~OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation~~ • Ministry met with COO on April 26, 2017 and May 23rd regarding FN Rate implementation Considerations • ~~On reserve eligibility considerations require discussion with Chiefs of Ontario~~Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily • ~~Work with LDCs on implementation details that need to be captured in legislation.~~ • Legislation required to have program funded by taxpayers.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • ~~Work with LDCs to consider any bill messaging.~~ •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

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Item	Key Deliverables / Considerations	Timing / Next Steps
		amended/new TPA if agreed by Trust
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • ~~MO to clarify bill presentment expectations with PO (~~Bill inserts will be ready for July 1 with bill redesign to occur in the Fall~~)~~ • ~~Ministry has developed deck on bill presentment with high level slides on legislation~~ •	• Initial discussion on March 31, 2017

Formatted: Bulleted + Level: 1 + Aligned at: 0 cm + Indent at: 0.63 cm

RMI materials for tomorrow morning.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	RMI materials for tomorrow morning
Date:	June 21, 2017 8:39:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 22.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx 2017 06 22 Business Issues v02.docx

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Hi Andrew,

Attached are the materials for tomorrow morning's rate mitigation implementation meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

Agenda_Weekly Rate Mitig Implmentation Group__53.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 22, 2017

Agenda

1) OFHP ADs

2) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (OFA / IGS)

3) AG
    - Recent Activities / Requests (All)

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 19__9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

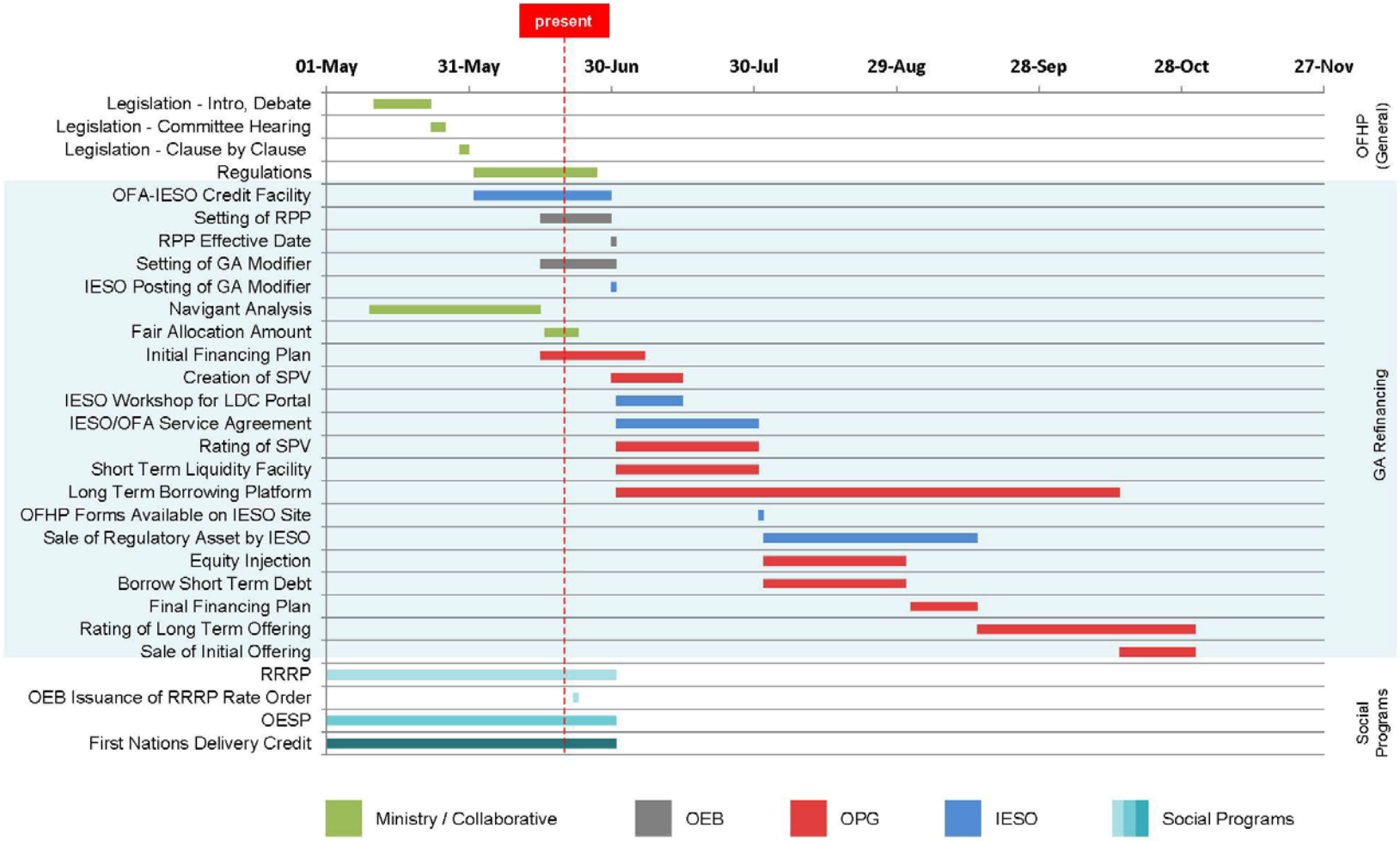
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to

Item	Key Deliverables / Considerations	Timing / Next Steps
	accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	AG • June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	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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2017 06 22 Business Issues v02_2.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

RMI materials for tomorrow.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	RMI materials for tomorrow
Date:	June 5, 2017 5:50:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of June 5 Clean.docx

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Hi Andrew,

Please find attached the updated OFHP Matrix for tomorrow's DM-CoS Rate Mitigation Implementation meeting.

Thanks,
Martin

Consolidated - OFHP Matrix - Week of June 5 C_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5. • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design <u>Considerations</u> • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Approval dates: o Cabinet June 14th • Legislation / House dates: o ~~o~~ Legislation introduction – o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• Approval dates: o TB – May 9 2017; and

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	• Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes

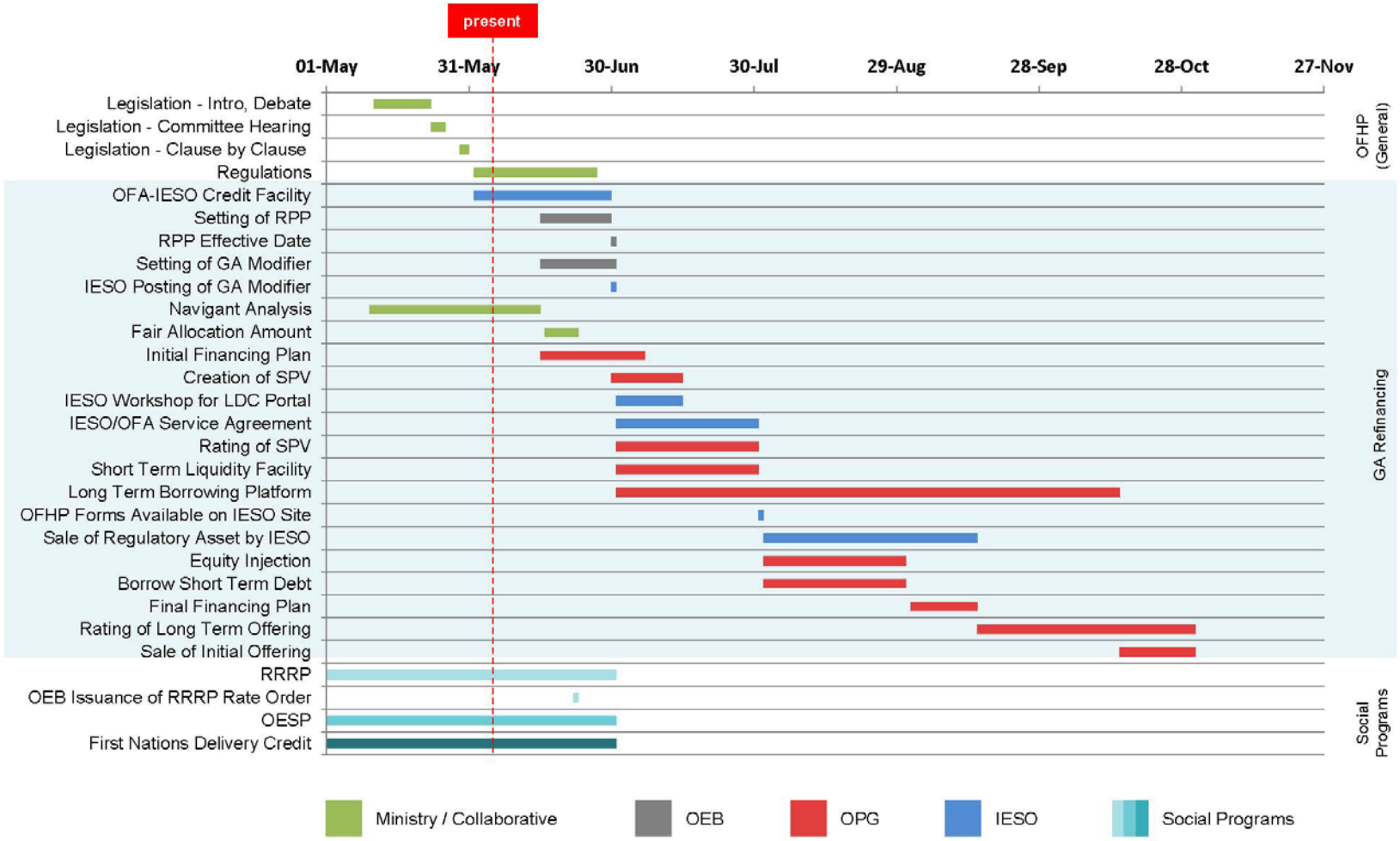
Item	Key Deliverables / Considerations	Timing / Next Steps
	committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	**June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing • OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	• IESO is producing a document to respond to AG questions – to be shared with TBS for review
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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RMI meeting - June 8.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	RMI meeting - June 8
Date:	June 7, 2017 8:01:28 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 8.docx Consolidated - OFHP Matrix - Week of June 5 Clean (3).docx Submission to the Standing Committee on Justice Policy.pdf Regulations 6 June 2017.docx 2017 06 07 Outstanding Business Issues Ontario Fair Hydro Plan - v05.docx

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Hi Andrew,

Please find attached the materials for the meeting tomorrow. I also just wanted to flag that MOF legal has raised that they have concerns with the indemnities to the OPG and IESO boards and those concerns may emerge at our meeting tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__54.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 8, 2017

Agenda

1) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (IGS)

2) AG
    - Requests (All)
    - Standing Committee

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 5 C_6.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5 • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes	• Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry to meet with MCSS regarding taking over OESP administration
	• Ministry received final legislation, which includes information sharing provision with MCSS
	
	<u>Considerations</u>
	• Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise.
	• Positive progress with OEB on implementation:
	  o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts;
	  o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place.
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	

4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC	• Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

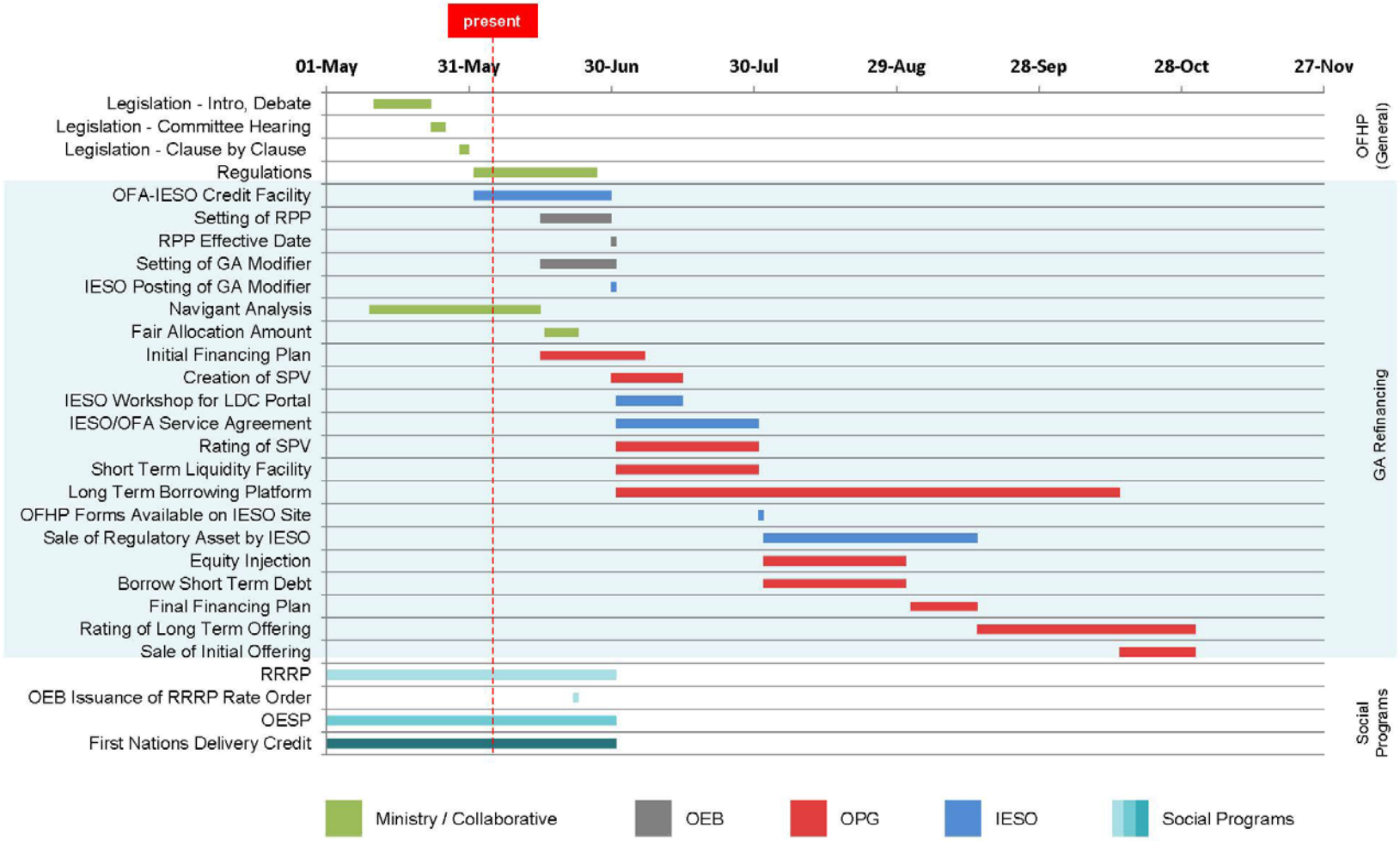
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Submission to the Standing Committee on Justic_3.stub.pdf

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Regulations 6 June 2017_3.pdf

Updated: June 6, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	Now tracking to June 27
• RRRP expansion to R2	In progress
• Distribution Rate Protection	Ready
• First Nation Rate Distribution	Ready
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	Ready
GA Refinancing	
• Part II Reg.	In progress
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	No longer required
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	Ready
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	COMPLETED
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	Ready
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	Ready

2017 06 07 Outstanding Business Issues Ontar_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Briefing Note

PURPOSE

The following provides an overview of outstanding business issues that OPG and Ministry of Finance, in coordination with Energy are working through

BUSINESS ISSUES

1. **Provincial Support Agreement Term Sheet (Performance and Payment Guarantees)**
   - As part of the OFHP, the IESO will create and sell a regulatory asset to the OPG financing entity
   - In order to provide assurances to those with claims against the Financing Entity (eg. Holders of debt), and support credit ratings, the Province is providing both a Service Guarantee and a Performance Guarantee to ensure that the obligations of the IESO are carried out including obligations related to collecting and remitting clean energy adjustments
   - **Next Steps:**
     - Province will provide comments back to OPG on the draft term sheet, anticipated next week
     - Timing: Guarantees are required to support rating agency review which is expected by the end of July

2. **Payments in Lieu of Taxes (PILs) Exemption**
   - Provincial staff, with OPG's concurrence, recommends minimizing, to the extent possible, the PILs payable by the OPG financing vehicle, as those costs will be recovered from ratepayers
   - The Province is considering regulation changes to exempt from PILs the income arising to the OPG financing vehicle / OPG as a consequence of the Fair Hydro Plan
   - As part of the OFHP, the financing entity will raise debt and acquire "investment assets" from the IESO. Given the unique nature of the investment assets, there are no specific rules which govern the manner which investment assets should be treated for tax purposes, and further analysis is required to ensure the cost of the investment assets are appropriately recognized as a deduction or offset in computing the income of the financing entity
   - **Next Steps:**
     - The MOF, OFA and OPG are working together to determine required regulation changes.
       Timing: A call with tax policy, OPG and Torys is set for early next week

3. **Fair Hydro Plan - Master Subscription Agreement Term Sheet (Equity Injection Process)**
    - OPG will require equity injections on a monthly basis, to match the timing of the purchase of the IESO regulatory asset, as applicable, in order to maintain its capital structure, and will require flexibility in order to issue shares as needed by the Province
    - The Ministry of Energy received appropriation for a fiscally-neutral operating asset expenditure of $1.1B through PRRT to support equity injections for the 2017-18 period, and will continue to provide multi-year forecasts each year through PRRT
    - **Next Steps:**
        - Finalize a draft term sheet
        - to serve as the basis for the Master Subscription Agreement between OPG/ENE and OFA
        - OFA and ENE to develop Service Level Agreement for monthly cash management services
        - Amendment to OPG articles required to facilitate issuance of new class of shares
        - Timing: OPG will require the ability to issue equity in August, so mechanics and agreements should be finalized in July

4. **Management Fees**
    - OPG will be providing all required services to the Trust as part of the OFHP, including planning, strategy, financing, deal execution etc.
    - The legislation allows OPG to establish and charge a management fee for those services in accordance with the regulations, which are currently in development.
    - There are two components to the management fee model proposed by OPG:
        - Base fee: the structure will allow OPG to earn a commercial fee, an accounting consolidation requirement, with periodic OEB review of the commercial basis of that fee. OEB and OPG are in discussions in order to develop a model that satisfies the accounting requirements and is consistent with OEB's processes
        - Performance fee: OPG has the ability to gain or lose depending on the actual financing cost relative to a benchmark, which would be shared equally between ratepayers and OPG. Gain/loss is capped at 1% of annual incremental issuance amount
    - **Next Steps:**
        - OEB to provide comments on OPG's proposed framework.
        - Draft regulations enabling this fee structure in development in parallel
        - Timing: For incorporation into the June 27th regulations

5. **Subordinated Debt Loan Agreement**
    - OPG will lend the equity injection from the Province to the Fair Hydro Trust by way of subordinated debt
    - Based on monthly funding requirements of the GA asset, the Trust will use short term financing and take out bonds once short term funding reaches certain levels
    - OPG and OFA are working on a Debt Loan Arrangement that would establish the interest rates on the subordinated debt
    - **Next Steps:**
        - OPG and OFA will bring forward a recommended framework for determining interest rates
        - Timing: TBD

6. **IESO – Increased OFA Credit Facilities**
    - THE OPG financing entity is not expected to be immediately operational, so the IESO will need to have transitional financing in place to manage the difference in the payments to generators and other service providers vs payments from loads / LDCs
    - There may also be on-going monthly cash flow timing differences that the IESO will need a credit facility for
    - In addition, the OPG financing entity has the right to purchase the regulatory asset from IESO but is not required to purchase it
    - IESO is working with the OFA to increase the credit facilities in the event that the OPG financing entity does not purchase the regulatory asset
    - **Next Steps:**
        - OFA is drafting a new agreement for a $2 billion credit facility for the OFA to lend funds to IESO for FHP purposes. Concurrently, the OFA is seeking the Minister's approval for an LRC submission to approve an OIC for an additional $2 billion in borrowing capacity, as well as a Directive from the Minister of Finance, which are both necessary for the OFA to lend funds to IESO under the requested new Credit Facility
        - Timing: The OIC is scheduled for the June 27, 2017 LRC meeting. The Directive and Credit Facility Agreement are currently being drafted, to be in place by July 1st, 2017

7. **OPG Indemnity**
    - OPG (and IESO) are asking for the Province to indemnify the IESO, OPG (the entities) and their respective directors, officers and employee in order to allow them to carry out their roles in implementing the Ontario Fair Hydro Plan and primarily the Global Adjustment refinancing
    - Indemnification will need to ensure separation between the Province and OPG is maintained

- **Next Steps:**
    - Staff in Ministry of Finance and Treasury Board Secretariat have received initial documents and are currently reviewing
    - Depending on the structure of the indemnity requested, an OIC may be required to provide authority to the Minister of Finance
    - Timing: If an OIC is required this would be included in the June 27th, 2017 submission in order for July 1 implementation

RMI meeting action items - May 25.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	RMI meeting action items - May 25
Date:	May 25, 2017 6:10:00 PM
Attachments:	Action Items_May 25.docx

Hi Andrew,

Please find attached the action items from today's Rate Mitigation Implementation meeting.

Thanks,
Martin

Action Items_May 25_5.pdf

Action Items – May 25

1) GA Refinancing
    - Ministry to finalize motions by noon today to deliver to the Clerks by 6pm
    - Ministry on track for package on June 14 and second package later in June
        - Ministry to work with OPG/OEB/ISEO on regulations
    - TBS to draft a chart with TB report backs
        - There is a requirement to go back to TB on details of regulations before proceeding to LRC
        - TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC)
    - OPG, IESO, OEB to develop more detailed individual workplans to align with overall workplan
    - OPG has workplan for working group that it can table every week
    - OPG needs to have regulations to be finalized to move forward on ratings process
    - OEB also needs regs to move forward with pricing, which is on track for June 22
    - IESO working on responses for their Board related AG comments
    - OEB was asked yesterday by AG for all correspondence between all parties by June 2
        - OFA received a similar request
    - OFA to have comparison of Clean Energy Adjustment to DRC ready by end of next week
        - TBS to connect with OFA to determine if it is ready to share with IESO

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
    - Ministry finalizing process for eligibility and COO working to communicate First Nation Delivery credit
    - Letter being drafted by Regional Chief Day tracking for next week
        - Ministry finalizing distribution of components remaining on the rate base
        - Minister could provide letter to legislators to clarify that social programs are ongoing
    - Affordability Fund:
        - Advisory Committee reaching out to another social services agency candidate

Rate Mitigation - Minister’s Deck (Update).pdf

From:	Feather, Adam (ENERGY)
To:	Smith, Mike (ENERGY); Smith, Brett (ENERGY); Spence Lair, Marlo (ENERGY)
Cc:	Chander, Sunita (ENERGY)
Subject:	Rate Mitigation - Minister"s Deck (Update)
Date:	March 29, 2017 10:08:00 AM
Attachments:	Consolidated - OFHP Matrix - March 27.docx Rate Mitigation Update 20170317 Consolidated Clean.pptx
Importance:	High

Mike, Brett, Marlo:

We're being asked to update the Minister's rate mitigation implementation deck from last week with content from this week's matrix (materials attached).

This will need to go to DMO tomorrow for Friday EOD. ESPD will consolidate.

Can you provide edits to me by noon Friday?

A.

Consolidated - OFHP Matrix - March 27_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

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2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. Considerations • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) Recent Action Items • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation Considerations • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 30, 2017

Rate Mitigation Update 20170317 Consolidated _3.pdf

Ontario

MINISTRY OF
ENERGY

Rate Mitigation Update

Working Draft

March 20, 2017

CONFIDENTIAL DRAFT

Context

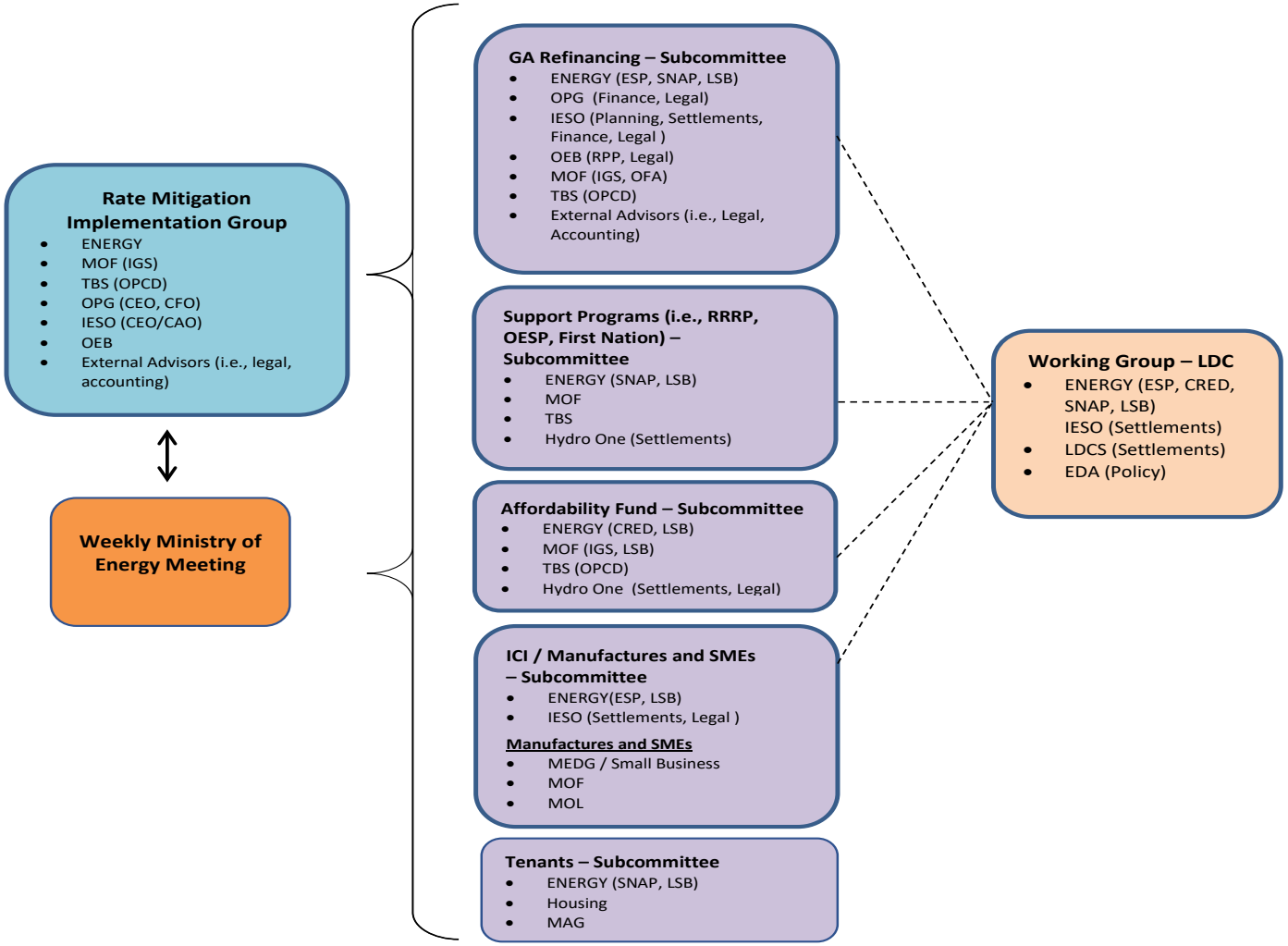
- On March 1, 2017, Cabinet approved Ontario's Fair Hydro Plan (OFHP).

- On March 2, 2017, Ontario announced OFHP, which proposes new measures to lower electricity bills by 25 per cent on average for all residential electricity customers, as well as initiatives to reduce costs for low-income consumers, First Nations and small manufacturers.

- The Ministry of Energy has established a Rate Mitigation Implementation Group and subcommittees to work through implementation of OFHP initiatives:
  - GA Refinancing;
  - Electricity Support Programs (i.e., Rural or Remote Rate Protection, Ontario Electricity Support Program, First Nation On-Reserve Delivery Credit);
  - Establishing an Affordability Fund; and
  - Expanding the Industrial Conservation Initiative.

- ENERGY continues to work with a number of ministries (i.e., MOF, TBS/OPCD, MAG and CO), energy agencies (i.e., OPG, OEB and IESO), external advisors and local distribution companies (LDCs).

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Global Adjustment (GA) Refinancing

- Ongoing work with energy agencies (i.e., OPG, OEB and IESO), ministries (i.e., MOF and TBS/OPCD) and external advisors.

- Key deliverables include:
  - Legislation to provide authority for mitigation and recovery, including establishing the roles of the OPG, IESO and the OEB and creating a regulatory asset;
  - Amendments to O. Reg. 429/04 in the allocation of GA costs and O. Reg. 95/05 regarding the manner in which the OEB determines Regulated Price Plan (RPP) rates;
  - Shareholder Declaration and Resolution to OPG;
  - Financing (e.g., IESO line of credit to bridge from May-July, OEFC to OPG equity injection structure; and OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc);
  - Accounting opinions from E&Y (OPG) and KPMG (IESO); and
  - Third Party Technical Report regarding Long Lived Assets.

Status / Next Steps

- Initial draft versions of legislation have been developed.
- Initial draft of comfort letter to OEB to enable GA refinancing to be included in May RPP has been written. Send comfort letter to OEB week of March 20, 2017.
- Continue with drafting of legislation. Begin drafting regulations.

Affordability Fund

- The new Affordability Fund will support Ontarians who do not qualify for low-income conservation programs and who are unable to undertake energy efficiency improvements without financial assistance. The Fund, established through the tax base, will be administered by a Trust and accessible to LDCs.

- Eligible customers will be identified by LDCs. Priority would be expected to be given to homes primarily heated by electricity. The estimated reach of the Fund is expected to be 15,000 to 65,000 households, depending on energy efficiency measures and uptake. It is expected that the program will assist eligible customers by providing measures ranging on average from $3,000 to $5,000 per customer at no or minimal costs.

Status / Next Steps

- ENERGY, with advice from the Ontario Provincial Controller Division (OPCD), is working with Hydro One on the development of a Transfer Payment Agreement (TPA) and Trust Declaration to establish the Trust.

- Computershare Trust Company of Canada (Computershare) will act as the interim Trustee for the Trust. Computershare will be replaced with a Board of Trustees, who will be responsible for distributing funds to LDCs across the province at their discretion based on an application process and targeted eligibility criteria. It is expected that the Trust will include representation from several electricity distributors as well as social service agencies.

Affordability Fund (cont'd)

Status / Next Steps

- **Week of March 20:** Execute TPA between ENERGY and the Trust (Computershare). Computershare to sign Trust Deed.

- **By March 31:** ENERGY to flow $100 million through a TPA to the Trust.

- **April-June:** Trust Deed to be revised to include further details (e.g., procedures for the governance of the Trust, appointment of trustees and process to replace trustees, procedures for service agreements with Hydro One or other entities, customer eligibility criteria and processes for LDCs to apply for funds (to be developed in consultation with LDCs)).

- **June:** Report back to TB/MBC with final program details.

- **Summer:** LDCs to begin applying to the Trust for funds.

Electricity Support Programs

- On March 14, 2017, Energy staff met with LDCs stakeholders to provide them with an overview of the proposed support programs.
  - Further sessions with smaller sub-sets of LDC working groups specific to the broadened RRRP and the First Nation Delivery Credit are planned for March 23 and 24, 2017. Further sessions with the broader LDC working group will occur as needed to seek input on implementing any required on-bill messaging, changes to the OESP, and any other changes that would impact all LDCs.
- Meetings with the OEB and IESO are planned to discuss implementation considerations to inform drafting of proposed legislation and any supplemental regulations.
- For all support programs, on-bill messaging requirements should be determined in the near-term in order to provide LDCs with clear direction.

Ontario Electricity Support Program (OESP) – Status / Next Steps

- On March 9, 2017, the government a posted a proposal on the Regulatory Registry (RR). The Ministry is working with the OEB to determine whether the increase of 50% and new credit amounts will need a regulation or whether the OEB has the ability to make these changes on their own.
  - Increase the level of benefits under the OESP by 50%;
  - Expand eligibility for the program by modifying the current household income and size categories; and
  - The Ministry is working closely with MCSS to explore automatic qualification for customers who are enrolled in other provincial low-income social programs, such as Ontario Works and the Ontario Disability Support Program.
- The Ministry is targeting the April 10, 2017 LRC date for some of these regulatory changes.
- The legislation required to enable tax funding for the OESP is being developed.

Electricity Support Programs (cont'd)

Broadening RRRP – Status / Next Steps

- The legislation required to enable tax funding for the existing RRRP program as well as the creation of new distribution rate protection for an expanded group of residential customers is being developed.
  - In addition to the required legislation, regulations will also be needed to put in place the necessary framework to deliver the programs. Details concerning the processes by which to establish the level of rate relief will be outlined in Regulation.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection. LDCs will want a reasonable amount of certainty (finalized regulations) before undertaking the system changes.
  - Ministry staff will also work with the OEB to address transitional issues related to the RRRP charge.

First Nation Delivery Credit (FNDC) – Status / Next Steps

- Legislation that is required to create the new FNDC to defray 100% of the cost of electricity delivery for on-reserve First Nations residential consumers and to enable tax funding is being developed.
  - Once the legislation is in place, regulations will also be needed to put in place the necessary framework to deliver the program. Consultation with relevant stakeholders, including Chiefs of Ontario, impacted LDCs, and agencies such as IESO, will be required to develop regulations to deliver the program.
  - Impacted LDCs will require time to update billing systems to put in place the necessary changes that will allow them to deliver the new distribution rate protection.
- An FNDC Working Group composed of Energy Staff and relevant stakeholders has been established to advise of the development of program mechanics. The first meeting of the working group is scheduled for March 24, 2017.

Industrial Conservation Initiative (ICI)

- ICI is currently available to electricity consumers and market participants with an average monthly peak demand greater than 1 MW.

- Ontario is proposing to allow eligible electricity consumers/market participants in the manufacturing sector (i.e., with NAICS codes commencing with the digits "31", "32“ and "33") in Ontario with an average monthly peak demand of greater than 500 kW and less than 1 MW to opt-in to ICI.

Status / Next Steps

- On March 9, 2017, the Ministry posted the proposal on the Regulatory Registry (RR). Comments are due by April 8, 2017.

- As per the regulatory posting, the expanded ICI is expected to take effect on July 1, 2017 pending regulatory amendments to O. Reg. 429/04.

- The regulatory amendment is expected to proceed to LRC on April 10, 2017.

Engagement with Legislative Officers

- Both the Financial Accountability Officer (FAO) and the Auditor General (AG) have expressed interest in the OFHP.

FAO

- On March 9, 2017, ENERGY and MOF provide the FAO staff with a technical briefing.
- On March 14, 2017, ENERGY and MOF received a letter requesting additional information on the OFHP (by March 24, 2017).
- The Ministry is currently preparing responsive materials.

AG

- ENERGY and MOF is providing the AG with a technical briefing, tentatively schedule for April 12, 2017 (TBC).

Timing and Critical Milestones

- Established working groups and committees
- Stakeholder and agency outreach
- Posted ICI regulatory proposal
- Execute Affordability Fund TPA and flow $100 million to Trust

- Implementation of GA refinancing for RPP (through May 1 – RPP)
- Report back to TBC/MBC, LRC and Cabinet on select initiatives (May 1, 2017)
- Introduction of legislation and regulatory amendments (see next slide for additional details)

- Implementation of GA refinancing for RPP eligible
- New consumers begin ICI participation
- LDCs to apply to Affordability Fund

- Implementation of the broadening of RRRP
- OESP Expansion and First Nations On-Reserve Delivery Credit in place in 2017

Next Steps

- Ongoing work to implement OFHP with ministries, energy agencies, external advisors and LDCs.
- OEB is expected to communicate the May 1st – Regulated Price Plan (RPP) rates on April 20, 2017 (TBC).
- ENERGY to report back to TBC/MBC, LRC and Cabinet on May 1, 2017. On May 4, 2017, introduce of Legislation (TBC):
  - Debate – June 2017 (TBC); and
  - Passage / Royal Assent – Late June 2017 (TBC).

Rate Mitigation Implementation Action Items Mar....pdf

From:	Hume, Steen (ENERGY)
To:	Cayley, Daniel (ENERGY)
Cc:	Cox, Hilary (ENERGY); Christie, Tim (ENERGY)
Subject:	Rate Mitigation Implementation Action Items March 23
Date:	March 23, 2017 11:41:48 AM
Attachments:	Rate Mitigation Implementation Action Items March 23.docx

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Hi. Anything to add?

Thanks

Rate Mitigation Implementation Action Items M_4.pdf

Action Items – March 23rd, 2017

1) GA Refinancing
    - AG briefing on April 19, 2017
    - Legislative Drafting
        - OPG to undertake modelling on assets / determine whether rating agency risk
        - OPG to determine who will finance / hold the asset until it goes to the market
        - Legislation to be complete by April 17th , first draft will be available for review / circulated next week
    - OPG Update
        - OPG / LSB continue to work on shareholder direction / resolution
        - OPG continues to work on indemnification of Board issue
        - OPG to embed OFA in their ongoing internal discussions
    - IESO Update
        - IESO to discuss LDC issues with OEB
        - IESO to work through legislation / opinion
    - OEB Update
        - Board decision this week on removing now tax based funded items from bill in May RPP
2) Affordability Fund
    - No real follow ups except that everything is on track to be finalized for next week
3) RRRP / OESP / FN Rate
    - OESP to continue to track to April 10 LRC
    - MOF continues to work with CRA on wet signature
    - OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on what rate design mechanism is going forward
    - OEB needs separate letter from Minister on FN rate that acknowledges receipt of report
4) ICI
    - ICI to continue to track to April 10 LRC / materials being finalized
    - TPA being finalized with OCC / discussions ongoing with CME
    - ESP to continue to meet with MEDG / MOECC / MOL on broader issues for business
5) Other items
    - Ministry to begin work on bill presentment / add as agenda item for next week

Rate Mitigation Implementation Group (9-10_30am).pdf

From:	Thompson, Erin (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY)
Subject:	Rate Mitigation Implementation Group (9-10:30am)
Date:	March 22, 2017 6:53:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of March 20.docx Agenda_Weekly Rate Mitig Implmentation Group_March 23.docx

Reminder to email Carolyn. I understand the attached are the meeting materials.

From: Cox, Hilary (ENERGY)
Sent: March-22-17 1:07 PM
To: Thompson, Erin (ENERGY); Feather, Adam (ENERGY); Waddell, Colleen (MOF); Pau, Joseph (MEDG/MRIS)
Subject: FW: Materials for Thursday's Meeting

From: Hume, Steen (ENERGY)
Sent: March 22, 2017 12:13 PM
To: Katona, Keley (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Materials for Thursday's Meeting

Hi. as discussed, please find attached a proposed agenda and OFHP Matrix for tomorrow's meeting.

The version of the Matrix is the same one we used on Monday with DM and COS (we update it once a week for Friday). It also includes the action items from last week (highlighted in yellow).

I expect that LSB/Blakes will walk in the list it used last week, with updates as necessary. The lawyers have been meeting frequently.

Cheers, Steen

Consolidated - OFHP Matrix - Week of March 20_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	Recent Action Items
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting Recent Action Items • ESP working to finalize materials for LRC on April 10, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Agenda_Weekly Rate Mitig Implmentation Group__55.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 23, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

5) Update on Action Items / Policy Matrix

Notes:

Rate Mitigation Implementation Meeting - April ...(1).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - April 13, 2017
Date:	April 12, 2017 5:33:13 PM
Attachments:	Consolidated - OFHP Matrix - Week of April 10.docx Agenda_Weekly Rate Mitig Implmentation Group_Mar 13.docx Letter from Province to OPG.DOCX

Good evening,
Please find attached the material for discussion tomorrow morning.
Thanks,
Keley

Consolidated - OFHP Matrix - Week of April 10_9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 10, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger • Third Party Technical Report (e.g., long lived assets, associated assessment of social, health and environmental benefits) <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to	• IESO Board meeting on April 12, 2017 – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort letter to allow OEB to include in May 2017 RPP • April 21, 2017, "pens down" on Legislative drafting • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	the market • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG providing shareholder resolution to OPG Board committee April 7, 2017 and will be provided to Ministry following that **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes / OPG / IESO will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature • Working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Monday to work through issues related to legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Blakes / LSB to work with MAG on a second constitutional law opinion from Peter Hogg • TD engaged through OFA to provide financial advice <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • LRC package for OESP enhancements (50% increase, expanded eligibility) approved by LRC and Cabinet. o Implementation on May 1 to align with OEB decision to end OESP charge on May 1, and to finance program through variance account. • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS map out how funds will flow from fiscal plan after legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to transition from OESP variance (approx. $100 million) to finance the program to financing with tax funds. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Briefing for Advisory Committee members <u>Considerations</u> • Legislative changes not required.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information. March 31, 2017, information provided to the FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• March 2017: Cabinet submissions provided to AG • April 19, 2017: Preliminary discussion on (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Agenda_Weekly Rate Mitig Implmentation Group__56.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 13, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) OPG Letter

3) Other OFHP Initiatives
    - Affordability Fund (CRED)
    - RRRP, OESP and FN (SNAP)
    - ICI (ESPD)

4) Update on Action Items / Policy Matrix

Notes:

Letter from Province to OPG_1.pdf

DRAFT: April 11, 2017

[Letterhead of Minister of Energy]

April [●], 2017

Bernard Lord
Board Chair
Ontario Power Generation Inc.
700 University Avenue, 19th Floor
Toronto, Ontario
M5G 1X6

Dear Mr. Lord:

I am writing further to the Premier's news release of March 2, 2017, in which the Province announced the Fair Hydro Plan to lower electricity bills by 25 per cent on average for certain customers starting in the summer of 2017, as part of a significant system restructuring that will address long-standing policy challenges and ensure greater fairness. Given OPG's expertise as a participant in the electricity market and its expertise in rate regulated accounting and investment stewardship over significant pension and nuclear funds, I am writing specifically to request OPG's involvement in the implementation of the Global Adjustment Refinancing component of the Fair Hydro Plan

As you will have read, the 25 percent reduction in residential electricity bills referred to in the March 2nd announcement includes the 8 per cent reduction resulting from the rebate of the provincial portion of the harmonized sales tax on electricity bills effective January 1, 2017. The Province has also committed that certain customer bills would not increase by more than the rate of inflation for the four years following the 25 per cent average reduction.

In addition, as you know, Ministry of Energy staff have been working on preparing the draft legislation and regulations to implement the Fair Hydro Plan, with input from the IESO, the OEB, OPG and their respective advisors.

The Province is requesting that OPG, working with the Ministry of Energy, the IESO, the OEB, and their respective advisors, consider and recommend a plan for financing mechanisms that could achieve the Province's objectives for the reduction in consumer bills and the limitation on bill increases outlined above and in the Fair Hydro Plan, all in accordance with the legislation and regulations designed to facilitate the Fair Hydro Plan.

In particular, the Province would like OPG's financing plan to consider, among other things, structures and methods that would permit viable refinancing of a portion of the Global

Adjustment to reduce electricity prices for certain of today's electricity ratepayers, with the costs of the refinancing to be recovered over a period of up to 30 years, all in accordance with the legislation and regulations designed to facilitate the Fair Hydro Plan. We would expect the financing plan to include:

i) potential structures for the financing, which may include, as appropriate, a special purpose vehicle created for the financing;

ii) potential financing mechanisms and instruments, including senior debt and subordinated debt; and

iii) identification of the capital markets and jurisdictions that can be accessed to finance the rate mitigation.

The Province recognizes the need to provide OPG with the necessary assurances with respect to recovery of the principal, interest, and operating and other costs of any financing and will address the specific requirements identified by OPG and its financial advisors, including in the pending legislation and regulations that will govern the mechanics and requirements of the financing entity. We would also request that your plan identify any amendments to OPG's governing legislation and constating documents needed to facilitate the implementation of the financing plan in a commercial manner.

We would further expect that the financing plan would be implemented in an effective and cost-efficient manner by OPG.

I look forward to receiving a detailed plan that has the support of the OPG Board of Directors by June 1, 2017.

Yours truly,

The Honourable Glenn Thibeault
Minister of Energy

Rate Mitigation Implementation Meeting - April ...(2).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken - FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - April 20, 2017
Date:	April 19, 2017 5:10:41 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 20.docx Consolidated - OFHP Matrix - Week of April 18_clean (3).docx

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Good afternoon,
Please find attached the material for discussion tomorrow morning.
Thanks,
Keley

Agenda_Weekly Rate Mitig Implmentation Group__57.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 20, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 18_13.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 18, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry to look into retaining Navigant for report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare.	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees • Second meeting of the Advisory Committee is

Item	Key Deliverables / Considerations	Timing / Next Steps
	• April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees <u>Considerations</u> • Legislative changes not required.	scheduled for April 18, 2017 **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	on OFHP in advance of the technical briefing	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Rate Mitigation Implementation Meeting - April ...(3).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY); Schlaepfer, Martin (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - April 25, 2017
Date:	April 24, 2017 5:01:39 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx Consolidated - OFHP Matrix - Week of April 24.docx

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Good afternoon,
Please find attached the material for discussion tomorrow morning.
Thanks,
Keley

Agenda_Weekly Rate Mitig Implmentation Group__58.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 24_8.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Rate Mitigation Implementation Meeting - April ....pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - April 6, 2017
Date:	April 5, 2017 5:09:33 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_Mar 6.docx Consolidated - OFHP Matrix - Week of April 3.docx FHP Policy Foundations 04 04 2017 v.3.docx

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Good evening,

Please find attached material for tomorrow's meeting.

Keley

Keley Katona | Director of Operations

Deputy Minister's Office | Ministry of Energy

Tel: 416-326-7688 | BB: 647-980-4634

E-mail: Keley.Katona@Ontario.ca

4th Floor, Hearst Block, 900 Bay Street

Agenda_Weekly Rate Mitig Implmentation Group__59.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 6, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - Affordability Fund (CRED)
    - RRRP, OESP and FN (SNAP)
    - ICI (ESPD)

3) Bill Presentment (SNAP)

4) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 3_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 3, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation • Defining mitigation and recovery mechanism; and • Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg. 95/05) • Shareholder Resolution (work with OPG to determine form) • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market	• IESO Board meeting on April 11, 2017 (TBD) – ESP to present on OFHP • AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • Legislative walk-through and working group meetings Monday and Tuesday • ENERGY / Blakes / IESO / OEB / OPG to meet on Tuesday to work through issues related to legislation • LSB / Blakes to brief OPCD on legislation • KPMG / E&Y to continue to be informed so that they can eventually confirm we've met all conditions • Blakes / OPG to work through financing issues related to 10% cap • Blakes / LSB to work with MAG on a second constitutional law	

Item	Key Deliverables / Considerations	Timing / Next Steps
	opinion from Peter Hogg • TD being engaged through OFA to provide financial advice • ESP to make presentation on GA financing at upcoming IESO Board meeting <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd and March 24th • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC on May 1, 2017 (TBD) • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP/LSB working on LRC package for OESP enhancements • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC on May 1, 2017 (TBD) • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. <u>Considerations</u> • Legislative changes not required.	**April 7, 2017:** • Briefing for Advisory Committee members **April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 31, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • LRC on April 10, 2016 • Report back to TB/MBC on May 1, 2017 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

FHP Policy Foundations 04 04 2017 v.3_2.pdf

Policy and Legal Foundations for the Proposed Ontario Fair Hydro Plan Act
April 4, 2017

Creating the Regulatory Framework

- Principles will link the benefit of the "Green Generation Initiative" with the regulatory cost that future rate payers will pay
- Need to name and articulate "Green Generation Initiative"

Fair Allocation Plan

- Policy direction around intergenerational funding will be established by the Minister of Energy
- The Fair Allocation Plan has been determined for the 1st four years, as set out in the March 2nd announcement
- Should there be a process around the Fair Allocation Plan [or as necessary]?
- [Role for the OEB?]

Treasury Plan

- Created by OPG to implement the Fair Allocation Plan
- Will pass through actual costs and expenses of funding obligations incurred
- 3 components:
    - Treasury Plan must be compliant with principles and parameters of the Fair Allocation Plan;
    - The Plan must match maturities to allocations under the Fair Allocation Plan, as well as achieve funding efficiencies and cost management articulated in the Fair Allocation Plan; and
    - Implementation
- Should [Minister?] [OEB?] review [and approve?] the Treasury Plan? At what point in process?

Establishment of the Regulatory Asset

- Right to recover from rate payers, through collection by LDCs and IESO, the regulatory charge, late fees, interest established by legislation
- IESO may dispose of (by assignment, transfer, sale, etc.) its right, title and interest in the Regulatory Asset
- Legislation will create property rights and allow for security interests in the Regulatory Asset
- [Role of the OEB in establishing the Regulatory Asset?]
- Role of OPG in acquiring the asset?

Ensuring Collectability

- Clearly defined class of rate payers that receive and pay for the benefit
- Charges are irrevocable
- LDCs have duty to invoice rate payers for the charge
- IESO and LDCs have duty to collect charges as agent and pay remittances to IESO
- IESO has duty to pay remittances to the Regulatory Asset Owner
- Non-by-passability – subject rate payers who opt to go off grid to a penalty (prepayment)?
- True up mechanism to reconcile collections with incurrences
- Province shall not take steps to reduce, alter, impair or terminate the Regulatory Asset or collection

OEB Role

- [Inspect books and records?]

DRAFT

- [Approve administrative costs?]
- [Prudence review of financing costs?]
- [Consequences of OEB review?]
    - Ability to review
    - Ability to review and make recommendations (non-binding)
    - Review and approve or refer back for reconsideration (binding)

Provincial Guarantee

- Scope / Triggers / Consequences / Form

DRAFT

Rate Mitigation Implementation Meeting - August...(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Chander, Sunita (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)
Subject:	Rate Mitigation Implementation Meeting - August 24, 2017
Date:	August 23, 2017 6:50:47 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx 2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

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Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017-07-11 Consolidated - OFHP Matrix - Week _21.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

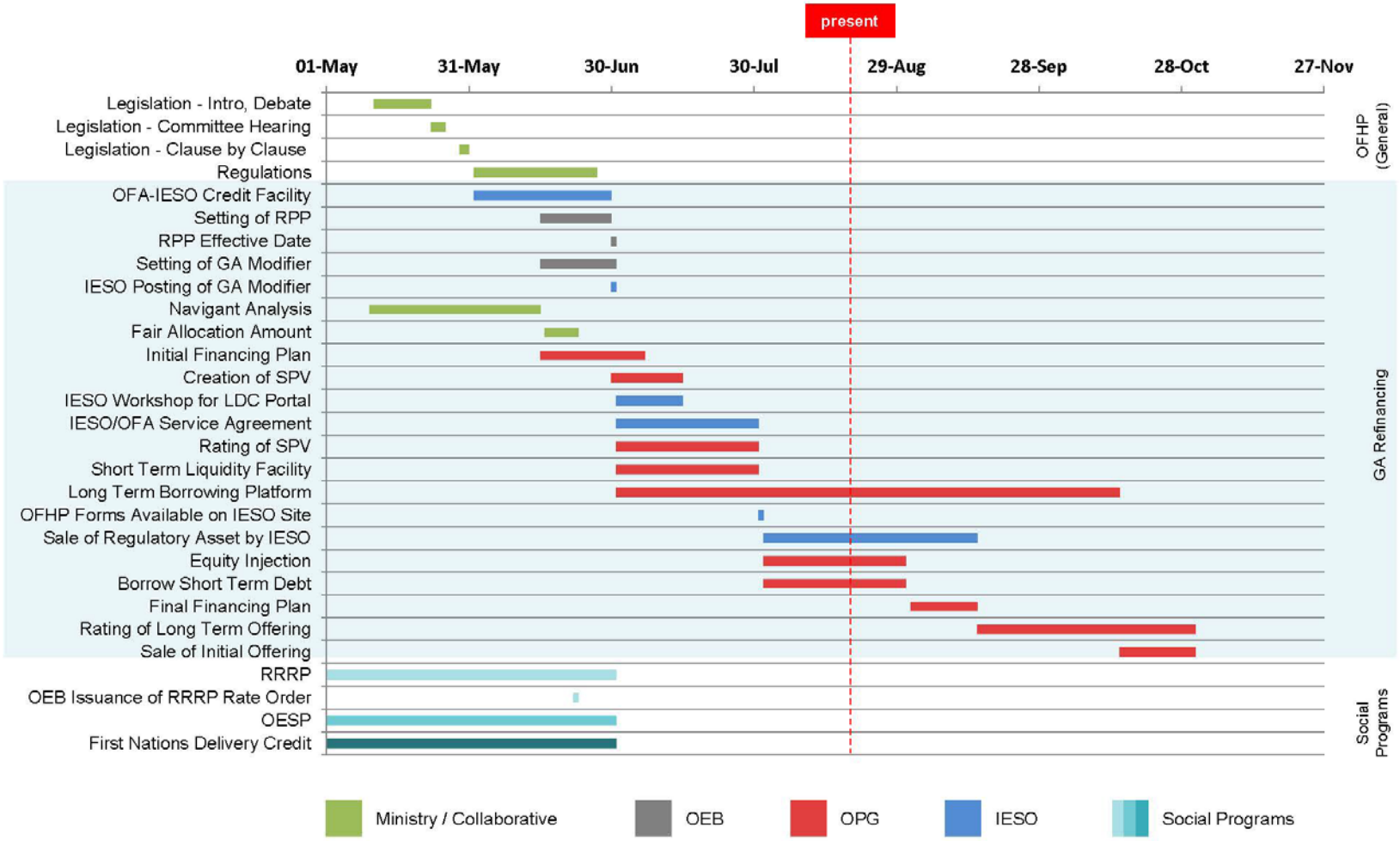
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 26 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__60.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Provincial Guarantees (OFA/OPG)
    - o Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_16.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Implementation Meeting - August...(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS); Michael Boll
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett; Katona, Keley (MOF)
Subject:	Rate Mitigation Implementation Meeting - August 31, 2017
Date:	August 30, 2017 8:20:00 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx Fees Rider 28 August 2017.docx 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx

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Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017-07-11 Consolidated - OFHP Matrix - Week _22.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 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 o Supporting Agreement (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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Supporting Agreement (TBD) • Late November 2017 – OPG Financing (TBD)

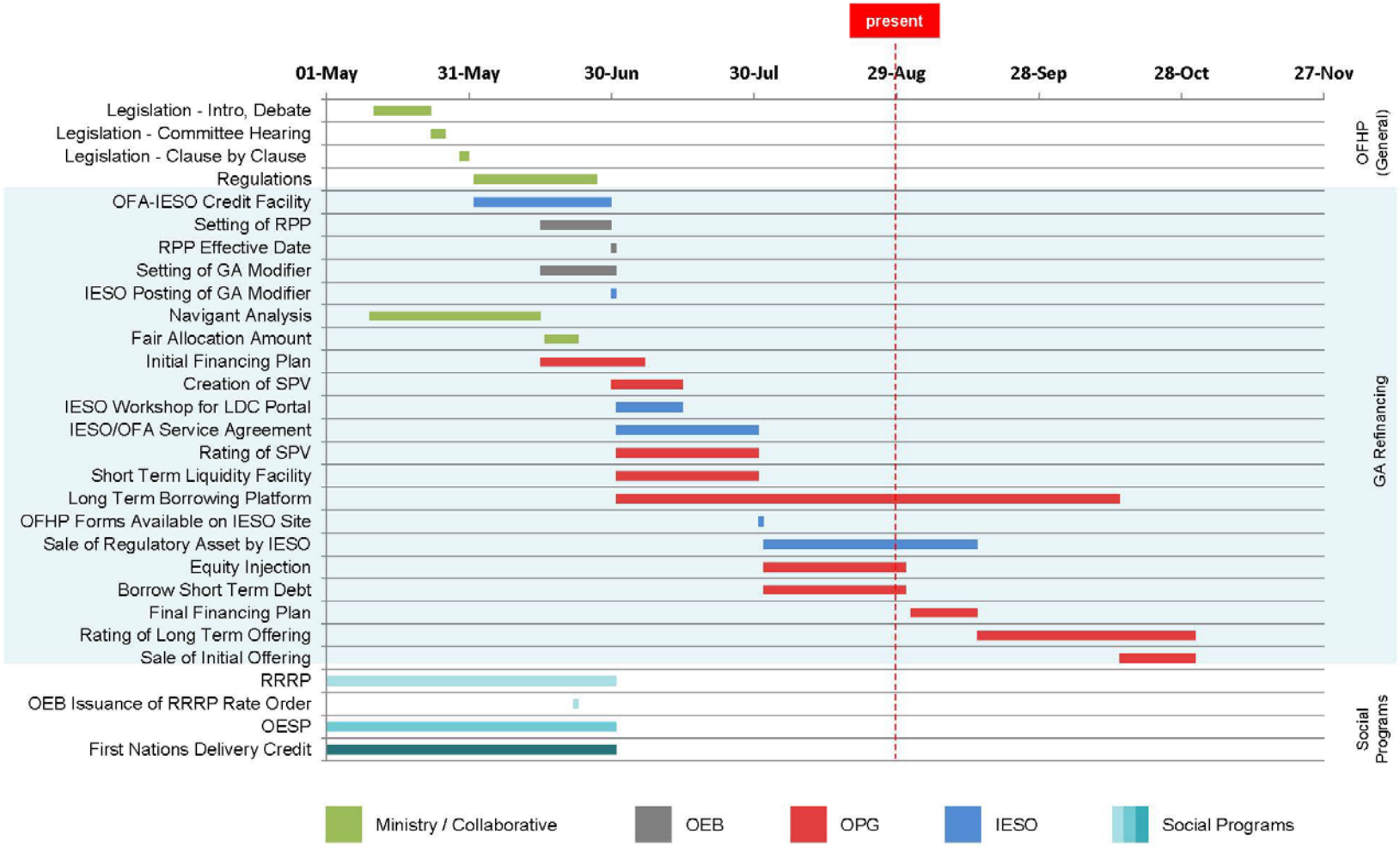
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__61.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 31, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Fees Rider 28 August 2017_2.pdf

FEES RIDER – subs. 19 (3) of the Act – August 28, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.

(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of all tranches of incremental annual funding obligations,

B = the forecasted weighted interest rate of incremental annual funding obligations, and

C = the actual weighted interest rate of incremental annual funding obligations.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year, including senior debt and subordinated debt.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (5% × the incremental annual funding obligations), or

2. less than -1% of (5% × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (1).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

Note: Draft language provided for the purpose of instructions to Ontario Legislative Counsel. Final content of regulation is subject to drafting by OLC.

5.(1) Section 3 applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

2017 Outstanding Business Issues - Week of A_17.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

Rate Mitigation Implementation Meeting - August....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Nakahara, Ken (MCI); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	Rate Mitigation Implementation Meeting - August 10, 2017
Date:	August 9, 2017 8:19:00 PM
Attachments:	2017 Consolidated - OFHP Matrix - Week of August 8.docx 2017 Outstanding Business Issues - Week of Aug 8.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 10.docx

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Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 Consolidated - OFHP Matrix - Week of Aug_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 8, 2017

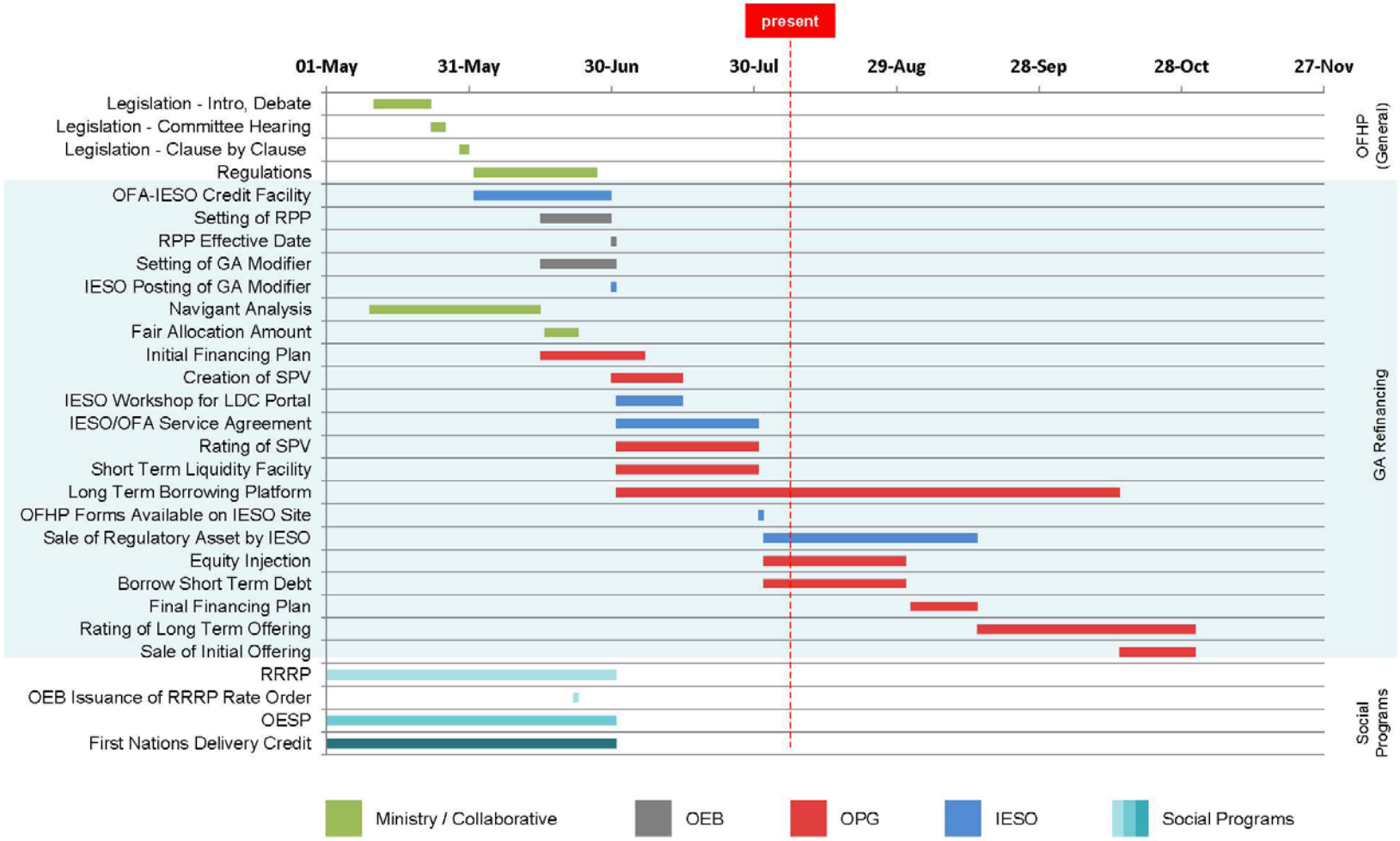
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 Outstanding Business Issues - Week of A_18.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Agenda_Weekly Rate Mitig Implmentation Group__62.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 10, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) August 16th Meeting
    - o Provincial Guarantee Update

3) AG Update

4) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Rate Mitigation Implementation Meeting - July 13.pdf

From:	Armstrong, Hillary (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Angus, Helen (TBS); Davidson, Steven (CAB); Thompson, Scott (MOF); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); Hughes, Karen (TBS); Veinot, Cindy (TBS); "LEE John -TREASURY"
Cc:	Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "Jordan Penic"; Bungaro-Yemec, Francesca (ENERGY); "Sarah Branco"; "Turnevicius, Lorraine"; KING Catriona - CORPEXECOPS (catriona.king@opg.com); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Laughton, Patrick (TBS); Edwards, Matthew (ENERGY); David Barrett (david.barrett@ieso.ca)
Subject:	Rate Mitigation Implementation Meeting - July 13
Date:	July 12, 2017 6:52:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx Agenda_Weekly Rate Mitig Implmentation Group_July 13.docx 2017-07-12 Bill Presentment Presentation v01.pptx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Hillary

On behalf of Martin Shlaepfer

Hillary Armstrong | Long-Term Energy Plan Coordinator
Deputy Minister's Office
Ministry of Energy
Phone: 416-327-6738
E-mail: hillary.armstrong@ontario.ca

2017 07 07 Business Issues v01_18.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _25.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

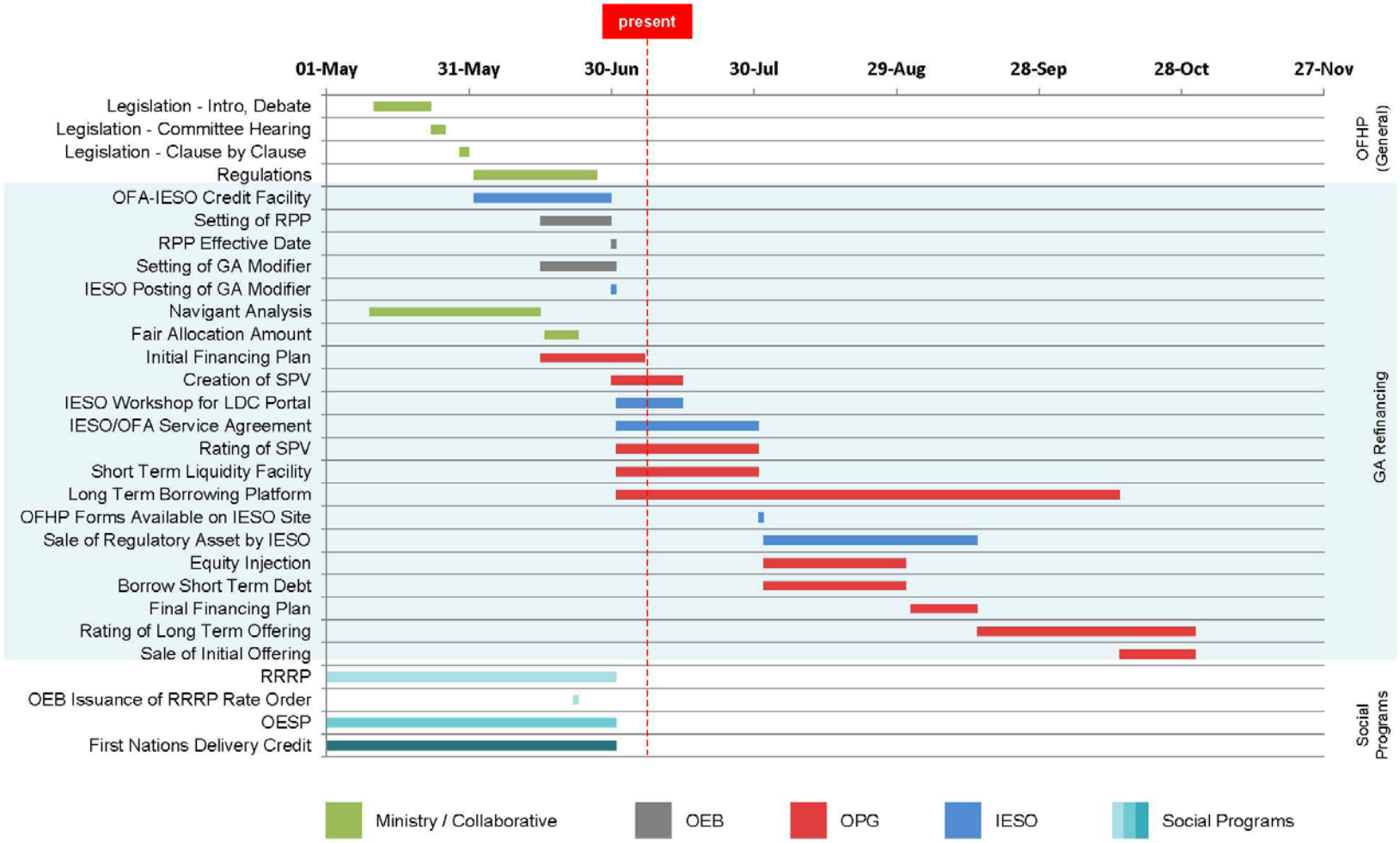
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__63.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 13, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO / OEB)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Bill Presentment – Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-12 Bill Presentment Presentation v01_3.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

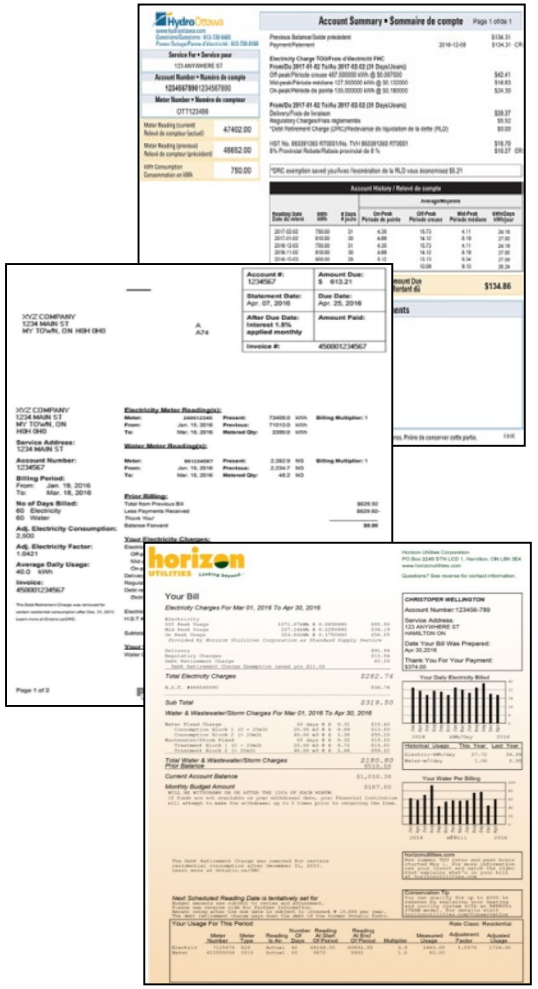
July 2017

Contents

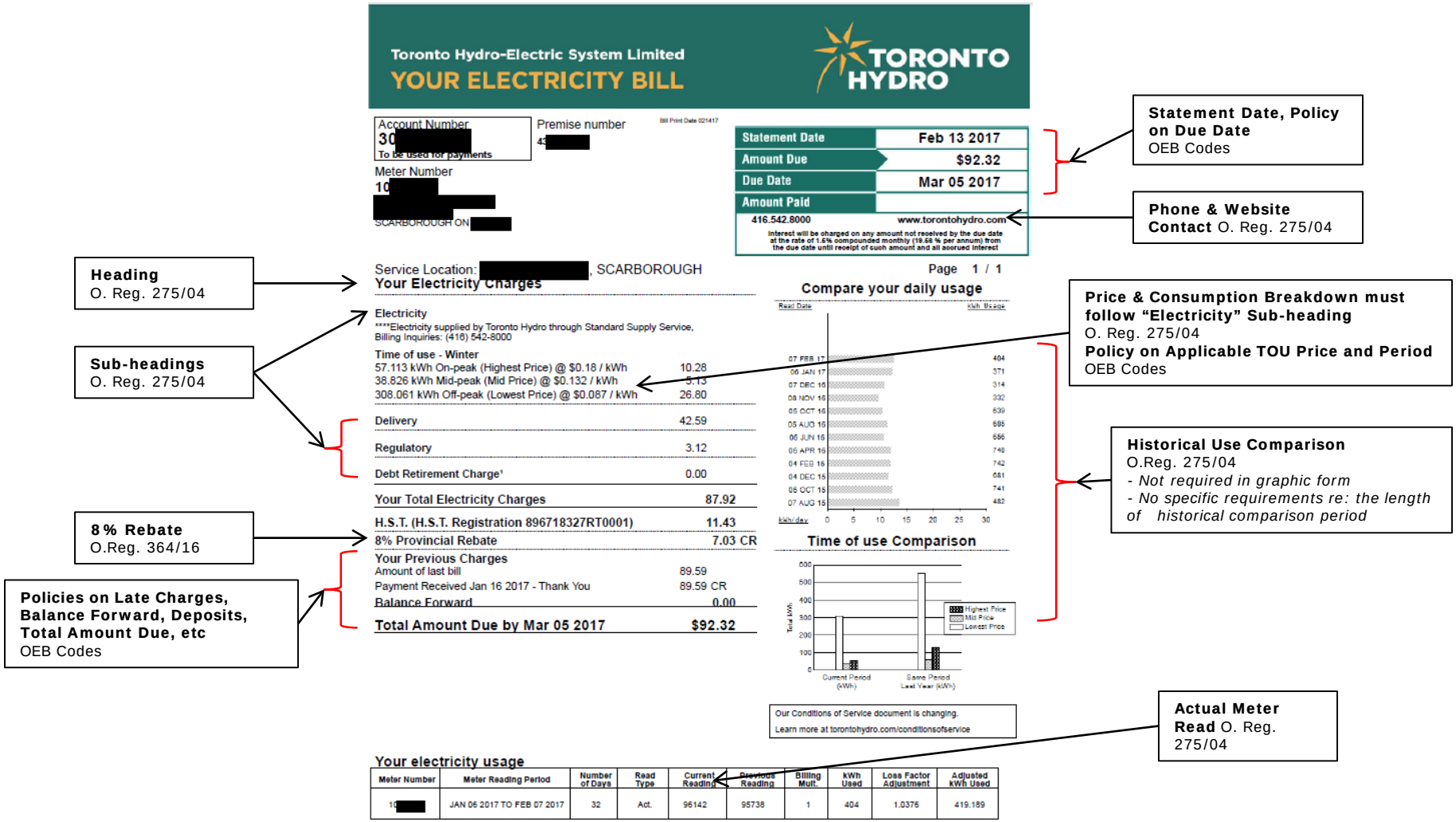
- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (LDC).
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
    - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



Bill Example – Front



Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison
O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

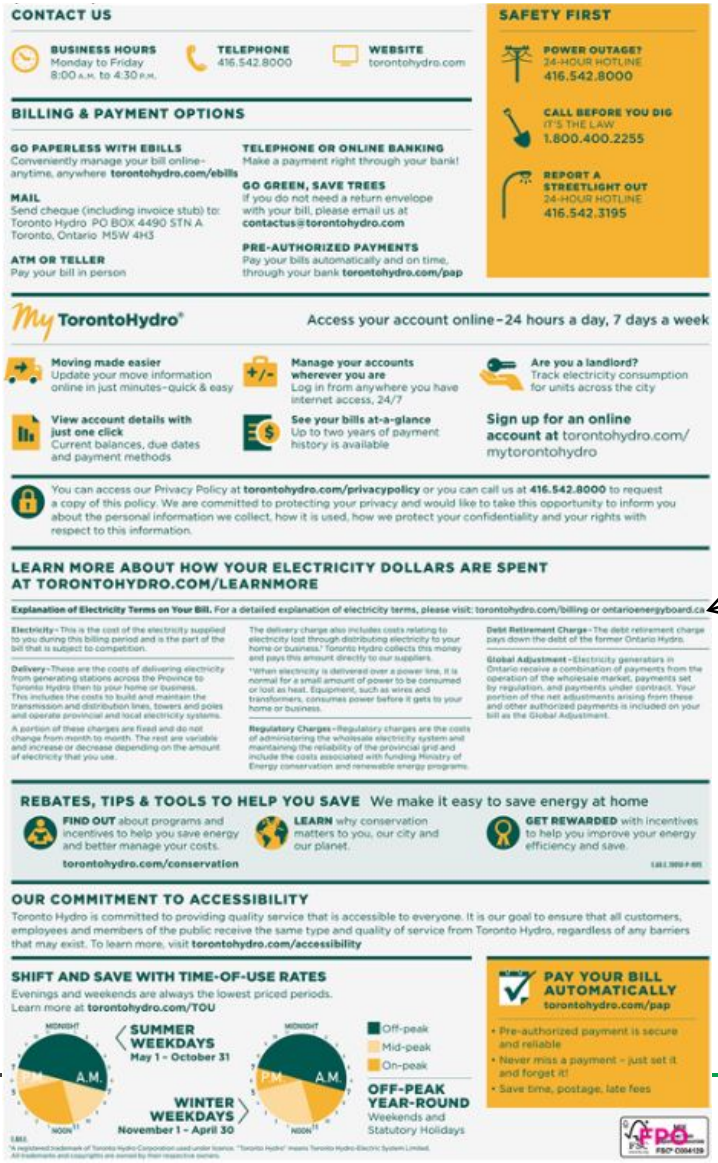
Actual Meter Read O. Reg. 275/04

Bill Example – Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes



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IT'S THE LAW
1.800.400.2255

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Toronto, Ontario M5W 4H3

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Pay your bill in person

TELEPHONE OR ONLINE BANKING
Make a payment right through your bank!

GO GREEN, SAVE TREES
If you do not need a return envelope with your bill, please email us at **contactus@torontohydro.com**

PRE-AUTHORIZED PAYMENTS
Pay your bills automatically and on time, through your bank **torontohydro.com/pap**

My TorontoHydro® Access your account online–24 hours a day, 7 days a week

Moving made easier
Update your move information online in just minutes–quick & easy

Manage your accounts wherever you are
Log in from anywhere you have internet access, 24/7

Are you a landlord?
Track electricity consumption for units across the city

View account details with just one click
Current balances, due dates and payment methods

See your bills at-a-glance
Up to two years of payment history is available

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You can access our Privacy Policy at **torontohydro.com/privacypolicy** or you can call us at **416.542.8000** to request a copy of this policy. We are committed to protecting your privacy and would like to take this opportunity to inform you about the personal information we collect, how it is used, how we protect your confidentiality and your rights with respect to this information.

LEARN MORE ABOUT HOW YOUR ELECTRICITY DOLLARS ARE SPENT AT TORONTOHYDRO.COM/LEARNMORE

Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity – This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery – These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges – Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge – The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment – Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

REBATES, TIPS & TOOLS TO HELP YOU SAVE We make it easy to save energy at home

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LEARN why conservation matters to you, our city and our planet.

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- Pre-authorized payment is secure and reliable
- Never miss a payment – just set it and forget it!
- Save time, postage, late fees

Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
  - ✓ include standardized **on-bill OFHP messaging**;
  - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
  - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert

Ontario

ONTARIO'S FAIR HYDRO PLAN

Bringing electricity bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

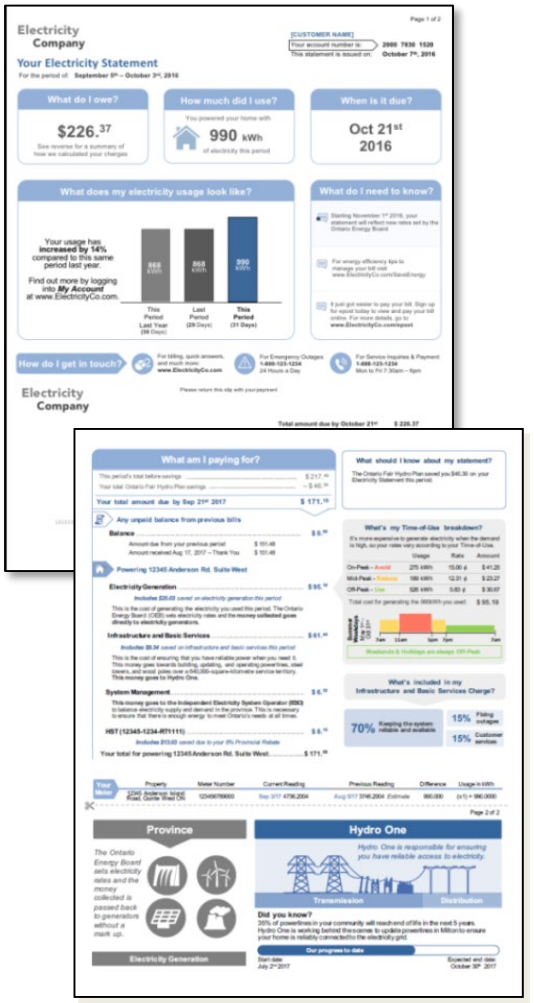
To find out more, visit **ontario.ca/FairHydroPlan**

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
  - Enhancing the customer experience;
  - Better communicating government initiatives and programs;
  - Consolidating the regulatory framework; and
  - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a **"RAP Working Group"** in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a "personalized" message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
    - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
    - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

Pre-July 1, 2017
OFHP Bill Inserts

- Requirement for LDCs to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging revoked from O. Reg. 364/16.
- LDCs voluntarily issue OFHP bill inserts in late June ahead of finalized OFHP regulations (inserts printed by ENERGY).

July 1, 2017
OFHP Required Messaging

- OFHP regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include a FNDC line item, where applicable; and
  4. Remove outdated on-bill messaging (e.g., DRC exemption).
- Hydro One exempted from O. Reg. 275/04 and specified OFHP invoicing requirements.

Aug. – Sept. 2017
RAP Consultations

- ENERGY to convene a RAP Working Group in August, including Hydro One, the EDA, the OEB, the Coalition of Large Distributors, as well as other LDCs and industry assoc.
- ENERGY to seek feedback on changes to bill presentment, regulatory reform, and gather information on behavioural economics, consumer advocacy, and billing system design.

Fall – Winter 2017
RAP Regulatory Amendments

- Following RAP consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- Hydro One to begin rolling out its redesigned electricity bills in Q4 2017.

Winter 2018 –
RAP Implementation

- New/amended invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills to its low volume consumers by Q2 2018.
- New regulations to include ample transition period for LDCs to adopt new regulatory invoicing requirements.

Rate Mitigation Implementation Meeting - July 2....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Edwards, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	Rate Mitigation Implementation Meeting - July 27, 2017
Date:	July 26, 2017 9:22:00 AM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 26_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_July 27.docx

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Hi everyone,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

2017 07 07 Business Issues v01_19.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _26.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 24, 2017

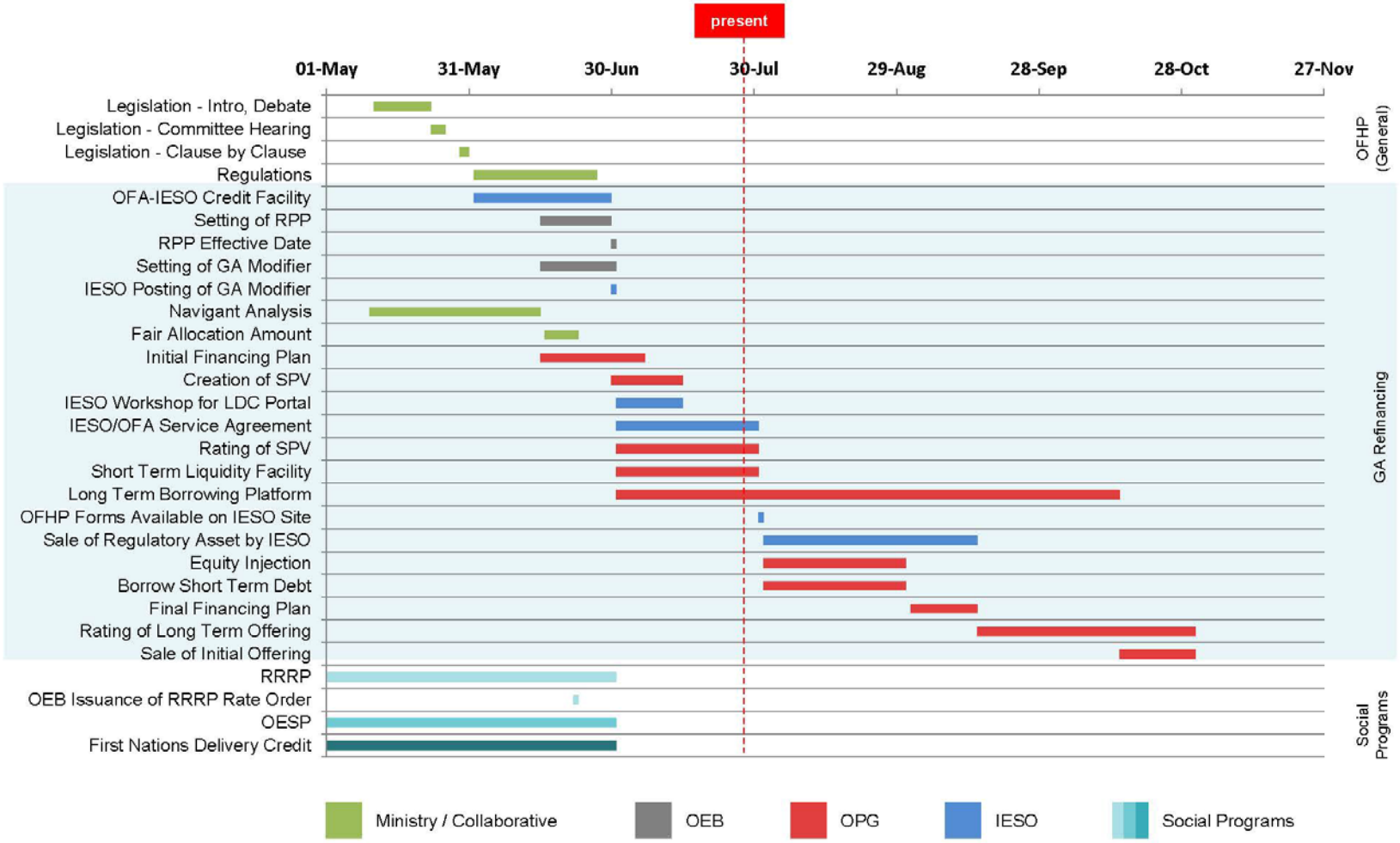
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • Ministry working with LDCs to finalize program design	• TBD

Item	Key Deliverables / Considerations	Timing / Next Steps
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• July 26, 2017 – MCSS going to TB
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity	**Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	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
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	• 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__64.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 27, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Rate Mitigation Implementation Meeting - June 2...(1).pdf

From: Schlaepfer, Martin (ENERGY)
To: Imbrogno, Serge (ENERGY)
Subject: Rate Mitigation Implementation Meeting - June 22, 2017
Date: June 26, 2017 8:26:53 AM
Attachments: Action Items_June 22.docx

Hi Deputy,

Andrew has shared a few updates from his end on the indemnities and provincial guarantee. Please see below.

Thanks,

Martin

A. Spoke with Finance MO and underscored the need to have the issue of S.28 / Indemnity resolved within the next few days. They agreed and promised that things are tracking well on their end for their Minister's review / approval on Wednesday. To that end, wondering if we could please have all appropriate documents for Minister Thibeault to execute on Tuesday (after Cabinet is fine); given that 27 June is his only day in Toronto this week.
B. Would also like to craft a cover letter in plain language to both Chairs (IESO and OPG) as part of the official transmission of these indemnities. To that end, would it please be possible to get correspondence drafted for CoS review for early Tuesday (morning) please?
C. Had a call with OPG Chair and CEO regarding the outstanding business issues on the fair allocation / regulation / provincial guarantees / what they actually need versus what they think they would like to have. Let's make sure we discuss tomorrow during OFHP update meeting.

Action Items_June 22_4.pdf

Action Items – June 22

1) OFHP Ads
    - Ad to be shown at Cab – Communication product to be included in submission

2) GA Refinancing
    - Regulation (Energy / All)
        - Next turn going out this morning
        - Ministry finalizing drafts of submissions to share with TBS/Cab
        - TBS would like timing of report backs

    - Critical Path Updates (OPG / IESO / OEB)
        - OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program)
            - OPG to provide deck to Ministry
        - OPG/IESO accountants and laywers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy adjustments cannot be charged to rate payers
            - OPG/IESO to report back
        - OPG legal agreements in progress
            - OPG to provide a detailed list of legal agreements to Ministry
        - OEB releasing RPP prices June 22, 2017 / Noon, as well as RRRP amounts

    - Business Item Upates (OFA / IGS)
        - Ministry has provided answers on MOF's questions on the Board indemnities
            - Ministry to submit formal (transmittal memo) Section 28 submission
            - MOF to brief its Minister on Wedensday to get Section 28 approval
            - Minister of Energy would then sign indemninities
        - OFA credit OIC going to LRC on June 27th
        - OFA to send comments on the OPG provincial guarantees this week (looking to finalize by end of July)
        - Energy would need to be comfortable with equity injection process, but OFA would coordinate on a montly basis

3) AG
    - Recent Activities / Requests (All)
        - TBS met with AG
        - AG to provide opinion on August 18, 2017
        - AG was going to provide IESO with a document on accounting concerns
            - IESO will be delivering a technical document to its Board by the end of the week
        - KPMG received what IESO believes is a similar document and will be responding to the issues raised

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP regs are tracking to Cabinet on the 27th
        - MCSS - OESP automatic enrolment TB submission to track in July
        - One LDC may not be able to implement RRRP
    - Affordability Fund (CRED)
        - First meeting of Trustees held on June 21st
        - Key next steps include:
            - Trustees to sign appointment document
            - Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement
        - Next meeting of Trustees to be scheduled for late July
            - Hydro One to develop strawman of program design considerations for Trustees' review

Rate Mitigation Implementation Meeting - June 2....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Kitchen, Matthew (ENERGY); Laughton, Patrick (TBS); David Barrett
Subject:	Rate Mitigation Implementation Meeting - June 22, 2017
Date:	June 21, 2017 8:39:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 22.docx Consolidated - OFHP Matrix - Week of June 19_Clean.docx 2017 06 22 Business Issues v02.docx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__65.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 22, 2017

Agenda

1) OFHP ADs

2) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (OFA / IGS)

3) AG
    - Recent Activities / Requests (All)

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 19__10.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 19, 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> • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates. Pre-meeting with OEB on June 21 • July 1 – 25% takes effect

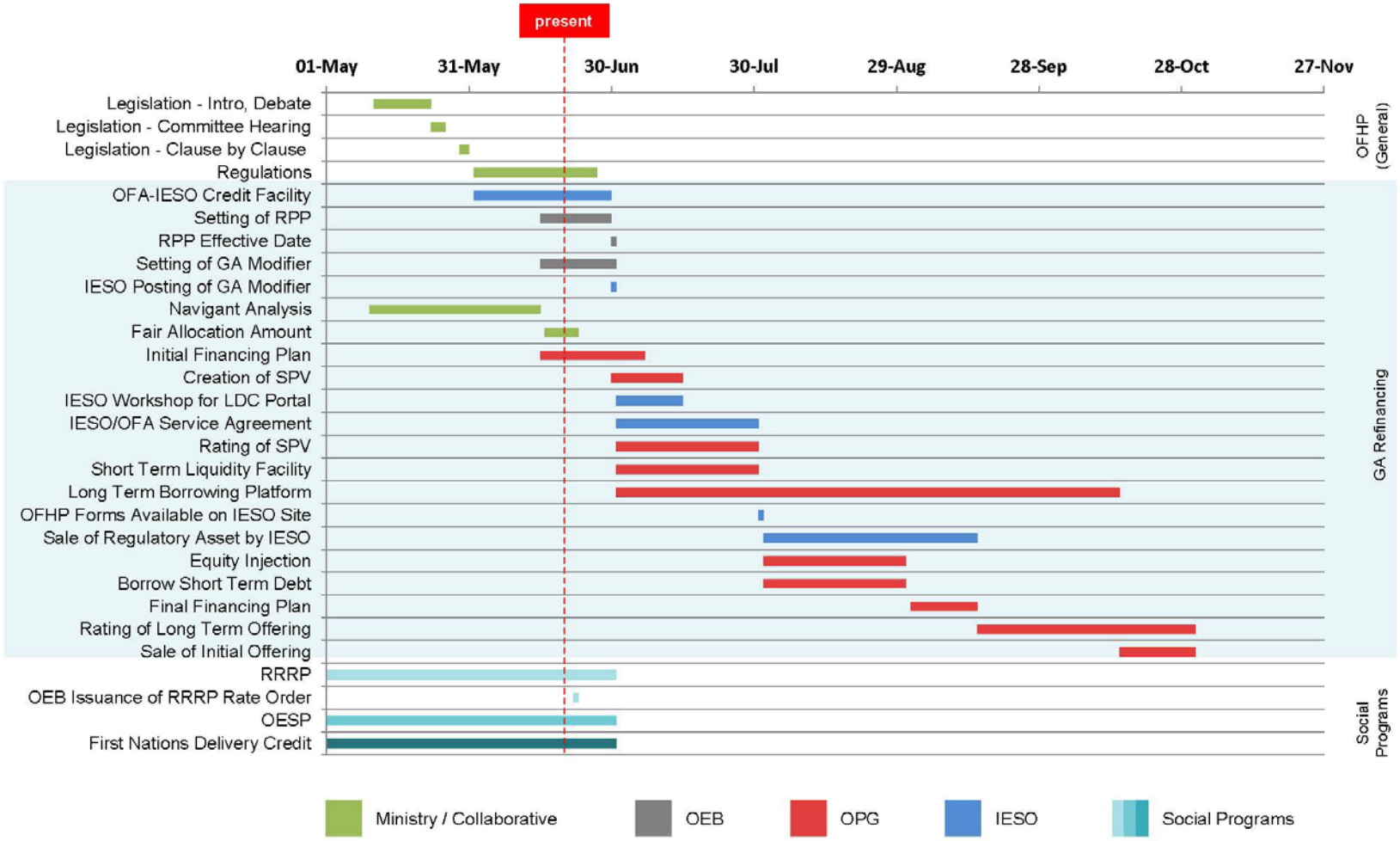
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries • OEB has been asked by AG for all correspondence between all parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY Tranche 2 responsive documents to be provided to

Item	Key Deliverables / Considerations	Timing / Next Steps
	accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	AG • June 14 – AG meeting with IESO Board
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	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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2017 06 22 Business Issues v02_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Increased Credit Facilities	• To help IESO manage monthly cash flow requirements associated with its role in OFHP	• Credit Facility Agreement • OIC	• OFA drafting Credit Facility Agreement and OIC **Timing:** Cabinet on June 27th
Indemnities for IESO and OPG	• MOF to provide indemnities to companies, employees, and directors	• S.28 Business Case • Draft Indemnity	• ENE / OPG/ IESO has provided responses to OFA Qs **Timing:** Indemnities issued at start of July
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OFA / Energy to provide comments on draft term sheet to OPG **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on equity injection term sheet • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Implementation Meeting - June 8....pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - June 8, 2017
Date:	June 7, 2017 3:49:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_June 8.docx Consolidated - OFHP Matrix - Week of June 5 Clean (3).docx Submission to the Standing Committee on Justice Policy.pdf

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Hi Martin: for tomorrow's meeting, attached is an agenda, the weekly OFHP matrix and AG submission to the Standing Committee that Cindy sent us.

Also, below are some notes from yesterday's meeting with the COS. I would also flag that following our call with TB / CO this afternoon re sequencing of reports backs, TB is expecting a submission for both dates in June.

If you have any questions, please us know. Steen

++

Rate Mitigation Implementation / Action Items – June 6, 2017

OFHP Regulations

- Week of June 12 – MO/CoS to follow-up regarding TBS/LRC/Cabinet scheduling (June 13 / June 14). Products being prepared:
  - Draft Regulations (Note: OESP regulation would track to June 27th LRC / Cabinet)
  - LRC Submission
  - TB Submission (Note: will include reference to items that are being brought forward to LRC/Cabinet on June 27)
- June 27, 2017 – LRC/Cabinet to review the final package of OFHP regulations. Products being prepared:
  - Cabinet Presentation:
    - OFHP Status Update / Next Steps (i.e., SNAP ribbon)
    - OFHP Communications Update (i.e., show ads)
    - TBD
  - Draft Regulations
  - LRC Submission

Indemnities

- LSB working with OPG and IESO on the scoping details
- TBS/MOF to confirm which Minister will provide s.28 approval

Navigant Report

- June 7, 2017 – DM briefing scheduled
- MO requested a briefing prior to tabling draft report at a future OFHP Implementation meeting

OFHP Matrix

- ESP – Prepare a Q&A on implementation for non-RPP eligible electricity consumers
- ESP – Follow-up with IESO re any LDC issues
- ESP – Follow-up on status of OCC and CME outreach activities, including preparing a Minister's letter to both organizations
- SANP – Minister briefing to be scheduled with OEB re Unit Sub-metering for June 27
- CRED – Status of Minister's Letter re Affordability Fund

AG Request

- Response to AG request to be provided in two tranches:
  - Sr. ENERGY Staff to KPMG due June 12
  - Remainder by end of June

Agenda_Weekly Rate Mitig Implmentation Group__66.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
June 8, 2017

Agenda

1) GA Refinancing
    - Regulation (Energy / All)
    - Critical Path Updates (OPG / IESO / OEB)
    - Business Item Upates (IGS)

2) AG
    - Requests (All)
    - Standing Committee

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Consolidated - OFHP Matrix - Week of June 5 C_7.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 5, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o ENERGY to share draft regulations with TBS and others once received from Leg. Counsel (aiming for early week of June 5). o Indemnities for OPG and IESO Board members to be in place around Royal Assent o Ministry to work with OPG/OEB/IESO on regulations • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • Agencies (OPG/IESO/OEB) to provide critical paths/detailed workplans as required ENERGY to review and provide comments on OFA comparison of Clean Energy Adjustment to DRC (which when ready will be shared with AG) by early week of June 5 • TBS to connect with OFA to determine if it ready to share with IESO • IGS to follow-up with MOF/Tax Policy on indirect taxes imlications **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation	• Regulations – mid and late June 2017(TBC) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o TBS to draft a chart with report backs o TBS to look at more streamlined approval process (Cabinet sitting as TB, LRC) o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • OPG and IESO's independent accounting work is complete: • OPG memo and E&Y accounting opinion has been delivered to Ministry • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically • OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge • Indemnities for Boards are tracking forward to be in place when legislation comes into force • Guarantees for dealers are still being explored and to be done in conjunction with rating process **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market (OPG expected to go to market September/October) – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July. Documents	

Item	Key Deliverables / Considerations	Timing / Next Steps
	will include commentary on credit worthiness. Potential engagement of Moody's/S&P/DBRS • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO memo and KPMG accounting opinion has been delivered to Ministry • Ministry draft assurances / indemnification for Board member • IESO is producing a document to respond to AG questions – to be shared with TBS for review • IESO letter went to OFA to request $2.5B total credit **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments. • OPG needs to have regulations finalized to move forward on ratings process • OEB needs regulations to move forward with pricing, which is on track for June 22	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP convened LDC WG May 18th to discuss bill presentment and SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • Ministry working with LDCs to finalize program design Considerations • Staff working on regulations with LSB • Staff intending to share drafts of the regulations once created with OEB and IESO policy/legal staff •	• Regulations – June 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes	• Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps

	• Ministry to meet with MCSS regarding taking over OESP administration
	• Ministry received final legislation, which includes information sharing provision with MCSS
	
	<u>Considerations</u>
	• Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise.
	• Positive progress with OEB on implementation:
	  o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts;
	  o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support.
	• As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place.
	• Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	

4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • Ministry finalizing process for eligibility and working with COO to communicate FNDC	• Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Letter being drafted by Regional Chief Day tracking for week of May 29. • Ministry met with COO on April 26, 2017 and May23rd regarding FN Rate implementation <u>Considerations</u> • Eligibility will be for First Nation on Reserve consumers who are receiving HST exemption to be automatically qualified for the Delivery credit. • Staff working with COO on a communication strategy • LDCs have been made aware of the eligibility requirement and indicate they can do this quickly/easily. • Work with LDCs on implementation details that need to be ~~l~~egislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. •	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

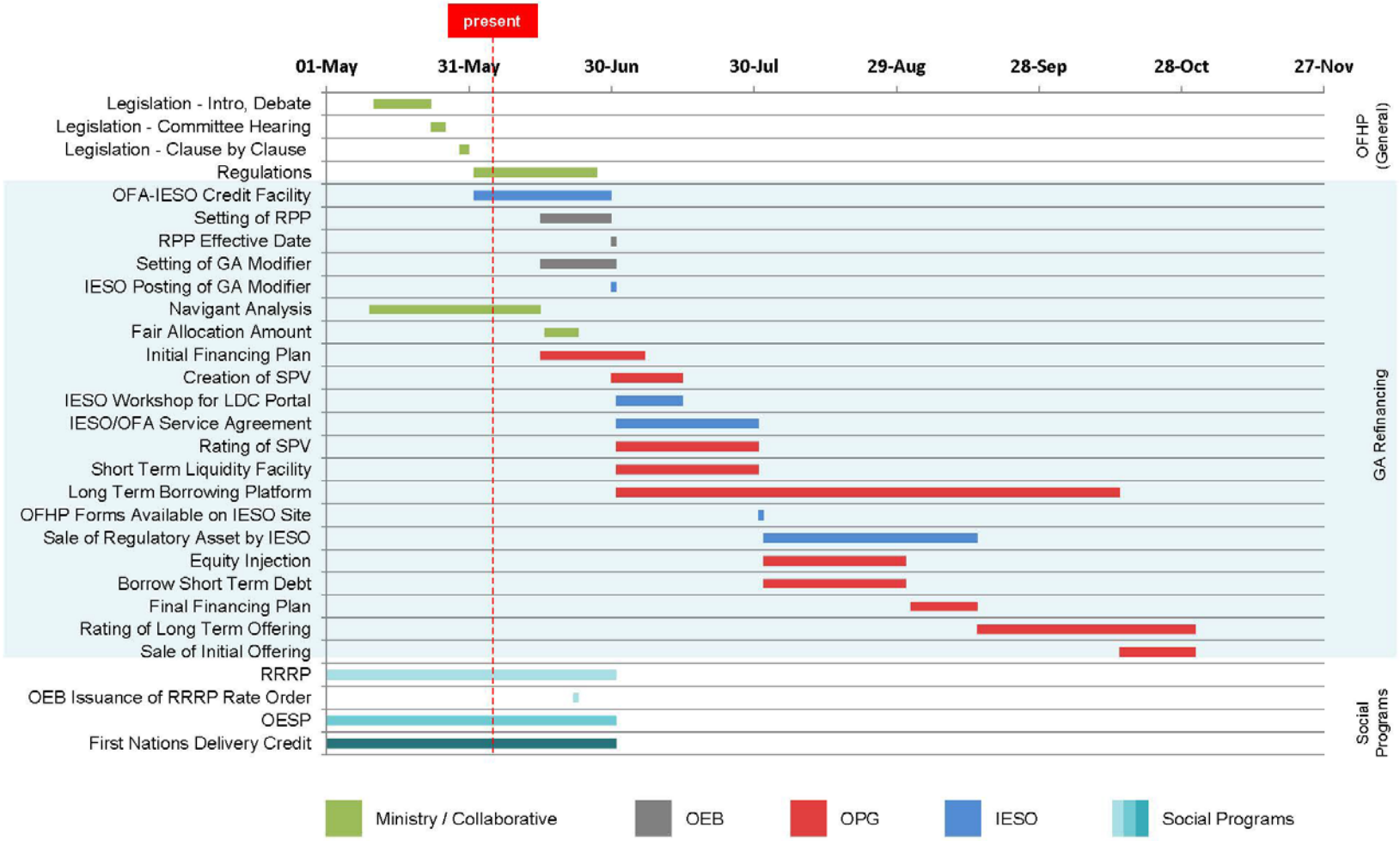
Item	Key Deliverables / Considerations	Timing / Next Steps
	documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees. <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) – OCC educational outreach work underway. • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provided FAO staff with a technical briefing on the OFHP • ENERGY provided feedback to FAO regarding its report on GA Refinancing • IESO to offer FAO separate meeting with KPMG (FAO declined)	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials • May 24, 2017: FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• IESO is producing a document to respond to AG questions – to be shared with TBS for review

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has been asked by AG for all correspondence between all parties by June 2 • OFA has received similar request • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) • ENERGY and other ministries have received additional/broader scope request from AG. Responses to be coordinated across ministries • AG meeting with IESO Board June 14. KPMG to attend • TBS to follow-up on whether AG met with large audit firms and outcome	
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • Bill inserts will be ready for July 1 with bill redesign to occur in the Fall	• Initial discussion on March 31, 2017

Ontario Fair Hydro Plan Implementation



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

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Submission to the Standing Committee on Justic_4.stub.pdf

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Rate Mitigation Implementation Meeting - March ...(1).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); "Sarah Branco"; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB)
Subject:	Rate Mitigation Implementation Meeting - March 15, 2017
Date:	March 14, 2017 3:47:11 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx Consolidated - OFHP Matrix -Week March 13.docx

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Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Agenda_Weekly Rate Mitig Implmentation Group__67.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 15, 2017

Agenda

1) GA Refinancing
    - OPG Update
    - IESO Update
    - OPG Update
    - Legislative Drafting (LSB / Blakes)

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

Notes:

Consolidated - OFHP Matrix -Week March 13_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, OPCD, CSD on development of Transfer Payment Agreement (TPA) and Trust Declaration (including sharing of drafts for comment) • Hydro One to finalize establishment of Trust by March 17, 2017 **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st **April to May 2017:** • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with

Item	Key Deliverables / Considerations	Timing / Next Steps
		final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

Rate Mitigation Implementation Meeting - March ...(2).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); catriona.king@opg.com; Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); "Sarah Branco"; Campbell, Bruce (bruce.campbell@ieso.ca); Turnevicius, Lorraine; Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB)
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca
Subject:	Rate Mitigation Implementation Meeting - March 23, 2017
Date:	March 22, 2017 2:07:58 PM
Attachments:	Consolidated - OFHP Matrix - Week of March 20.docx Agenda_Weekly Rate Mitig Implmentation Group_March 23.docx

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Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Consolidated - OFHP Matrix - Week of March 20_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 20, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		

• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation:
	  o Defining mitigation and recovery mechanism; and
	  o Establishing roles for IESO, OPG and OEB
	• Regulation (amend O.Reg.429/04)
	• Shareholder Declaration and Resolution
	• Third Party Technical Report re Long Lived Assets (TBD)
	• Accounting opinions from E&Y (OPG) and KPMG (IESO)
	• Financing:
	  o IESO line of credit to bridge from May-July;
	  o OEFC to OPG equity injection structure; and
	  o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc)
	
	<u>Recent Action Items</u>
	
	OPG:
	• OPG to continue to work with lead banks / rating agencies / OFA on financing issues
	• OPG to confirm accounting if OFA were to act as lead on borrowing
	• ESPD and IESO work with OPG in the development of OPG's detailed financial model, by providing details related to modeling/forecasting assumptions, customer data, etc
	• OPG special Board committee to meet on March 17, 2017
	• OPG to work through requirements / help draft a shareholder resolution / declaration and consider requirements for enhanced indemnification for Board member
	
	IESO:
	• IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)
		• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute)
		
		• Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute)
		
		• Provide comfort level to allow OEB to include in May 2017 RPP
		
		• Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available **OEB:** • OEB to draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 • OEB to issue OESP orders in early April **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to convene first RRRP sub-committee meeting next week • SNAP to continue to monitor rate hearings for RRRP LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with CRA on OESP wet signature and provide MO with what is needed from CRA for CoS meeting with PMO this week / SNAP also to engage with MOF <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to move forward with including COO in FN rate implementation / work through implementation issues <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Recent Action Items</u> • Blakes to review draft TPA and Trust deed • Tracking to have TPA / other documents finalized by end of next week • CRED to work with Hydro One on appropriate representation for the Trust Board, including social serve agency representation <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	• Ongoing engagement with Hydro One, LSB, Blakes on development of Transfer Payment Agreement (TPA) and Trust Declaration • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • Execute TPA between the Ministry and the Trust on March 23rd

Item	Key Deliverables / Considerations	Timing / Next Steps
		• Funds to flow by March 28, 2017 **April to June 2017:** • Appointment of Trustees; Trust develops further details (e.g., customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs) **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 • Communications to finalize TPA with OCC / ESP to consider providing support to CME • ESP to work with other ministries regarding other measures that can be considered for SMEs • ESP to consider implications of dropping below 500kw threshold due to investments in conservation	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign. • Ongoing outreach with LDCs being undertaken by IESO	
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 12, 2017 (TBD)

Agenda_Weekly Rate Mitig Implmentation Group__68.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 23, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)

4) ICI (ESPD)

5) Action Items and Next Steps

Notes:

Rate Mitigation Implementation Meeting - March ...(3).pdf

From:	Katona, Keley (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com
Subject:	Rate Mitigation Implementation Meeting - March 30, 2017
Date:	March 29, 2017 5:15:05 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_March 30.docx Consolidated - OFHP Matrix - March 27 (3).docx

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Good afternoon,

Please find attached material for discussion at the weekly rate mitigation implementation working group meeting.

Keley

Keley Katona | Director of Operations
Deputy Minister's Office | Ministry of Energy
Tel: 416-326-7688 | BB: 647-980-4634
E-mail: Keley.Katona@Ontario.ca
4th Floor, Hearst Block, 900 Bay Street

Agenda_Weekly Rate Mitig Implmentation Group__69.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 30, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Affordability Fund (CRED)

3) RRRP, OESP and FN (SNAP)
    - Mechanics and timing of moving RRPP from ratebase to taxbase

4) ICI (ESPD)

5) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - March 27 (3)_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 27, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; and o OPG to provide amount/frequency of equity required and indicate trigger <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market • OPG to embed OFA/Energy (as necessary) in their ongoing	• AG briefing on April 19, 2017 (TBD) • Provide comfort level to allow OEB to include in May 2017 RPP • Approval dates: o TB/LRC on May 1 2017; and o Cabinet on May 3, 2017 • Legislation introduced May 4, 2017. • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder resolution / declaration. OPG to continue to consider requirements for enhanced indemnification for Board member **IESO:** • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to discuss LDC issues with OEB **OEB:** • OEB to continue to work with ENERGY to finalize draft comfort letter regarding May 1 – Regulated Price Plan (RPP) and OESP • OEB to draft RPP communique to be released publicly by April 20, 2017 **Legislative Drafting:** • LSB / Blakes will continue to work through legislative drafting issues • LSB to consider contempt of legislature issue • Legislation to be complete April 17, 2017, first draft to be available for review week of March 27, 2017 <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 23rd • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Board decision this week on removing OESP from bill as of May 1. <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% +	• Report back to TB/MBC by Spring 2017 • LRC on April 10, 2016 • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 17: ENERGY received $100M in CRED's Green Energy Initiatives TP line • March 23 and 24: Trust Deed and TPA executed. Process to transfer funds underway <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**April to May 31 2017:** • Advisory Committee recommends Board of Trustees; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes. **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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.

Item	Key Deliverables / Considerations	Timing / Next Steps
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Recent Action Items</u> • ESP working to finalize materials for LRC on April 10, 2017 – draft language from leg. Counsel has been shared with ESP staff • Communications finalized TPA with OCC / ESP to consider providing support to CME • ESP to consider implications of dropping below 500kw threshold due to investments in conservation <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date as possible to impact electricity bills this year (May 15, 2017). • Ongoing outreach with LDCs being undertaken by IESO	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on April 10, 2016 • Effective April/May 2017 (TBD)
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • Ministry preparing responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion on April 19, 2017 (TBD)
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment	• Initial discussion on March 31, 2017

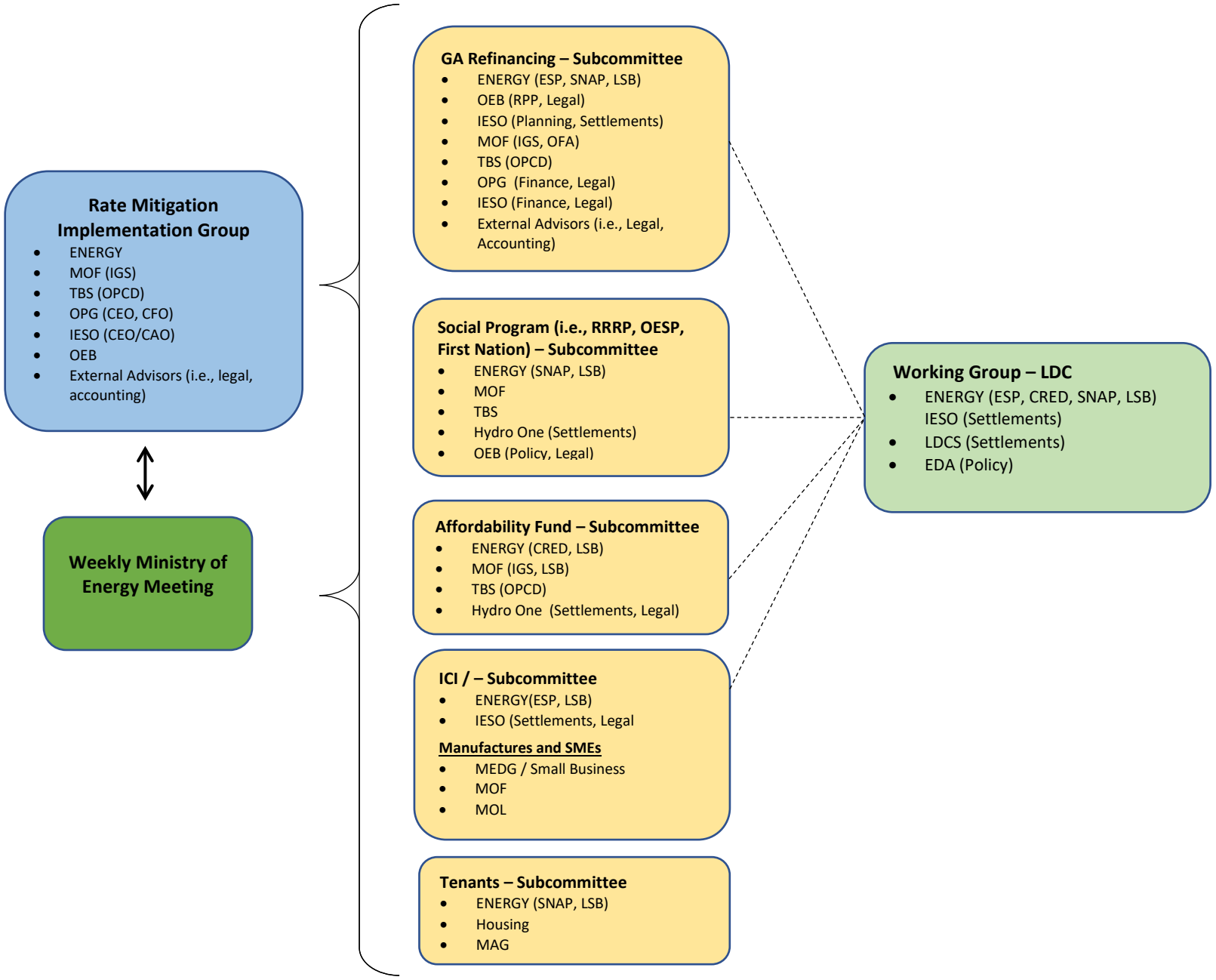
Rate Mitigation Implementation Meeting - March ....pdf

From: Feather, Adam (ENERGY)
To: Chander, Sunita (ENERGY)
Cc: Smith, Mike (ENERGY); Smith, Brett (ENERGY)
Subject: Rate Mitigation Implementation Meeting - March 9, 2017
Date: March 8, 2017 8:11:09 PM
Attachments: OFHP Gov and Delievery Structure - March 9.docx
Agenda_Weekly Rate Mitig Implmentation Group_March 9cc.docx
2017-03-08 Consolidated - OFHP Matrix - March 9_v2 ksh.docx

FYI for tomorrow's RM Meeting

OFHP Gov and Delievery Structure - March 9_2.pdf

Governance and Delivery Structure for Implementation of Ontario's Fair Hydro Plan



Agenda_Weekly Rate Mitig Implmentation Group__70.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 9, 2017

Agenda

1) Governance / Delivery Structure – Overview (ESPD)

2) GA Refinancing
    - Overview of US models (Blakes)
    - OPG Update
    - IESO Update
    - Legislative Drafting (LSB)

3) Affordability Fund (CRED)

4) RRRP, OESP and FN (SNAP)

5) ICI (ESPD)

Notes:

2017-03-08 Consolidated - OFHP Matrix - March_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 6, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• Report back to TB/MBC by Spring 2017 • Fall 2017 implementation (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB and OEB	• Legislation • Regulation (TBD) <u>Considerations</u> • Reach out to OEB to consider whether surplus funding of ~$100M could be used to increase OESP credits by 50%. Regulation can be updated quickly (need to consider whether posting on EBR is required). • Consider whether revised directive needed to continue having OEB administer program. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M • Program in place in 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• TBC/MBC Submission • Trust Structure • Transfer Payment Agreement (multi-party) <u>Considerations</u> • Legislative changes not required. • Funding needs to flow to the Trust prior to March 31, 2017.	**Week of March 6, 2017:** • TBC/MBC approval (March 6th) • CAB approval (March 8th) • Follow up calls with several LDCs and EDA to provide updates and outline proposed principles for the Fund (Ongoing engagement with Hydro One, LSB, OPCD, CSD on principles and establishment of Trust and development of Transfer Payment Agreement (TPA) (including sharing of drafts for comment); **Week of March 13, 2017:** • Hydro One to finalize establishment of Trust by March 17th • Continue development of TPA, including circulating near to final version by March 17th **Week of March 20, 2017:** • Execute TPA between the Ministry and the Trust by March 22nd • Initiate process to flow funds to the Trust; to be completed before March 31st

Item	Key Deliverables / Considerations	Timing / Next Steps
		April to May 2017: • Additional trustees to be appointment; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • RR posting is typically a minimum of 45-days for all regulatory changes affecting business to allow for review/comment. **Note:** RR posting is not a legal requirement but a best practice. • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC [DATE] • Effective May 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) FAO Engagement		
• ENERGY, MOF/OFA, FAO	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion.

Rate Mitigation Implementation Meeting - May 18...(1).pdf

From:	Feather, Adam (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - May 18, 2017
Date:	May 18, 2017 8:32:00 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15.docx Regulations 17 May 2017.docx

Good Morning Martin:

Could you please include me on these emails to MR. It helps me ensure that he is fully equipped for meetings (unless it is hyper-confidential of course!) It's also a bad sign when an ADMs EA has less on hand than her/his ADM does. ;)

Thanks!

A.

From: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Sent: Wednesday, May 17, 2017 7:09 PM
To: Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Christie, Tim (ENERGY); ''jeffrey.lyash@opg.com' (jeffrey.lyash@opg.com)'; 'HARTWICK Ken -FINANCE (ken.hartwick@opg.com)'; 'Rosemaire Leclair'; 'Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)'; 'Campbell, Bruce (bruce.campbell@ieso.ca)'; 'Kim Marshall (Kim.Marshall@ieso.ca)'; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); 'Martine Band'; 'CROZZOLI Carlo -CBUSDEV&STRT'; Mayman, Gadi (OFA); 'LEE John -TREASURY'
Cc: Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); 'jordan.penic@ieso.ca'; 'sarah.branco@ontarioenergyboard.ca'; 'Turnevicius, Lorraine'; 'catriona.king@opg.com'; Bungaro-Yemec, Francesca (ENERGY)
Subject: Rate Mitigation Implementation Meeting - May 18, 2017

Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__71.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 18, 2017

Agenda

1) GA Refinancing
    - Legislation process/amendments (LSB)
    - Regulation drafting (LSB)
    - Creation of SPV (OPG)
    - Rating agency process (OPG)
    - Transaction steps memo (OPG)
    - Line of Credit (IESO)
    - Accounting letters/opinions (IESO/OPG)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) A Plan for Monitoring / Oversight

Notes:

OFHP Annotated Time Line_Final_May 15_5.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

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- May 2, 2017 – Caucus Briefing
- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing
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Consolidated - OFHP Matrix - Week of May 15_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

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• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

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4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 17 May 2017_3.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Rate Mitigation Implementation Meeting - May 18...(2).pdf

From:	Feather, Adam (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - May 18, 2017
Date:	May 18, 2017 8:34:16 AM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15.docx Regulations 17 May 2017.docx

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May 18, 2017

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Implementation of Ontario's Fair Hydro Plan
Week of May 15, 2017

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• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 17 May 2017_4.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
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• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Rate Mitigation Implementation Meeting - May 18....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Christie, Tim (ENERGY); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Campbell, Bruce (bruce.campbell@ieso.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - May 18, 2017
Date:	May 17, 2017 7:09:07 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15.docx Regulations 17 May 2017.docx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__73.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 18, 2017

Agenda

1) GA Refinancing
    - Legislation process/amendments (LSB)
    - Regulation drafting (LSB)
    - Creation of SPV (OPG)
    - Rating agency process (OPG)
    - Transaction steps memo (OPG)
    - Line of Credit (IESO)
    - Accounting letters/opinions (IESO/OPG)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) A Plan for Monitoring / Oversight

Notes:

OFHP Annotated Time Line_Final_May 15_7.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval
- Week of May 15, 2017 – House debate on Legislation
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Committee / Clause by Clause / Amendments
    - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15_3.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
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• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
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• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
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Regulations 17 May 2017_5.pdf

May 17, 2017

Regulations – Master List	
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Rate Mitigation Implementation Meeting - May 25....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); Christie, Tim (ENERGY); ""jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com)"; "HARTWICK Ken -FINANCE (ken.hartwick@opg.com)"; "Rosemaire Leclair"; "Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca)"; "Campbell, Bruce (bruce.campbell@ieso.ca)"; "Kim Marshall (Kim.Marshall@ieso.ca)"; Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); "LEE John -TREASURY"
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); "jordan.penic@ieso.ca"; "sarah.branco@ontarioenergyboard.ca"; "Turnevicius, Lorraine"; "catriona.king@opg.com"; Bungaro-Yemec, Francesca (ENERGY); Feather, Adam (ENERGY); Cox, Hilary (ENERGY); Thompson, Erin (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - May 25, 2017
Date:	May 24, 2017 6:02:26 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 25.docx OFHP Work Plan.pptx Fair Hydro Act Motions Consultation (May 24 2017) v3.docx Regulations 17 May 2017.docx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__74.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 25, 2017

Agenda

1) GA Refinancing
    - Committee process/motions (LSB)
    - Regulation drafting (LSB)
    - Workplan (ENERGY)
    - Updates (OPG/IESO/OEB)
        - Critical Paths
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Guarantees for dealers (OPG/OFA)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

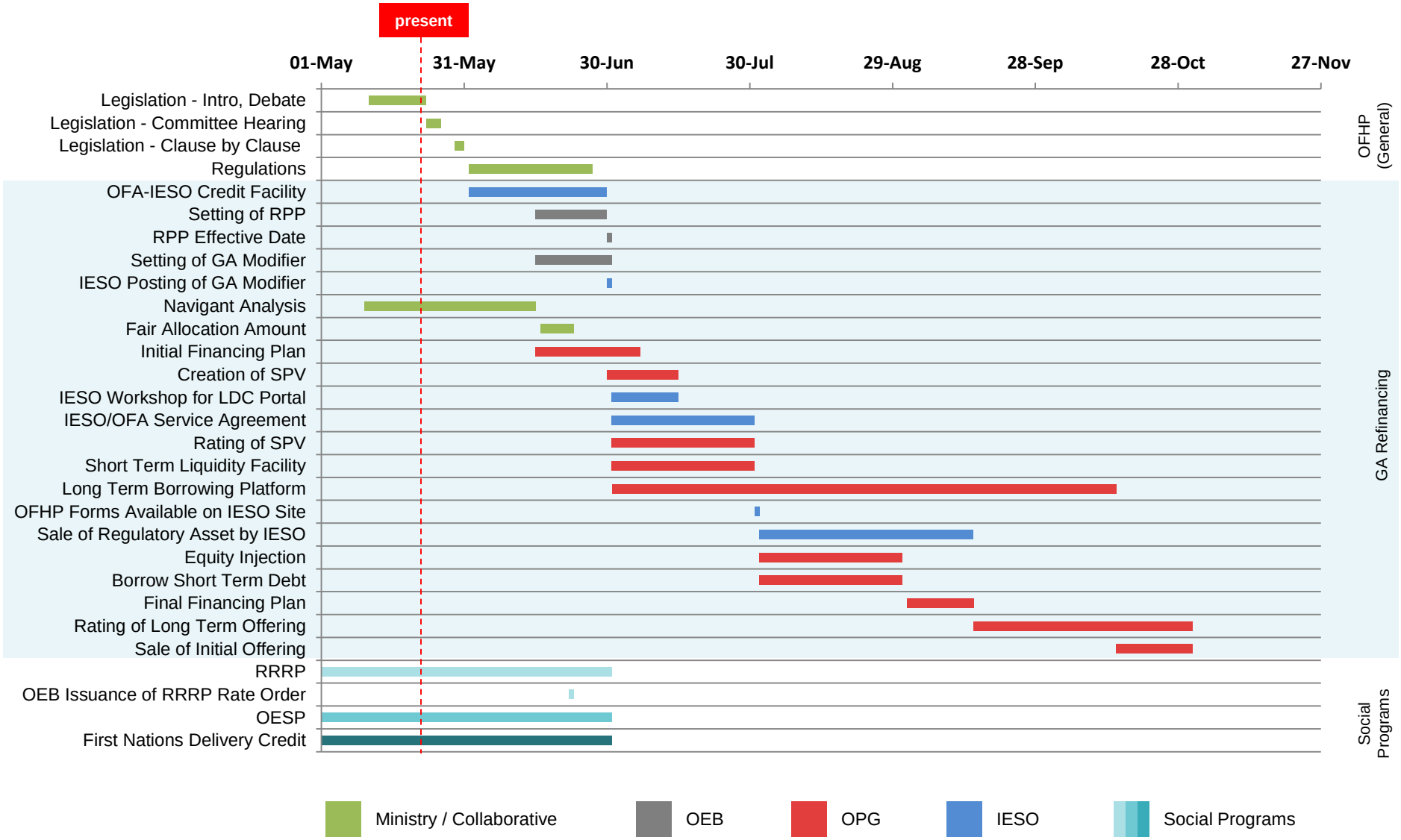
Notes:

OFHP Work Plan_4.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

Fair Hydro Act Motions Consultation (May 24 2_2.pdf

Version 3

This confidential draft document is provided for discussion purposes only. It should not be construed as representing the position adopted by the Government of Ontario on any of the topics included or not included in this document. The notes included in this document are intended only to help facilitate a discussion of the topics to which they relate. Any potential legislation is subject to the approval of the Ontario Legislature.

Proposed Bill 132 Draft Motions

Proposed Draft Government Motions

Proposed Draft Bill 132 Motions

Motion 1

Schedule 1 to the Bill, subsection 1 (1)

The following definition is added:

"readjustment amount" means, in respect of a reference period, the amount payable by specified consumers in respect of that reference period as a result of a determination of the Board under Part II to reduce electricity rates [so that the sum of the amount charged to specified consumers and the finance amount is less than] the fair allocation amount in respect of the reference period; ("French")

Proposed Draft Bill 132 Motions

Motion 2

Schedule 1 to the Bill, section 7

Section 7 would be struck out and the following substituted:

Regulated rate consumers, first adjustments

7. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, the electricity rates payable by regulated rate consumers for the period beginning on July 1, 2017 and ending on April 30, 2018 are the rates determined by the Board under this section and in accordance with the regulations.

Determination by Board

(2) The rates mentioned in subsection (1) shall be the rates that would result in a hypothetical regulated rate consumer who meets the prescribed criteria being invoiced a total amount, consisting of such types of amounts as may be prescribed, that is 25 per cent less than the total amount, consisting of such types of amounts as may be prescribed, that the consumer would have been invoiced under the comparison rates described in subsection (3).

Comparison rates

(3) The comparison rates are the rates that would have been effective May 1, 2017 if they had been determined by the Board for the consumer mentioned in subsection (2) using the method prescribed by the regulations made under clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, without taking into account any forecasted impact of any other provisions of this Act.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 3

Schedule 1 to the Bill, section 8

Section 8 would be struck out and the following substituted:

Other specified consumers, first adjustments

8. For the period beginning on July 1, 2017 and ending on April 30, 2018, the adjustments made under section 25.33 of the *Electricity Act*, *1998* shall, with respect to specified consumers who are not regulated rate consumers, be further adjusted by electricity vendors in accordance with the determinations made by the Board in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 4

Schedule 1 to the Bill, section 11

Section 11 would be struck out and the following substituted:

Subsequent adjustments

11. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998* and subject to subsection (2), the Lieutenant Governor in Council may prescribe methodologies to be applied by the Board after April 30, 2018 for the purpose of determining,

(a) electricity rates for regulated rate consumers; or

(b) further adjustments to be applied by electricity vendors, in accordance with the regulations and in accordance with the Board's determinations, to the adjustments made under section 25.33 of the *Electricity Act, 1998* in respect of specified consumers who are not regulated rate consumers.

Regulations

(2) The Lieutenant Governor in Council shall have regard to the following in making the regulations:

1. The purposes of this Act.

2. The clean energy costs borne by specified consumers over time.

3. Such other matters as may be prescribed.

Same

(3) The regulations may prescribe,

(a) different methodologies for different prescribed classes of specified consumers and in respect of different periods of time; and

(b) different adjustments to be applied in respect of prescribed classes of specified consumers who are not regulated rate consumers and in respect of different periods of time.

Proposed Draft Bill 132 Motions

Motion 5

Schedule 1 to the Bill, subsections 12 (2) and (3)

Subsection 12 (2) would be struck out and the following substituted:

Same

(2) If an invoice for the electricity is issued to the person by the specified consumer or a unit sub-meter provider providing unit sub-metering for the specified consumer, the amounts or rates payable for the electricity by the person who is liable to pay the invoice shall be determined in accordance with the regulations.

Same

(3) The regulations may prescribe different amounts or rates for different prescribed classes of specified consumers.

Proposed Draft Bill 132 Motions

Motion 6

Schedule 1 to the Bill, subsection 13 (2)

Subsection 13 (2) would be struck out and the following substituted:

Same

(2) For greater certainty, subsection (1) applies regardless of whether any estimate, projection or other input used in calculating the clean energy adjustment was erroneous or out of date at the time of the calculation and regardless of whether any of those estimates, projections or other inputs is subsequently amended, updated or corrected.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 7

Schedule 1 to the Bill, section 18

Section 18 would be struck out and the following substituted:

Appointment

18. Ontario Power Generation Inc. is appointed as the Financial Services Manager for the purposes of this Act, unless it is unable or unwilling to do so, in which case the Minister may appoint a different Financial Services Manager in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 8

Schedule 1 to the Bill, section 20

Section 20 would be struck out and the following substituted:

Minister to calculate fair allocation amount

20. (1) Before the first funding obligation is incurred, the Minister shall calculate a fair allocation amount in respect of each reference period as follows:

1. Determine, in accordance with the following steps and the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs to be allocated to specified consumers in respect of the reference period:

    i. Determine the clean energy costs incurred or expected to be incurred in respect of the reference period.

    ii. Determine the clean energy benefits and allocate that value across the prescribed period and each reference period.

    iii. Allocate clean energy costs in respect of reference periods in proportion to such relative attributions of clean energy benefits determined in subparagraph ii.

2. Subject to subsection (2), determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated finance amount in respect of the reference period.

3. Determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs that would have been payable, in the absence of this Act, by specified consumers in respect of the reference period.

4. Determine the amount, if any, by which the sum of the determinations under paragraphs 1 and 2 exceeds the determination under paragraph 3.

5. Calculate the sum of the amount determined under paragraph 4 and such other amounts as may be prescribed in respect of the reference period.

Part II adjustments

(2) If the Board has made a determination under section 9 or 11 in respect of the reference period or in respect of a prior reference period and, as a result of the determination, the prescribed circumstances arise, the Minister shall take the prescribed steps to make the prescribed adjustments to the determination made under paragraph 2 of subsection (1).

Minister's considerations

(3) In calculating a fair allocation amount, the Minister shall have regard to the purposes of this Act and such other matters as may be prescribed.

Minister to report to Financial Services Manager

(4) The Minister shall provide a report setting out the fair allocation amount in respect of each reference period to the Financial Services Manager.

Recalculation

(5) The calculation of a fair allocation amount under this Part may be changed by such person as may be prescribed, subject to the following requirements:

1. The prescribed person shall comply with such requirements as may be prescribed.

2. Subsections (1), (2) and (3) apply to the new calculation, with necessary modifications, as if that person were the Minister.

Same

(5) No change under subsection (5) shall affect any clean energy adjustment that arises as a result of a funding obligation that has been incurred before the change.

Information

(6) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed in accordance with the regulations for the purposes of facilitating a change under subsection (5).

Proposed Draft Bill 132 Motions

Motion 9

Schedule 1 to the Bill, subsection 21 (1)

Subsection 21 (1) would be amended by striking out “for the purposes of acquiring and financing an investment asset” and substituting “for the purposes of a financing entity acquiring and financing an investment interest”.

Proposed Draft Bill 132 Motions

Motion 10

Schedule 1 to the Bill, paragraph 1 of subsection 21 (3)

Paragraph 1 of subsection 21 (3) would be amended by striking out “to reflect determinations of the Board under Part II in respect of the reference period” at the end and substituting “by the amount of any readjustment amount in respect of the reference period”.

Proposed Draft Bill 132 Motions

Motion 11

Schedule 1 to the Bill, subsection 21 (4)

Subsection 21 (4) would be amended by striking out clauses (a) and (b) and substituting the following:

(a) the amounts are payable in respect of a reference period in respect of which the Board has not made any determinations under Part II that resulted in a readjustment amount; or

(b) if the Board has made a determination under Part II in respect of the reference period that resulted in a readjustment amount, the amounts payable in respect of the clean energy adjustment in respect of the reference period do not exceed the fair allocation amount in respect of the reference period after subtracting the readjustment amount.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 12

Schedule 1 to the Bill, subsection 21 (6)

Subsection 21 (6) would be amended by adding “but no such amendment shall affect any clean energy adjustment that has already been determined under section 15 or any funding obligations that have already been incurred before the amendment” at the end.

Proposed Draft Bill 132 Motions

Motion 13

Schedule 1 to the Bill, subsection 22 (3)

Subsection 22 (3) would be amended by striking out “The Financial Services Manager shall not” at the beginning and substituting “Neither the Financial Services Manager nor a financing entity shall”.

Proposed Draft Bill 132 Motions

Motion 14

Schedule 1 to the Bill, section 40.1

The following section would be added:

Compliance and restraining orders
Application to court

40.1 (1) On the application of an investment interest owner, the Superior Court of Justice may make an order described in subsection (2) if it is satisfied that an electricity vendor, the IESO or the Financial Services Manager has failed to comply with or contravened this Act or the regulations or that one of those entities will fail to comply with or will contravene this Act or the regulations.

Order

(2) The Superior Court of Justice may, by order,

(a) direct the electricity vendor, the IESO or the Financial Services Manager to comply with this Act or the regulations;

(b) restrain the electricity vendor, the IESO or the Financial Services Manager from contravening this Act or the regulations; or

(c) require compensation to be provided by the electricity vendor, the IESO or the Financial Services Manager to the investment interest owner.

Same

(3) An application under subsection (1) may be made by an investment asset owner in addition to exercising any other right of the investment interest owner.

Proposed Draft Bill 132 Motions

Motion 15

Schedule 1 to the Bill, paragraph 7 of subsection 41 (1)

Paragraph 7 of subsection 41 (1) would be amended by striking out “a breach under section 29” and substituting “the failure of any person or entity to give effect to the rights and interests provided for under section 29”.

Regulations 17 May 2017_6.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Rate Mitigation Implementation Meeting - May 4,....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Hume, Steen (ENERGY); Sermat-Harding, Kaili (ENERGY); Reid, Michael (ENERGY); Calwell, Carolyn (ENERGY); Nelms, Scott (MOF); "jeffrey.lyash@opg.com" (jeffrey.lyash@opg.com); HARTWICK Ken -FINANCE (ken.hartwick@opg.com); Rosemaire Leclair; Mary Anne Aldred (maryanne.aldred@ontarioenergyboard.ca); Campbell, Bruce (bruce.campbell@ieso.ca); Kim Marshall (Kim.Marshall@ieso.ca); Thompson, Scott (MOF); Angus, Helen (TBS); Davidson, Steven (CAB); "Martine Band"; "CROZZOLI Carlo -CBUSDEV&STRT"; Mayman, Gadi (OFA); LEE John -TREASURY
Cc:	Imbrogno, Serge (ENERGY); Teliszewsky, Andrew (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); MacIntyre, Kyle (TBS); McLean, David (MOF); Foster, Robert (CAB); jordan.penic@ieso.ca; "sarah.branco@ontarioenergyboard.ca"; Turnevicius, Lorraine; catriona.king@opg.com; Bungaro-Yemec, Francesca (ENERGY)
Subject:	Rate Mitigation Implementation Meeting - May 4, 2017
Date:	May 3, 2017 6:42:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May4.docx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Good evening,

Please find attached the material for discussion tomorrow morning.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__75.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of May 1_11.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_10.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)
- June 2017 – LRC with Regulations

Rate Mitigation Implementation Meeting Materials.pdf

From:	Armstrong, Hillary (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Schlaepfer, Martin (ENERGY); Hume, Steen (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation Meeting Materials
Date:	July 12, 2017 6:40:00 PM
Attachments:	2017 07 07 Business Issues v01.docx 2017-07-07 Consolidated - OFHP Matrix - Week of July 10 (2).docx Agenda_Weekly Rate Mitig Implmentation Group_July 13.docx 2017-07-12 Bill Presentment Presentation v01.pptx

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Hi Andrew,

Attached are the products for tomorrow morning's rate mitigation meeting.

Thanks,
Hillary

2017 07 07 Business Issues v01_20.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** Language finalized by end of July
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Draft Term Sheet • Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to provide comments on Master Subscription Agreement • OPG / OFA / Energy to develop other agreements and revise OPG Articles **Timing**: Documents finalized at end of July
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• OPG to consider value of comfort letter • MOF legal to draft regulation (consider broad vs. narrow) **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

2017-07-07 Consolidated - OFHP Matrix - Week _27.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 10, 2017

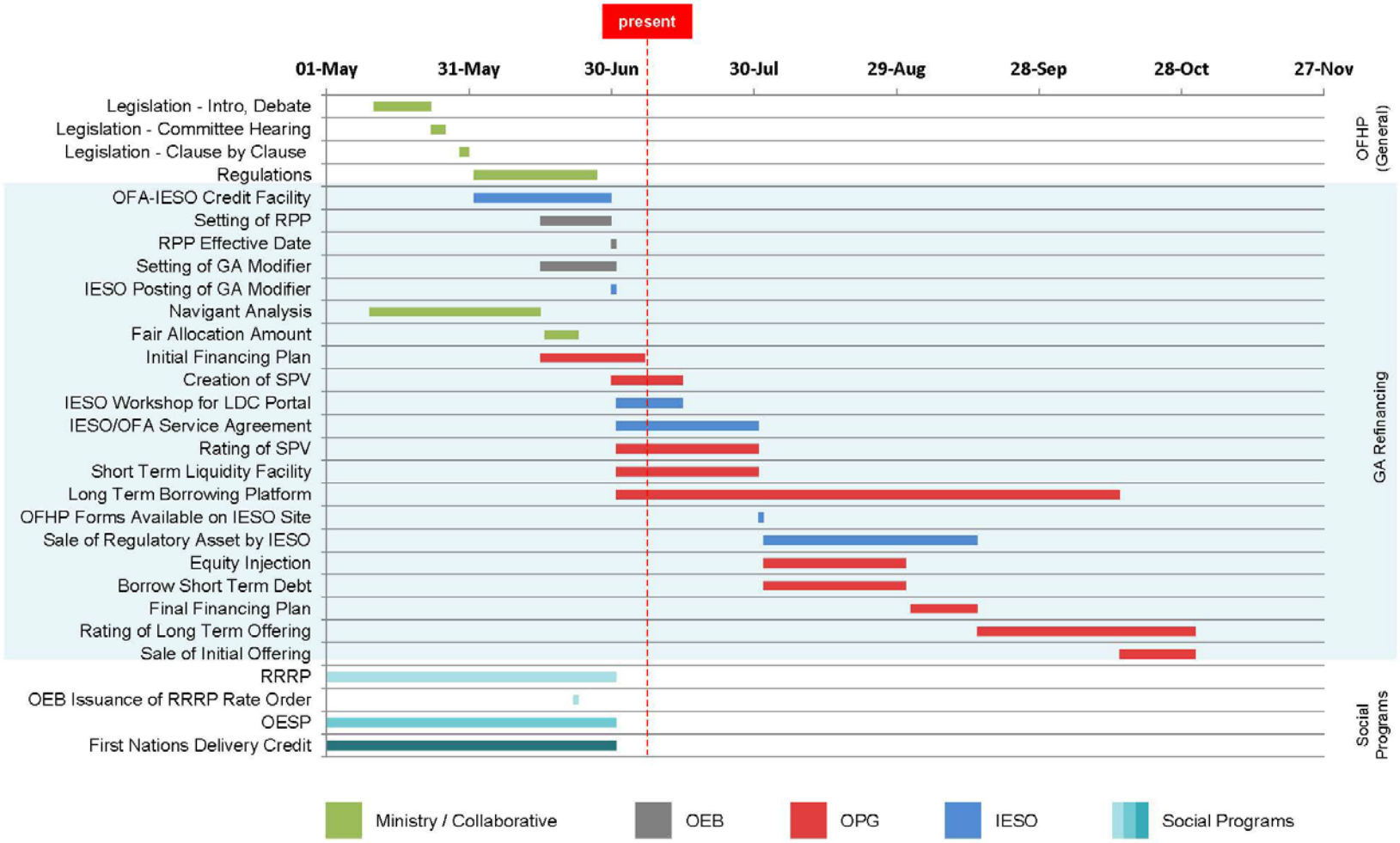
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Performance / Payment Guarantees (i.e., term sheet) o Management Fees o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • 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	• July 1 – 25% takes effect • Summer – Prepare Minister's Fair Allocation Amount (TBD) • Summer – LRC/Cabinet Approval Management Fee regulations (TBD) • Summer / Fall – OPG Financing (TBD)
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design	• TBD
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature	• July 26, 2017 – MCSS going to TB

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	<u>Recent Action Items</u> • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29 • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• TBD
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**July 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **Summer 2017:** • LDCs begin to apply to the Trust for funds **Q2 2017-2018:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets

Item	Key Deliverables / Considerations	Timing / Next Steps
		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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__76.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
July 13, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO / OEB)
    - Draft Provincial Guarantees for Dealers (OPG/OFA)
    - Business Item (OPG/IGS)

2) Bill Presentment – Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-12 Bill Presentment Presentation v01_4.pdf

Ontario

MINISTRY OF
ENERGY

Ontario's Electricity Bills: Current Requirements and Long-Term Improvements

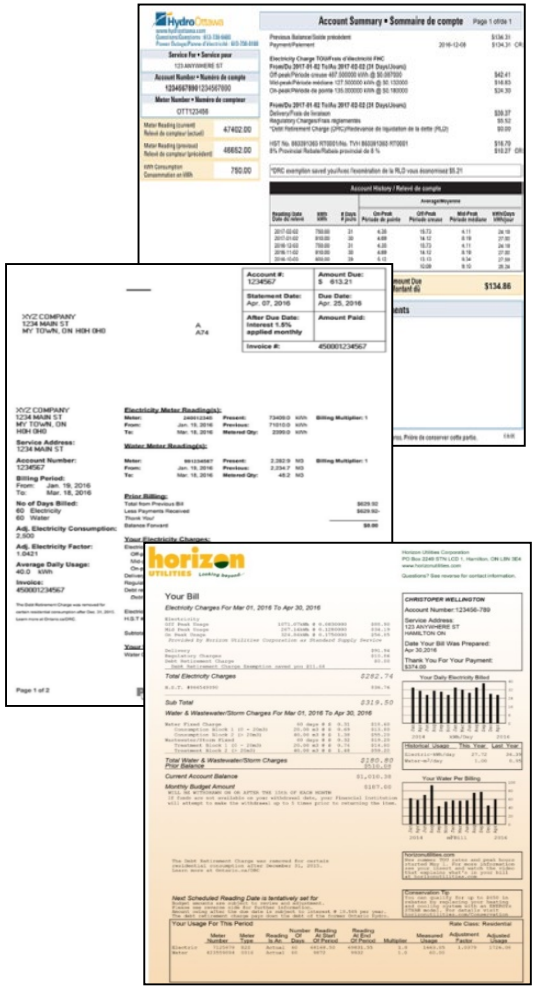
July 2017

Contents

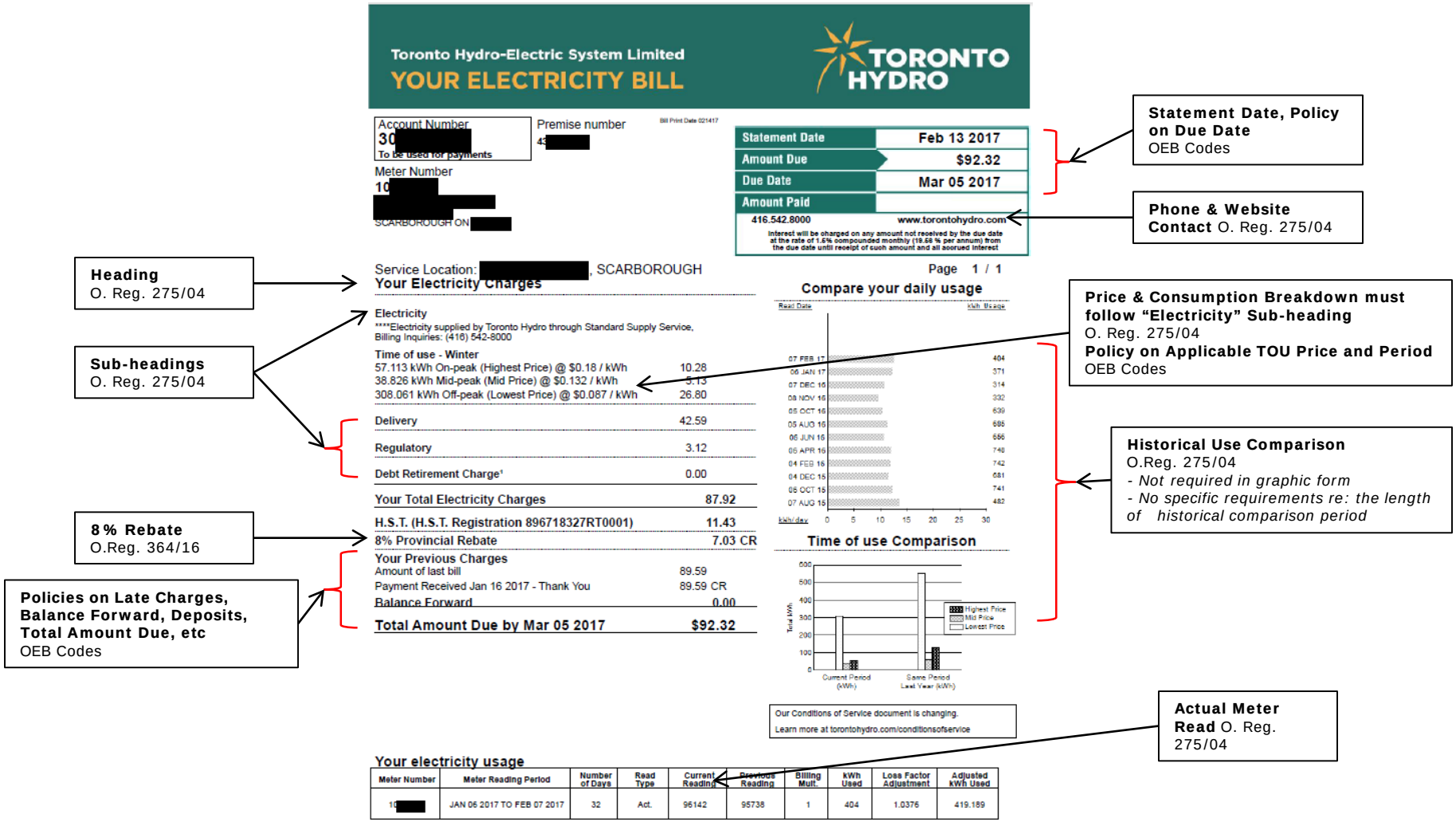
- Overview of Electricity Bill Requirements
- Ontario's Fair Hydro Plan (OFHP)
- Redesign Action Plan (RAP)
- Hydro One – Bill Redesign Initiative
- Proposed Timeline

Electricity Bill Requirements – Authority Overview

- In Ontario, most electricity customers receive bills for their consumption of electricity from their Local Distribution Company (LDC).
- The government has the authority to stipulate requirements in relation to the form and content of electricity bills, including the ability to prescribe messaging related to government programs directly on bill invoices, inserts and envelopes.
    - The government obtains its authority to mandate specific content with respect to bills from the *Ontario Energy Board Act*, 1998 and there are a number of regulations requiring LDCs to display messaging in a certain way on electricity bills.
- These requirements have been criticized as a patchwork of measures that limit the invoice's readability and usefulness to consumers. Customer advocates have called for more flexibility to design a more consumer-responsive invoice.
- Outside of these requirements, LDCs enjoy the flexibility to present their bills in a manner which they believe best responds to the preferences of their customer base, causing bill appearance to vary widely across Ontario's approximately 70 LDCs (see right).



Bill Example – Front



Statement Date, Policy on Due Date
OEB Codes

Phone & Website Contact O. Reg. 275/04

Heading
O. Reg. 275/04

Sub-headings
O. Reg. 275/04

Price & Consumption Breakdown must follow "Electricity" Sub-heading
O. Reg. 275/04
Policy on Applicable TOU Price and Period
OEB Codes

Historical Use Comparison
O.Reg. 275/04
- Not required in graphic form
- No specific requirements re: the length of historical comparison period

8% Rebate
O.Reg. 364/16

Policies on Late Charges, Balance Forward, Deposits, Total Amount Due, etc
OEB Codes

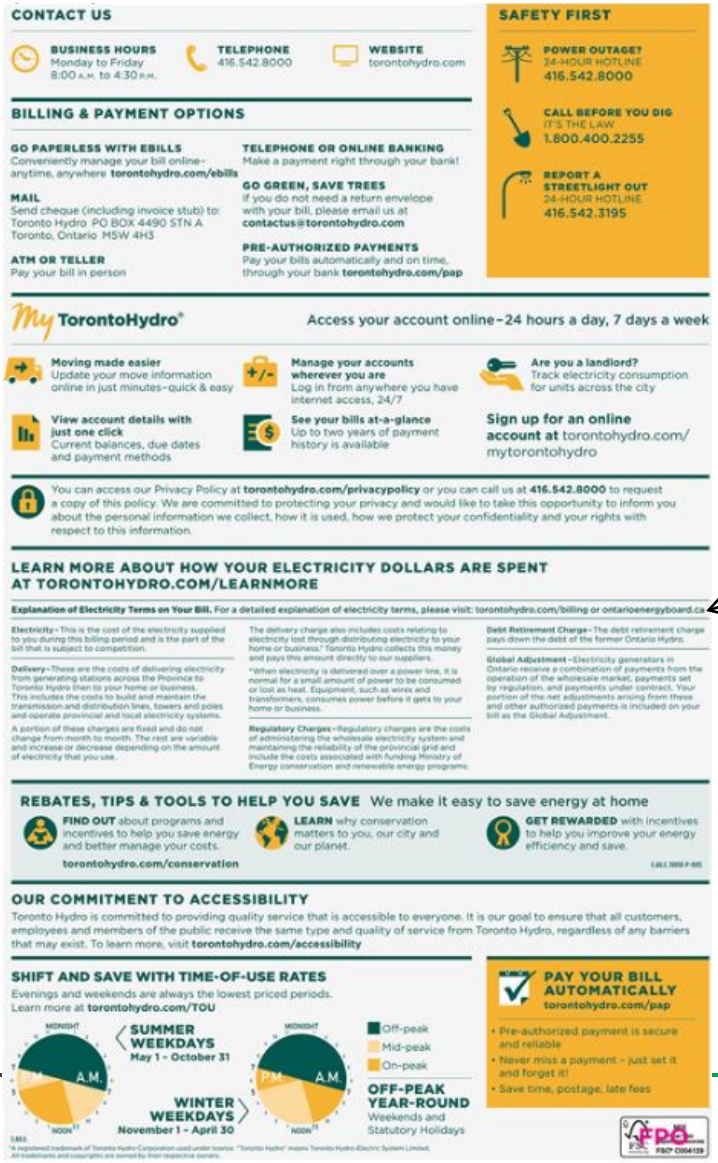
Actual Meter Read O. Reg. 275/04

Bill Example – Back

Policies on Forms of Payment
OEB Codes

Explanation of Electricity Terms in Prescribed Language
O. Reg. 275/04

TOU Prices and Periods
OEB Codes



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Explanation of Electricity Terms on Your Bill. For a detailed explanation of electricity terms, please visit: torontohydro.com/billing or ontarioenergyboard.ca

Electricity – This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition.

Delivery – These are the costs of delivering electricity from generating stations across the Province to Toronto Hydro then to your home or business. This includes the costs to build and maintain the transmission and distribution lines, towers and poles and operate provincial and local electricity systems.

A portion of these charges are fixed and do not change from month to month. The rest are variable and increase or decrease depending on the amount of electricity that you use.

The delivery charge also includes costs relating to electricity lost through distributing electricity to your home or business.* Toronto Hydro collects this money and pays this amount directly to our suppliers.

*When electricity is delivered over a power line, it is normal for a small amount of power to be consumed or lost as heat. Equipment, such as wires and transformers, consumes power before it gets to your home or business.

Regulatory Charges – Regulatory charges are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs.

Debt Retirement Charge – The debt retirement charge pays down the debt of the former Ontario Hydro.

Global Adjustment – Electricity generators in Ontario receive a combination of payments from the operation of the wholesale market, payments set by regulation, and payments under contract. Your portion of the net adjustments arising from these and other authorized payments is included on your bill as the Global Adjustment.

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Website links for where to get more Information in Prescribed Language
O. Reg. 275/04

Ontario's Fair Hydro Plan – Billing Requirements

- On March 2, 2017, the government announced Ontario's Fair Hydro Plan (OFHP), which will lower electricity rates for households and small businesses by an average of **25 percent** starting in the summer of 2017.
- To implement this plan, LDCs were required to make backend system changes to ensure that eligible residential customers received the applicable rebates and lower charges by the mandated deadlines (May 1, 2017 or July 1, 2017).
- LDCs were also required to make billing system changes such that electricity bills were updated to reflect OFHP initiatives and customers were informed about the resultant bill impacts.
- Specifically, as of July 1, 2017, LDCs were required by regulation to:
  - ✓ include standardized **on-bill OFHP messaging**;
  - ✓ accompany paper invoices with a descriptive **OFHP bill insert** once per quarter for 12 months, beginning with the first invoice issued on or after July 1, 2017 until the first invoice issued on or after July 1, 2018; and
  - ✓ include a **"First Nations Delivery Credit"** as a line item for on-reserve customers, as applicable.
- In anticipation of these new requirements, the Ministry revoked outdated messaging from electricity bills to free-up space and reduce potential confusion amongst consumers. This included removing "8% Provincial Rebate" messaging from invoices and envelopes under O. Reg. 364/16, and DRC messaging under O. Reg. 275/04.
- LDCs were in favour of this regulatory "clean-up", indicating they "maxed out" the available space on electricity bills.
- Importantly, under these new and existing regulations, LDCs are able to petition the Minister, via a letter, to seek adjustments and/or exemptions from the invoicing requirements due to technical and/or operational limitations.

Ontario's Fair Hydro Plan – Bill Insert

Ontario

ONTARIO'S FAIR HYDRO PLAN

Bringing electricity bills down

Ontario's Fair Hydro Plan

- Electricity bills will be lowered by 25 per cent on average for residential consumers.
- Rate increases will be held to inflation for four years.
- As many as half a million small businesses and farms will also benefit from this reduction.
- Lower-income Ontarians and those living in eligible rural communities will receive even greater reductions, as much as a 40 to 50 per cent cut.

The benefit will vary for individual consumers depending on electricity usage and service territory. These measures include the eight per cent rebate introduced in January 2017 and build on previous initiatives to deliver broad-based relief on all electricity bills.

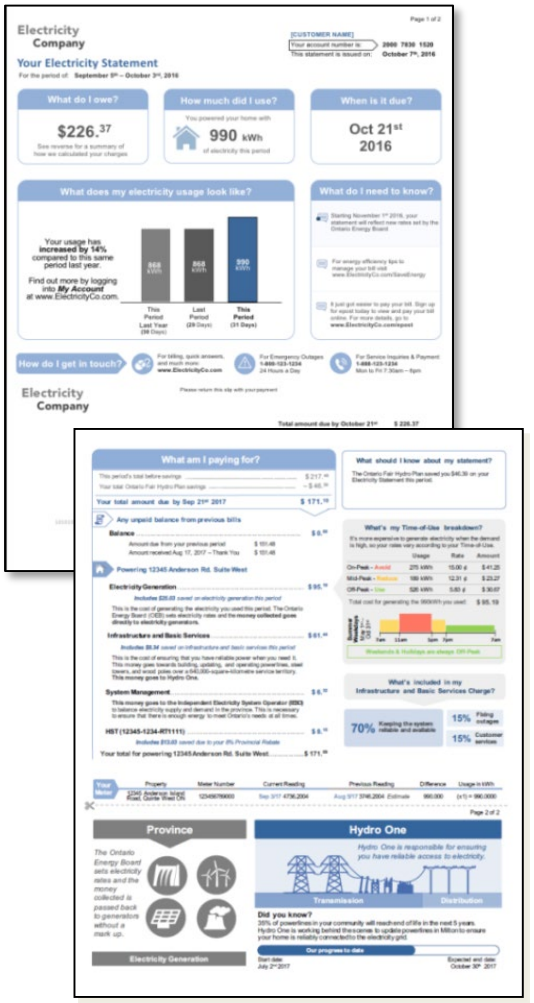
To find out more, visit **ontario.ca/FairHydroPlan**

Redesign Action Plan (RAP)

- Despite these recent changes, the Ministry recognizes there is an opportunity to further revise the regulatory framework on invoicing to improve the value of electricity bills to all consumers - ensuring they get the most out of their bills.
- In pursuit of this effort, the Ministry plans to launch a **Redesign Action Plan (RAP)** this summer with the aim of improving electricity bills by achieving the following objectives:
  - Enhancing the customer experience;
  - Better communicating government initiatives and programs;
  - Consolidating the regulatory framework; and
  - Promoting greater understanding.
- To initiate this plan, the Ministry intends to convene a **"RAP Working Group"** in August 2017 consisting of Hydro One, the Electricity Distributors Association (EDA), the Coalition of Large Distributors (CLD), as well as additional LDCs, the OEB and relevant industry associations to seek feedback on changes to bill presentment and invoicing regulations from the sector.
- This bill redesign could also consider how to display OFHP program savings more directly on consumer bills (e.g., providing a "personalized" message indicating how much customers saved as a result of the plan).
- The Ministry also plans to conduct research on bill redesign initiatives, including a jurisdictional scan on best practices, as well as background on vendor billing systems.
- Based on these efforts, the Ministry aims to prepare new regulations that would into effect Fall/Winter 2018, but include an ample transition period.

Case Study: Hydro One's Bill Redesign Initiative

- Hydro One has also been investigating ways to improve the appearance and comprehension of its bill, which has remained unchanged for over a decade.
- Hydro One customers indicate their current bill suffers from: a lack of transparency, over-complicated language, overcrowded text, a lack of visual aids and a formal tone.
- As part of this undertaking, Hydro One has enlisted the services of a behavioural research firm and engaged an online panel of 4,000 customers.
- Utilizing this feedback, Hydro One has prototyped alternative bill designs which have been observed to increase customer satisfaction and comprehension, as well as improve attitudes towards LDCs and the electricity sector.
- To facilitate the implementation of this redesign, the Ministry has provided Hydro One with an exemption from current invoicing requirements under O. Reg. 275/04, as well as specified OFHP invoicing requirements, as of July 1, 2017.
    - This exemption will allow Hydro One to proceed with its planned bill redesign in Fall 2017, unencumbered by regulatory requirements.
    - By mid-2018, Hydro One expects to provide 1.1 million customers with redesigned invoices.
- In addition, Hydro One has agreed to participate in the Ministry's RAP Working Group; sharing its learnings from its bill redesign initiative.



Hydro One: Redesigned Bill

Proposed Timeline

- In order to have new regulations in place for January 1, 2018, the Redesign Action Plan should be undertaken according to the following timeline:

Pre-July 1, 2017
OFHP Bill Inserts

- Requirement for LDCs to issue "8% rebate" envelopes, and include "8% rebate" on-bill messaging revoked from O. Reg. 364/16.
- LDCs voluntarily issue OFHP bill inserts in late June ahead of finalized OFHP regulations (inserts printed by ENERGY).

July 1, 2017
OFHP Required Messaging

- OFHP regulations introduced requiring LDCs to comply with the following by July 1st:
  1. Issue prescribed OFHP bill inserts on a quarterly basis for one year;
  2. Include standardized OFHP on-bill messaging;
  3. Include a FNDC line item, where applicable; and
  4. Remove outdated on-bill messaging (e.g., DRC exemption).
- Hydro One exempted from O. Reg. 275/04 and specified OFHP invoicing requirements.

Aug. – Sept. 2017
RAP Consultations

- ENERGY to convene a RAP Working Group in August, including Hydro One, the EDA, the OEB, the Coalition of Large Distributors, as well as other LDCs and industry assoc.
- ENERGY to seek feedback on changes to bill presentment, regulatory reform, and gather information on behavioural economics, consumer advocacy, and billing system design.

Fall – Winter 2017
RAP Regulatory Amendments

- Following RAP consultations, ENERGY to introduce regulatory amendments to simplify bill presentment in late Fall/Winter 2017.
- Hydro One to begin rolling out its redesigned electricity bills in Q4 2017.

Winter 2018 –
RAP Implementation

- New/amended invoicing regulations to become effective as of January 1, 2018.
- Hydro One expected to complete its roll-out of redesigned bills to its low volume consumers by Q2 2018.
- New regulations to include ample transition period for LDCs to adopt new regulatory invoicing requirements.

Rate Mitigation Implementation Meeting on Monday .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF); Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject:	Rate Mitigation Implementation Meeting on Monday
Date:	June 12, 2017 9:42:00 AM
Attachments:	OFHP - Report backs Chart.docx Agenda_Internal Rate Mitig Implmentation Weekly Meeting _June 12.docx Consolidated - OFHP Matrix - Week of June 12_ Clean (2).docx

Good morning Martin. For this afternoon's meeting. Attached is a short agenda of items that we might want to use to guide the discussion. I've also attached an updated OFHP matrix for this week. To make it more user-friendly, I've striped out some the "stale" and duplicative content and re-order the items.

If you have any questions, let us know. Steen

From: Schlaepfer, Martin (ENERGY)
Sent: June-09-17 5:48 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI); Nelms, Scott (MOF)
Cc: Cox, Hilary (ENERGY); Feather, Adam (ENERGY); Kitchen, Matthew (ENERGY)
Subject: FW: Rate Mitigation Implementation meeting on Monday

FYI. We may also want to talk about the indemnities if there has been any movement on those.

Have a great weekend everyone!

From: Schlaepfer, Martin (ENERGY)
Sent: June 9, 2017 5:44 PM
To: Teliszewsky, Andrew (ENERGY)
Cc: Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject: Rate Mitigation Implementation meeting on Monday

Hi Andrew,

For Monday's meeting we are proposing that we discuss the following items:

- TB / LRC submissions and the regulations (already shared).
- Our comments on the TB Report back chart (attached). We've added an additional column for ENERGY comments and reorganized the items, but the content in the attached is TBS.
- The Minister's briefing on Tuesday (materials still tracking).

Thanks,
Martin

OFHP - Report backs Chart_1.pdf

Electricity Price Mitigation – TB/MBC Report Backs
(as per May 9 TB/MBC Minute)

Report Back Requirements	Expected Timing	ENERGY Comments
Ontario Fair Hydro Plan – Regulations - Report back to TB/MBC on the details of proposed regulations prior to going to LRC, and to provide the Board with an update towards completed legal, accounting and financing risk assessments	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14) Late June TB/MBC – Regulations for Global Adjustment (LRC/Cabinet – June 27)	
Electricity Social Programs and GA Financing - To report back with final program details for 2017-18 for GA Refinancing and Electricity Social Programs, including *fiscal plan implications* and *consumer impacts* with *detailed assumptions* and *methodologies* specified and documented	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
Risk Mitigation - To report back with updates to risk mitigation strategies that address key financial and operational risks.	TBD – Potentially details would be in the Regulations submissions	
RRRP − Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. − Establishing program performance management framework including targets for the broadened program now government funded − Report on and assessment of impacts of consolidation of LDCs − Assessment of distribution rates and implications for the program	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
On-Reserve First Nations Delivery Charge - Direct the Ministry to report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant Ontario Energy Board estimate of program costs, from $13M to $20M.	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	
OESP − Identify eligibility criteria, and refinements being made. − Current program outcomes identified and results achieved to date, not just amount of funding flowed to consumers. − Establishing program performance management framework including targets for the expanded program now government funded.	June 13 TB/MBC – Regulations for Electricity Support Programs (LRC/Cabinet – June 14)	

Electricity Price Mitigation – TB/MBC Report Backs
(as per May 9 TB/MBC Minute)

Report Back Requirements	Expected Timing	ENERGY Comments
Sensitivity Analysis – Electricity Social Programs - Include electricity social programs with details of forecasting models and costing estimates, including assumptions, sensitivities analysis that would allow identification of risks to the fiscal plan for Broadening RRRP, OESP. The Ministry is to include similar information for the Ontario Rebate for Electricity Consumers.	August TB/MBC (TBC)	
Sensitivity Analysis – Global Adjustment Refinancing - Include a report related to GA Refinancing on findings from sensitivity analysis completed as assumptions vary, such as under different recovery rates, different interest rates, different demand, etc., and combinations of key factors, and then to quantify the likelihood of high/medium/low impact scenarios, with assumptions and methodologies clearly specified and documented.	August TB/MBC (TBC)	
Industrial Conservation Initiative - Direct the Ministry to report back through quarterly reporting process with results achieved versus expectations for the ICI program, impacts of the change for participation, and impact for ratepayers as costs are recovered from ratepayers.	Quarterly Reporting	
Affordability Fund - Direct the Ministry to report back through quarterly reporting process with program details, including performance management framework, and multi-year funding profile, and fiscal plan implications.	Quarterly Reporting	

Agenda_Internal Rate Mitig Implmentation Week_1.pdf

OFHP IMPLEMENTATION MEETING
June 12, 2017

Agenda

1) OFHP Regulations (June 13 /14)
    - Draft Regulations
    - LRC Submission
    - TB Submission

2) AG
    - Tranche 1 – Document (June 12)
    - Tranche 2 – Documents (end of month)

3) TB Report Back Chart

4) Minister's Briefing (June 13)

5) Business Items
    - S.28 / Indemnities

Notes:

Consolidated - OFHP Matrix - Week of June 12__1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 12, 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> • Regulations (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items o OPG / IESO Board Indemnities; MOF to provide s. 28 approval o Performance / Payment Guarantees (i.e., term sheet) o Payment in Lieu of Taxes Exemption o OPG Equity Injection Process o Management Fees o Subordinate Debt Loan Agreement o IESO – Increased OFA Credit Facilities • 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 to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc • ENERGY to provide comments on OFA comparison of Clean Energy Adjustment to DRC; which when ready will be shared with AG	• June 13/14 – TB/LRC/Cabinet Approval of Part 1 package of regulations • June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including presentation to Cabinet (i.e., status update, next steps and communications) • June 22 – OEB announcement re RPP rates • July 1 – 25% takes effect

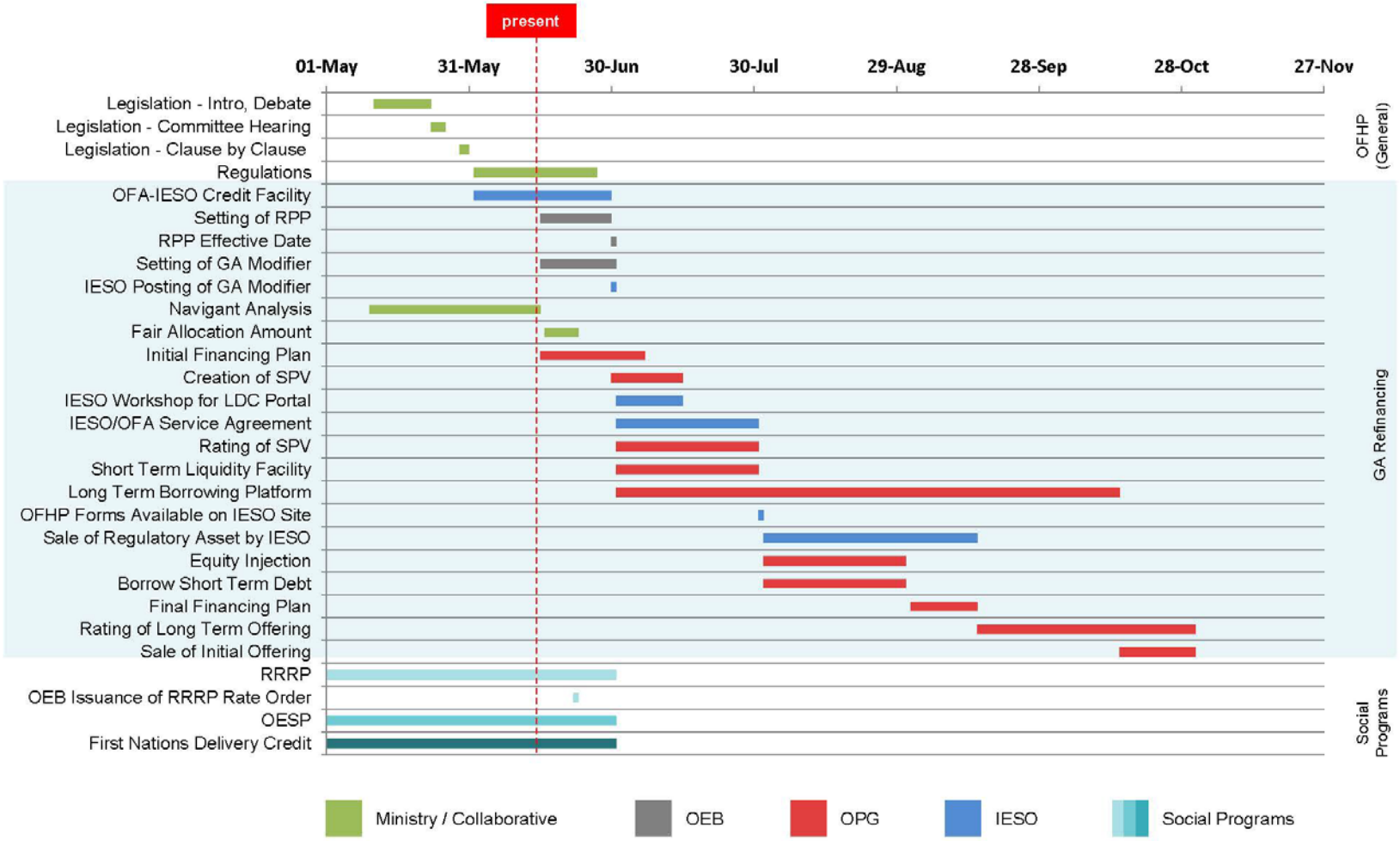
Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry working with LDCs to finalize program design	• See above re approval timing • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• See above re approval timing
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry working with Chiefs on First Nations Delivery Credit (FNDC), with Chiefs expecting to table and pass a resolution next week on who receives credit • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Letter being drafted by Regional Chief Day tracking for week of May 29	• See above re approval timing

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry met with COO on April 26 and May23 regarding FN Rate implementation	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	<u>Recent Action Items</u> • Affordability Fund advisory committee reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carleton UW / Advocacy Centre for Tenants Ontario (ACTO) / Thunder Bay Hydro / Hydro One / Alectra) • ACTO declined the invitation to participate on the Board of Trustees due to other demands/priorities. The advisory committee is contacting the Neighbour to Neighbour Centre to invite a representative to participate on the Board. Response pending. • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • Formal written invitation being sent to final trustee who has agreed verbally • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees.	**June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
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 • OEB has been asked by AG for all correspondence between all	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • Late/end of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	parties (by June 2) – completed • ENERGY has received AG request for contracts and ToR for accounting advice (request to be re-directed to agencies) – completed • TBS to follow-up on whether AG met with large audit firms and outcome	Tranche 2 responsive documents to be provided to AG • June 14 – AG meeting with IESO Board. KPMG to attend
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	<u>Recent Action Items</u> • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	<u>Recent Action Items</u> • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	<u>Recent Action Items</u> • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• Report back to TBC/MBC and Cabinet – TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) <u>Considerations</u>	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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.	
11) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet – TBD

Ontario Fair Hydro Plan Implementation



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

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Rate Mitigation Implementation meeting material....pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Christie, Tim (ENERGY); Calwell, Carolyn (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials for tomorrow
Date:	May 17, 2017 2:55:00 PM
Attachments:	OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15_Tracked.docx Regulations 12 May 2017.docx

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Hi Tim and Carolyn,

I just wanted to touch base on the materials for tomorrow's Rate Mitigation Implementation meeting. I have attached the materials used for Monday's meeting and I would propose that we use these in addition to an agenda and the plain language description of the legislative amendments. I will remove the highlights, please let me know if these need to be updated further.

Carolyn, I know you're still tracking to share the plain language description of the legislative amendments for EOD today.

Tim, can you prepare an agenda?

Thanks,
Martin

OFHP Annotated Time Line_Final_May 15_8.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
  - Fiscal Prep Briefing
  - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
  - Accounting
  - Financial viability work (OFA in collaboration with TD Securities)
  - Legal considerations
  - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting (TBD)
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
  - OPG Shareholder Resolution
  - Indemnities for OPG and IESO Boards
  - s.28 Approval
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
  - Public Hearings
- Week of May 29, 2017
  - Committee / Clause by Clause / Amendments
  - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15_T_4.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome

Item	Key Deliverables / Considerations	Timing / Next Steps
	agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc);	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 12 May 2017_3.pdf

May 12, 2017

Regulations	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 27
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 27
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 27
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 27

Rate Mitigation Implementation meeting materials .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials
Date:	May 24, 2017 5:58:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 25.docx OFHP Work Plan.pptx Fair Hydro Act Motions Consultation (May 24 2017) v3.docx Regulations 17 May 2017.docx

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Hi Andrew,

Please find attached the materials for tomorrow's meeting.

I will share these with the broader group.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__77.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 25, 2017

Agenda

1) GA Refinancing
    - Committee process/motions (LSB)
    - Regulation drafting (LSB)
    - Workplan (ENERGY)
    - Updates (OPG/IESO/OEB)
        - Critical Paths
    - Comparison of Clean Energy Adjustment to Debt Retirement Charge (OFA)
    - Guarantees for dealers (OPG/OFA)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

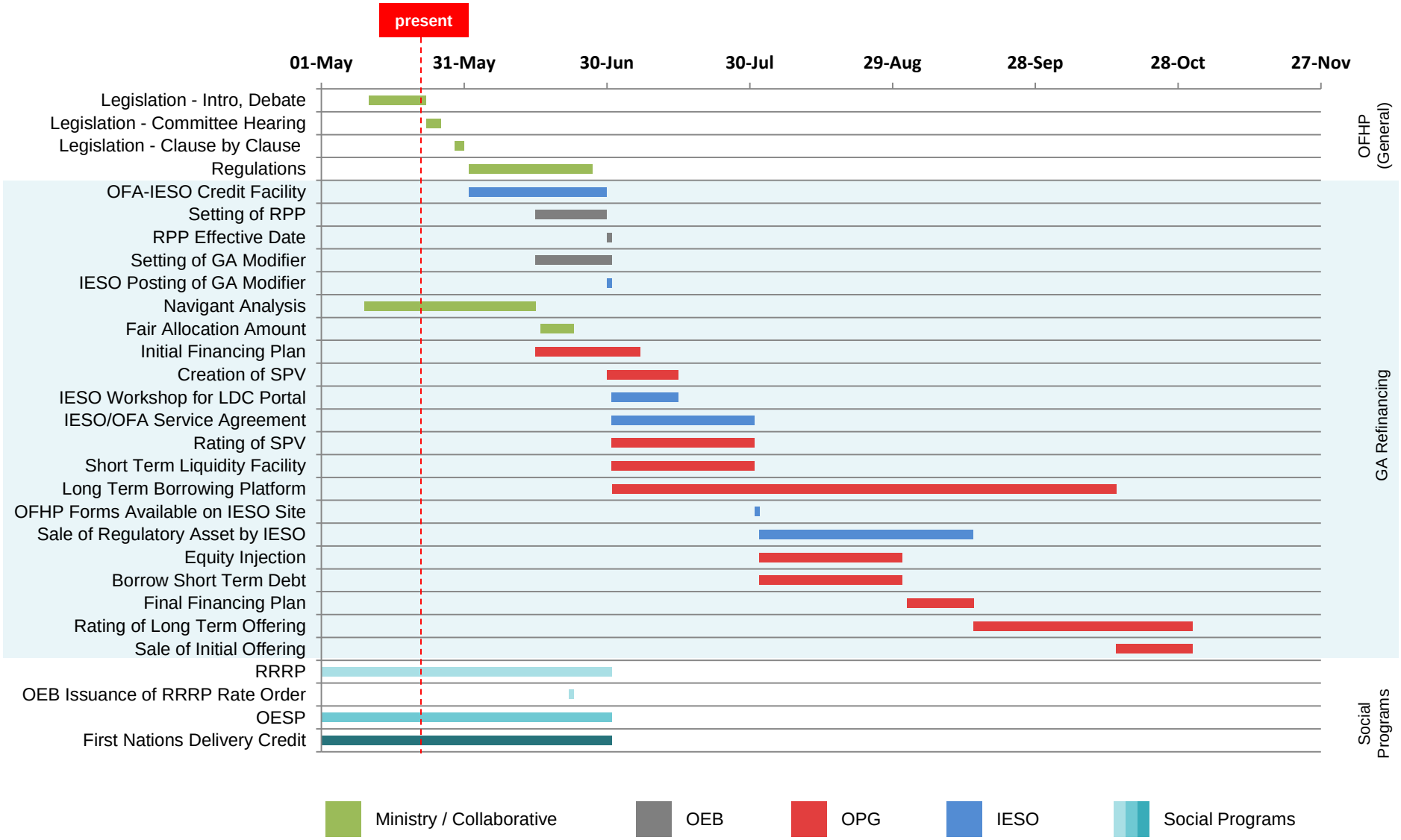
Notes:

OFHP Work Plan_5.pdf

Ontario Fair Hydro Plan – Implementation Timeline

May 19, 2017

Ontario Fair Hydro Plan Implementation



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

Fair Hydro Act Motions Consultation (May 24 2_3.pdf

Version 3

This confidential draft document is provided for discussion purposes only. It should not be construed as representing the position adopted by the Government of Ontario on any of the topics included or not included in this document. The notes included in this document are intended only to help facilitate a discussion of the topics to which they relate. Any potential legislation is subject to the approval of the Ontario Legislature.

Proposed Bill 132 Draft Motions

Proposed Draft Government Motions

Proposed Draft Bill 132 Motions

Motion 1

Schedule 1 to the Bill, subsection 1 (1)

The following definition is added:

"readjustment amount" means, in respect of a reference period, the amount payable by specified consumers in respect of that reference period as a result of a determination of the Board under Part II to reduce electricity rates [so that the sum of the amount charged to specified consumers and the finance amount is less than] the fair allocation amount in respect of the reference period; ("French")

Proposed Draft Bill 132 Motions

Motion 2

Schedule 1 to the Bill, section 7

Section 7 would be struck out and the following substituted:

Regulated rate consumers, first adjustments

7. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, the electricity rates payable by regulated rate consumers for the period beginning on July 1, 2017 and ending on April 30, 2018 are the rates determined by the Board under this section and in accordance with the regulations.

Determination by Board

(2) The rates mentioned in subsection (1) shall be the rates that would result in a hypothetical regulated rate consumer who meets the prescribed criteria being invoiced a total amount, consisting of such types of amounts as may be prescribed, that is 25 per cent less than the total amount, consisting of such types of amounts as may be prescribed, that the consumer would have been invoiced under the comparison rates described in subsection (3).

Comparison rates

(3) The comparison rates are the rates that would have been effective May 1, 2017 if they had been determined by the Board for the consumer mentioned in subsection (2) using the method prescribed by the regulations made under clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998*, without taking into account any forecasted impact of any other provisions of this Act.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 3

Schedule 1 to the Bill, section 8

Section 8 would be struck out and the following substituted:

Other specified consumers, first adjustments

8. For the period beginning on July 1, 2017 and ending on April 30, 2018, the adjustments made under section 25.33 of the *Electricity Act*, *1998* shall, with respect to specified consumers who are not regulated rate consumers, be further adjusted by electricity vendors in accordance with the determinations made by the Board in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 4

Schedule 1 to the Bill, section 11

Section 11 would be struck out and the following substituted:

Subsequent adjustments

11. (1) Despite clause 79.16 (1) (b) of the *Ontario Energy Board Act, 1998* and subject to subsection (2), the Lieutenant Governor in Council may prescribe methodologies to be applied by the Board after April 30, 2018 for the purpose of determining,

(a) electricity rates for regulated rate consumers; or

(b) further adjustments to be applied by electricity vendors, in accordance with the regulations and in accordance with the Board's determinations, to the adjustments made under section 25.33 of the *Electricity Act, 1998* in respect of specified consumers who are not regulated rate consumers.

Regulations

(2) The Lieutenant Governor in Council shall have regard to the following in making the regulations:

1. The purposes of this Act.

2. The clean energy costs borne by specified consumers over time.

3. Such other matters as may be prescribed.

Same

(3) The regulations may prescribe,

(a) different methodologies for different prescribed classes of specified consumers and in respect of different periods of time; and

(b) different adjustments to be applied in respect of prescribed classes of specified consumers who are not regulated rate consumers and in respect of different periods of time.

Proposed Draft Bill 132 Motions

Motion 5

Schedule 1 to the Bill, subsections 12 (2) and (3)

Subsection 12 (2) would be struck out and the following substituted:

Same

(2) If an invoice for the electricity is issued to the person by the specified consumer or a unit sub-meter provider providing unit sub-metering for the specified consumer, the amounts or rates payable for the electricity by the person who is liable to pay the invoice shall be determined in accordance with the regulations.

Same

(3) The regulations may prescribe different amounts or rates for different prescribed classes of specified consumers.

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Proposed Draft Bill 132 Motions

Motion 6

Schedule 1 to the Bill, subsection 13 (2)

Subsection 13 (2) would be struck out and the following substituted:

Same

(2) For greater certainty, subsection (1) applies regardless of whether any estimate, projection or other input used in calculating the clean energy adjustment was erroneous or out of date at the time of the calculation and regardless of whether any of those estimates, projections or other inputs is subsequently amended, updated or corrected.

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Proposed Draft Bill 132 Motions

Motion 7

Schedule 1 to the Bill, section 18

Section 18 would be struck out and the following substituted:

Appointment

18. Ontario Power Generation Inc. is appointed as the Financial Services Manager for the purposes of this Act, unless it is unable or unwilling to do so, in which case the Minister may appoint a different Financial Services Manager in accordance with the regulations.

Proposed Draft Bill 132 Motions

Motion 8

Schedule 1 to the Bill, section 20

Section 20 would be struck out and the following substituted:

Minister to calculate fair allocation amount

20. (1) Before the first funding obligation is incurred, the Minister shall calculate a fair allocation amount in respect of each reference period as follows:

1. Determine, in accordance with the following steps and the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs to be allocated to specified consumers in respect of the reference period:

    i. Determine the clean energy costs incurred or expected to be incurred in respect of the reference period.

    ii. Determine the clean energy benefits and allocate that value across the prescribed period and each reference period.

    iii. Allocate clean energy costs in respect of reference periods in proportion to such relative attributions of clean energy benefits determined in subparagraph ii.

2. Subject to subsection (2), determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated finance amount in respect of the reference period.

3. Determine, in accordance with the regulations and by applying such method as the Minister considers appropriate, the estimated clean energy costs that would have been payable, in the absence of this Act, by specified consumers in respect of the reference period.

4. Determine the amount, if any, by which the sum of the determinations under paragraphs 1 and 2 exceeds the determination under paragraph 3.

5. Calculate the sum of the amount determined under paragraph 4 and such other amounts as may be prescribed in respect of the reference period.

Part II adjustments

(2) If the Board has made a determination under section 9 or 11 in respect of the reference period or in respect of a prior reference period and, as a result of the determination, the prescribed circumstances arise, the Minister shall take the prescribed steps to make the prescribed adjustments to the determination made under paragraph 2 of subsection (1).

Minister's considerations

(3) In calculating a fair allocation amount, the Minister shall have regard to the purposes of this Act and such other matters as may be prescribed.

Minister to report to Financial Services Manager

(4) The Minister shall provide a report setting out the fair allocation amount in respect of each reference period to the Financial Services Manager.

Recalculation

(5) The calculation of a fair allocation amount under this Part may be changed by such person as may be prescribed, subject to the following requirements:

1. The prescribed person shall comply with such requirements as may be prescribed.

2. Subsections (1), (2) and (3) apply to the new calculation, with necessary modifications, as if that person were the Minister.

Same

(5) No change under subsection (5) shall affect any clean energy adjustment that arises as a result of a funding obligation that has been incurred before the change.

Information

(6) The Minister, the IESO, the Financial Services Manager, the Board and electricity vendors shall provide such information as may be prescribed in accordance with the regulations for the purposes of facilitating a change under subsection (5).

Proposed Draft Bill 132 Motions

Motion 9

Schedule 1 to the Bill, subsection 21 (1)

Subsection 21 (1) would be amended by striking out “for the purposes of acquiring and financing an investment asset” and substituting “for the purposes of a financing entity acquiring and financing an investment interest”.

Proposed Draft Bill 132 Motions

Motion 10

Schedule 1 to the Bill, paragraph 1 of subsection 21 (3)

Paragraph 1 of subsection 21 (3) would be amended by striking out “to reflect determinations of the Board under Part II in respect of the reference period” at the end and substituting “by the amount of any readjustment amount in respect of the reference period”.

Proposed Draft Bill 132 Motions

Motion 11

Schedule 1 to the Bill, subsection 21 (4)

Subsection 21 (4) would be amended by striking out clauses (a) and (b) and substituting the following:

(a) the amounts are payable in respect of a reference period in respect of which the Board has not made any determinations under Part II that resulted in a readjustment amount; or

(b) if the Board has made a determination under Part II in respect of the reference period that resulted in a readjustment amount, the amounts payable in respect of the clean energy adjustment in respect of the reference period do not exceed the fair allocation amount in respect of the reference period after subtracting the readjustment amount.

Confidential – Draft for discussion purposes only

Proposed Draft Bill 132 Motions

Motion 12

Schedule 1 to the Bill, subsection 21 (6)

Subsection 21 (6) would be amended by adding “but no such amendment shall affect any clean energy adjustment that has already been determined under section 15 or any funding obligations that have already been incurred before the amendment” at the end.

Proposed Draft Bill 132 Motions

Motion 13

Schedule 1 to the Bill, subsection 22 (3)

Subsection 22 (3) would be amended by striking out “The Financial Services Manager shall not” at the beginning and substituting “Neither the Financial Services Manager nor a financing entity shall”.

Proposed Draft Bill 132 Motions

Motion 14

Schedule 1 to the Bill, section 40.1

The following section would be added:

Compliance and restraining orders
Application to court

40.1 (1) On the application of an investment interest owner, the Superior Court of Justice may make an order described in subsection (2) if it is satisfied that an electricity vendor, the IESO or the Financial Services Manager has failed to comply with or contravened this Act or the regulations or that one of those entities will fail to comply with or will contravene this Act or the regulations.

Order

(2) The Superior Court of Justice may, by order,

(a) direct the electricity vendor, the IESO or the Financial Services Manager to comply with this Act or the regulations;

(b) restrain the electricity vendor, the IESO or the Financial Services Manager from contravening this Act or the regulations; or

(c) require compensation to be provided by the electricity vendor, the IESO or the Financial Services Manager to the investment interest owner.

Same

(3) An application under subsection (1) may be made by an investment asset owner in addition to exercising any other right of the investment interest owner.

Proposed Draft Bill 132 Motions

Motion 15

Schedule 1 to the Bill, paragraph 7 of subsection 41 (1)

Paragraph 7 of subsection 41 (1) would be amended by striking out “a breach under section 29” and substituting “the failure of any person or entity to give effect to the rights and interests provided for under section 29”.

Regulations 17 May 2017_7.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
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• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Rate Mitigation Implementation meeting materials(1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials
Date:	August 9, 2017 8:16:00 PM
Attachments:	2017 Consolidated - OFHP Matrix - Week of August 8.docx 2017 Outstanding Business Issues - Week of Aug 8.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 10.docx

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Hi Andrew,

Attached are the materials for tomorrow morning's meeting. I will share these with the broader group.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 Consolidated - OFHP Matrix - Week of Aug_2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 8, 2017

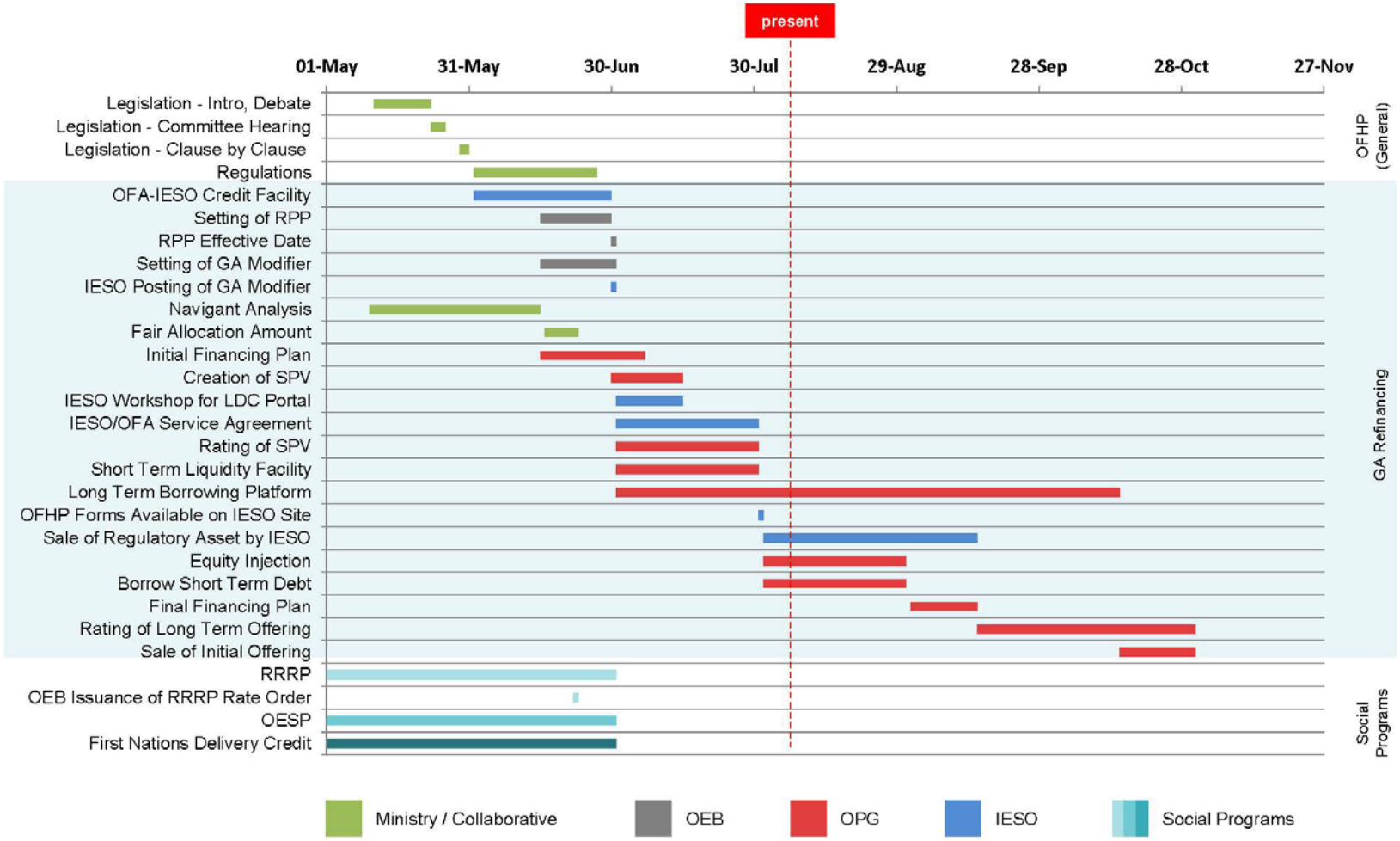
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 Outstanding Business Issues - Week of A_19.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Agenda_Weekly Rate Mitig Implmentation Group__78.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 10, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Draft Provincial Guarantees for Dealers (OFA/OPG)
    - o Business Item (OPG/IGS)

2) August 16th Meeting
    - o Provincial Guarantee Update

3) AG Update

4) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

Rate Mitigation Implementation meeting materials(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Ruttan, Craig (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials
Date:	August 23, 2017 6:42:00 PM
Attachments:	2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 24 (002).docx 2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

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Hi Andrew,

Attached are the materials for tomorrow's meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017-07-11 Consolidated - OFHP Matrix - Week _23.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

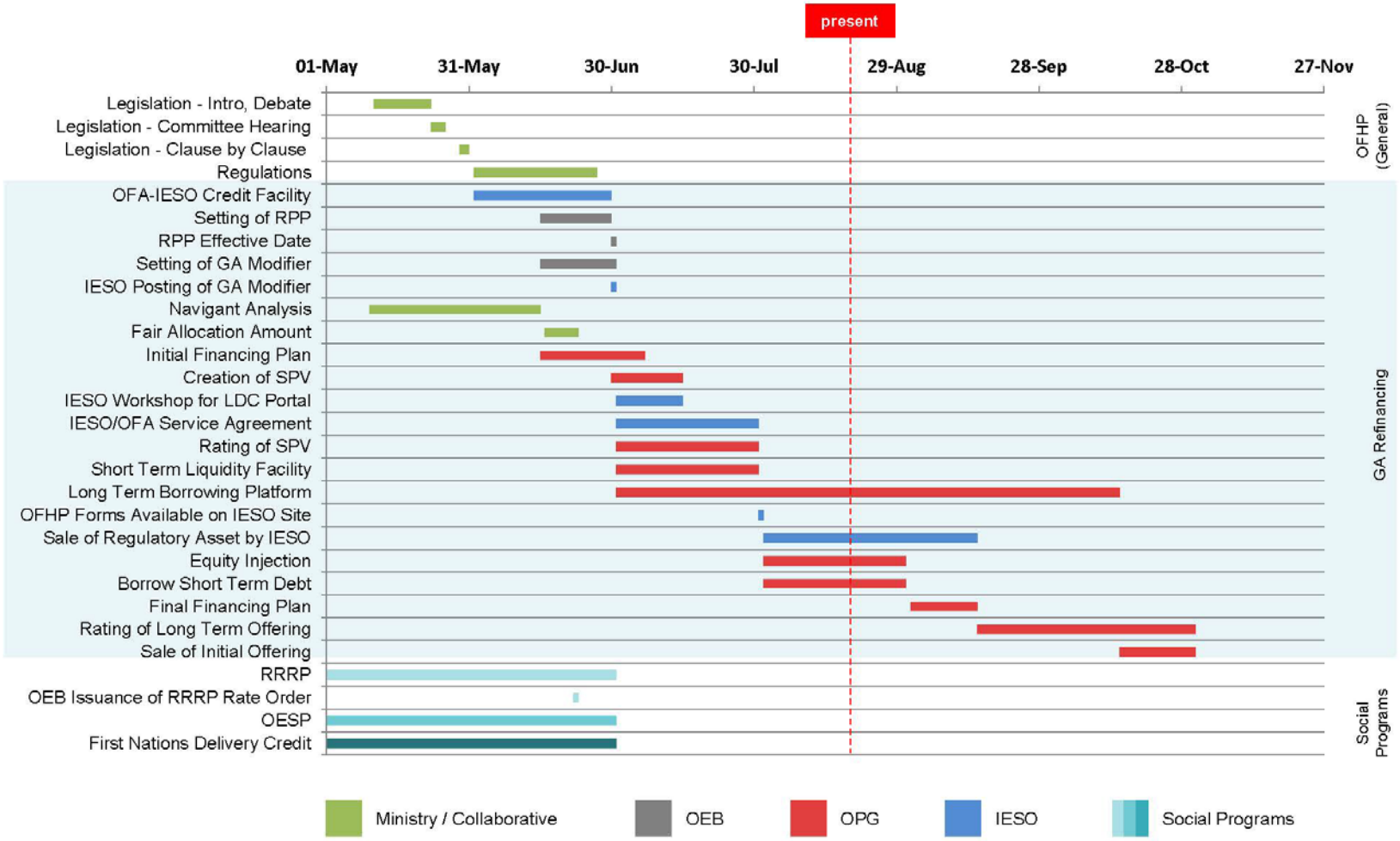
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 26 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__79.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - o General Update (OPG / IESO)
    - o Provincial Guarantees (OFA/OPG)
    - o Business Item (OPG/IGS)

2) Other OFHP Initiatives
    - o RRRP, OESP and FN (SNAP)
    - o Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_20.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Implementation meeting materials(3).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials
Date:	August 30, 2017 8:13:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 21 - updates.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx Fees Rider 28 August 2017.docx

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Hi Andrew,

Attached are the materials for tomorrow's meeting.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017 Outstanding Business Issues - Week of A_21.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _24.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 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 o Supporting Agreement (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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Supporting Agreement (TBD) • Late November 2017 – OPG Financing (TBD)

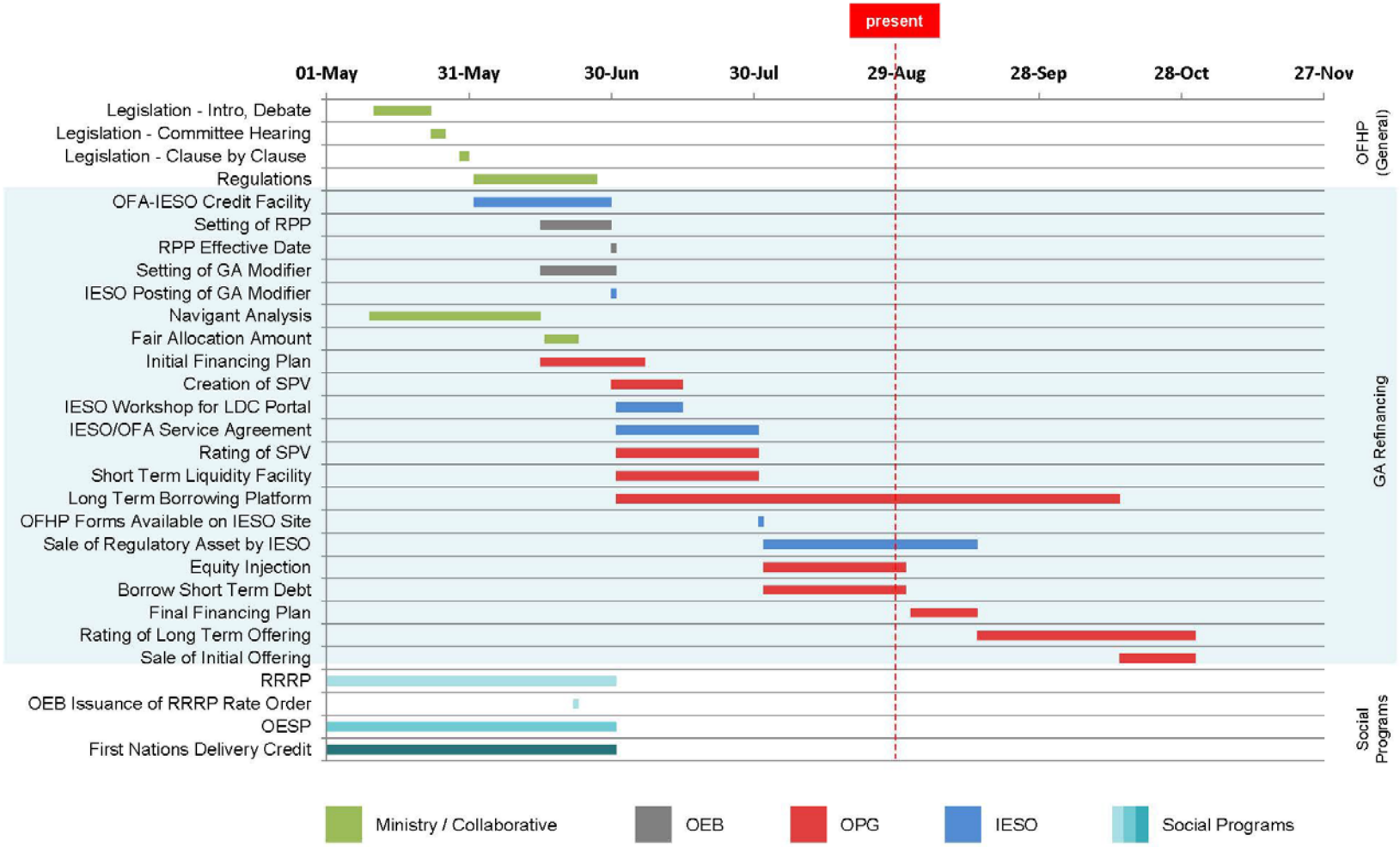
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Agenda_Weekly Rate Mitig Implmentation Group__80.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 28, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Fees Rider 28 August 2017_3.pdf

FEES RIDER – subs. 19 (3) of the Act – August 28, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.

(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of all tranches of incremental annual funding obligations,

B = the forecasted weighted interest rate of incremental annual funding obligations, and

C = the actual weighted interest rate of incremental annual funding obligations.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year, including senior debt and subordinated debt.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (5% × the incremental annual funding obligations), or

2. less than -1% of (5% × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (1).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

Note: Draft language provided for the purpose of instructions to Ontario Legislative Counsel. Final content of regulation is subject to drafting by OLC.

5.(1) Section 3 applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

Rate Mitigation Implementation meeting materials_1.pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Implementation meeting materials
Date:	May 17, 2017 6:44:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May 18.docx OFHP Annotated Time Line_Final_May 15.docx Consolidated - OFHP Matrix - Week of May 15_Tracked.docx Regulations 17 May 2017.docx

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Hi Andrew,

Please find attached the materials for tomorrow's Rate Mitigation Implementation meeting:

1. Agenda
2. Timeline
3. Matrix
4. Regulations chart

We will also be walking-in the plain language descriptions of the legislative amendments.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__81.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 18, 2017

Agenda

1) GA Refinancing
    - Legislation process/amendments (LSB)
    - Regulation drafting (LSB)
    - Creation of SPV (OPG)
    - Rating agency process (OPG)
    - Transaction steps memo (OPG)
    - Line of Credit (IESO)
    - Accounting letters/opinions (IESO/OPG)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) A plan for monitoring / oversight

Notes:

OFHP Annotated Time Line_Final_May 15_9.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 15, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017
    - Fiscal Prep Briefing
    - MMP Briefing
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Accounting
    - Financial viability work (OFA in collaboration with TD Securities)
    - Legal considerations
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 12, 2017 – Regulatory Posting
- May 15, 2017 – Opposition Briefings
- May 2017 – Agency Admin items
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
    - s.28 Approval
- Week of May 15, 2017 – House debate on Legislation
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Committee / Clause by Clause / Amendments
    - Passage (TBD)
- June 14 and 27, 2017 – Regulations (Direct to Cabinet)

Consolidated - OFHP Matrix - Week of May 15_T_5.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 15, 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> **Legislation and Regulations Drafting / House Prep:** • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14 and 27, 2017 o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **Committee Prep** • Ministry is working on the following materials: o Committee motions o Clause by Clause binder o Process to respond to Opposition motions **TBS, LRC and Cabinet:** • Ministry to prepare approval documents: o LRC/Cabient for OFH Regulation. Note: TB minute indicates that a report back to TBS is required o TB/MBC Report Backs – GA refinancing, Social programs and ICI – Ongoing	• Regulation Postings – May 12, 2017 • Opposition Briefing – May 15, 2017 • House debate on Legislation – May 15, 16, 17, and 18, 2017 (TBD) • Committee – Week of May 24 and 29, 2017 (TBD) • Regulations – Direct to Cabinet on June 14 and 27, 2017. Note: TB minute indicates that a report back to TBS is required • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	External Advisors: • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June • Agencies are working a letters regarding accounting summaries that could be released publically **OPG:** • OPG will work with lead banks / rating agencies / OFA on financing – Ongoing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations	

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• See above for key dates • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1.	• See above for key dates • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC	• See above for key dates • Introduction of FNDC program targeting July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies <u>Considerations</u> • Legislative changes not required.	framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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 **IESO:**	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Recent Action Items • ESP to work with other ministries regarding other measures that can be considered for SMEs Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs;	• Early-mid March

Item	Key Deliverables / Considerations	Timing / Next Steps
	o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP <u>Recent Action Items</u> • FAO provided "An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan" for review by ministries	• March 9, 2017 – Preliminary discussion • March 14, 2017 – Letter received requesting additional information • March 31, 2017 – Ministry submitted responsive materials • May 16, 2017 – Ministries comments on report back to FAO
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Regulations 17 May 2017_8.pdf

May 17, 2017

Regulations – Master List	
Social Programs	
• OESP O. Reg. 314/15 – amendments	June 14
• RRRP expansion to R2	June 14
• Distribution Rate Protection	June 14
• First Nation Rate Distribution	June 14
• Bill Presentment – require bill insert quarterly; prescribed messages; First Nations Delivery credit	June 14
GA Refinancing	
• Part II Reg.	June 14
• General Regulation	June 27
• O. Reg. 429/04 (GAM) – amendments	June 27
• O. Reg. 280/14 (IESO Eligible Borrowing) – amendments	June 27
Other – Bill Presentment	
• O. Reg. 364/16 – repeal in part to remove 8% on bill and on envelope messaging; exempt Hydro One	June 14
• O. Reg. 442/01 – remove RRRP messaging for Hydro One	June 14
• O. Reg. 275/04 – remove DRC message; exempt Hydro One	June 14

Rate Mitigation Materials _ OFHP Matrix(1).pdf

From: Schlaepfer, Martin (ENERGY)
To: Imbrogno, Serge (ENERGY)
Subject: Rate Mitigation Materials / OFHP Matrix
Date: June 23, 2017 7:41:21 PM
Attachments: Consolidated - OFHP Matrix - Week of June 26_Tracked.docx

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Hi Deputy,

Attached is an updated OFHP Matrix for the Monday discussion. New content is highlighted in yellow.

OK to share with MO?

Thanks,

Martin

Consolidated - OFHP Matrix - Week of June 26_.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 26, 2017

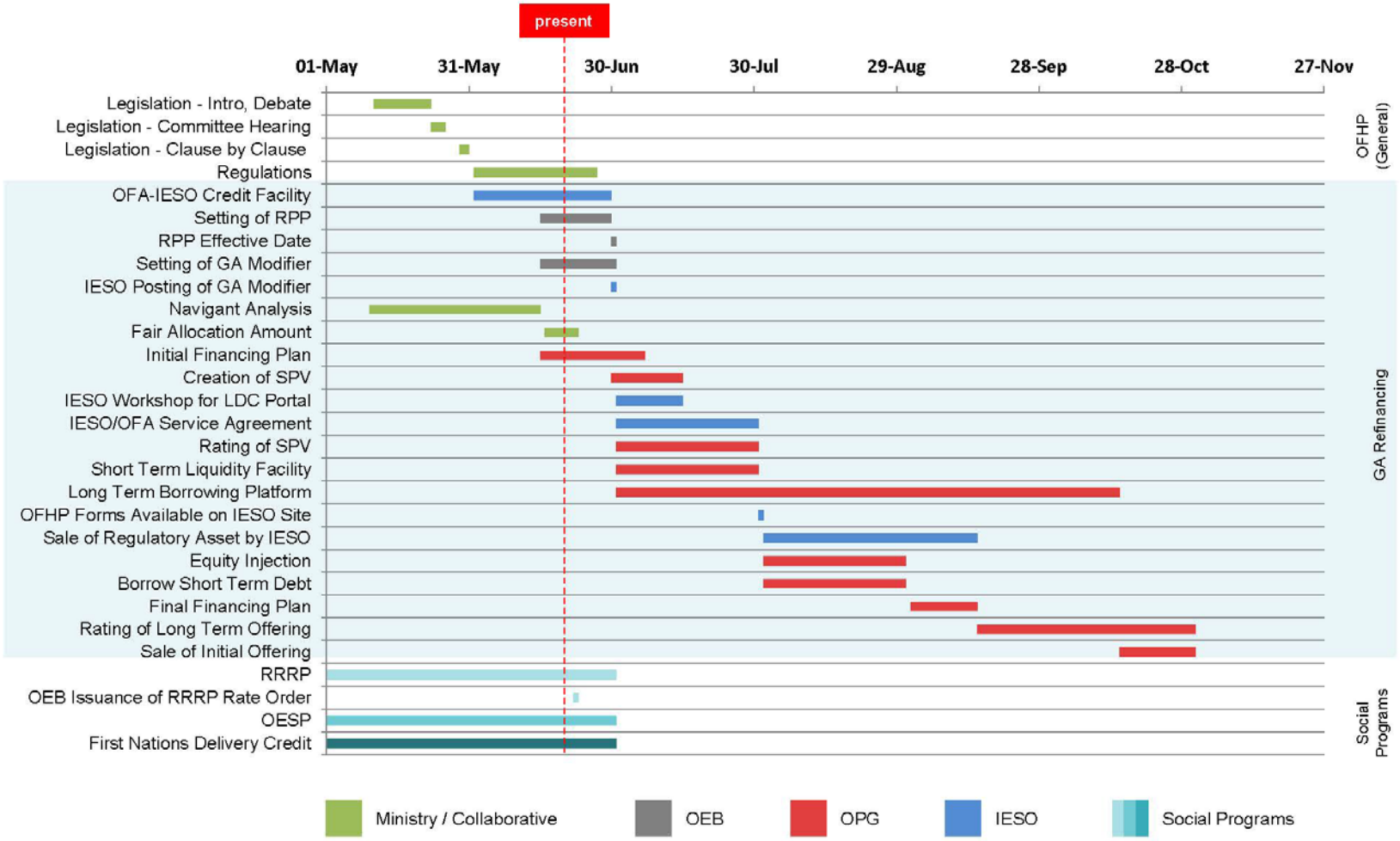
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items: o Performance / Payment Guarantees (i.e., term sheet) – OFA to send comments back to OPG by June 23 (looking to finalize by end of July) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval; Ministry has provided answers on MOF's questions on the Board indemnities ▪ Ministry to submit formal (transmittal memo) s28 submission ▪ MOF to brief its Minister on June 28 to get s28 approval ▪ Minister of Energy would then sign indemnities o OPG Equity Injection Process – Energy need to be comfortable with equity injection process, but OFA would coordinate on a monthly basis o Management Fees o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required: o OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program); OPG to provide deck to Ministry o OPG/IESO accountants and lawyers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy	• June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including Communication presentation to Cabinet (i.e., media campaign, OFHP Ads, etc) • June 27 – TB/LRC/Cabinet Approval to increased OFA Credit Facilities • July 1 – 25% takes effect

Item	Key Deliverables / Considerations	Timing / Next Steps
	adjustments cannot be charged to rate payers; OPG/IESO to report back o OPG legal agreements in progress; OPG to provide a detailed list of legal agreements to Ministry o OEB released RPP prices June 22, 2017, as well as RRRP amounts. • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value • ENERGY to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design. Note: One LDC may not be able to implement RRRP	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• June 27 – TB/LRC/Cabinet Approval of OESP regulation • July – MCSS-OESP Automatic Enrolment TB Submission
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• June 27 – TB/LRC/Cabinet Approval of regulation update

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Key next steps include: o Trustees to sign appointment document o Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement o Next meeting of Trustees to be scheduled for late July. Hydro One to develop "strawperson" of program design considerations for Trustees' review • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**June 2017:** • June 21 – First meeting of Trustees • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • TBS to follow-up on whether AG met with large audit firms and outcome. TBS met with AG; AG to provide opinion on August 18, 2017. • June 14 – AG meeting with IESO Board. AG provided IESO with	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • End of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	letter/document on accounting concerns. IESO will provide a technical document to its Board by the end of the week. KPMG received a similar letter/document and will be responding to the issues raised. • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries	Tranche 2 responsive documents to be provided to AG
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Rate Mitigation Materials _ OFHP Matrix(2).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Materials / OFHP Matrix
Date:	June 23, 2017 7:44:43 PM
Attachments:	Consolidated - OFHP Matrix - Week of June 26_Tracked.docx

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Hi Andrew,

Attached is an updated OFHP Matrix for the Monday discussion. New content is highlighted in yellow.

Thanks,

Martin

Consolidated - OFHP Matrix - Week of June 26__1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 26, 2017

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6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • TBS to follow-up on whether AG met with large audit firms and outcome. TBS met with AG; AG to provide opinion on August 18, 2017. • June 14 – AG meeting with IESO Board. AG provided IESO with	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • End of June – ENERGY

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	letter/document on accounting concerns. IESO will provide a technical document to its Board by the end of the week. KPMG received a similar letter/document and will be responding to the issues raised. • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries	Tranche 2 responsive documents to be provided to AG
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• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
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• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
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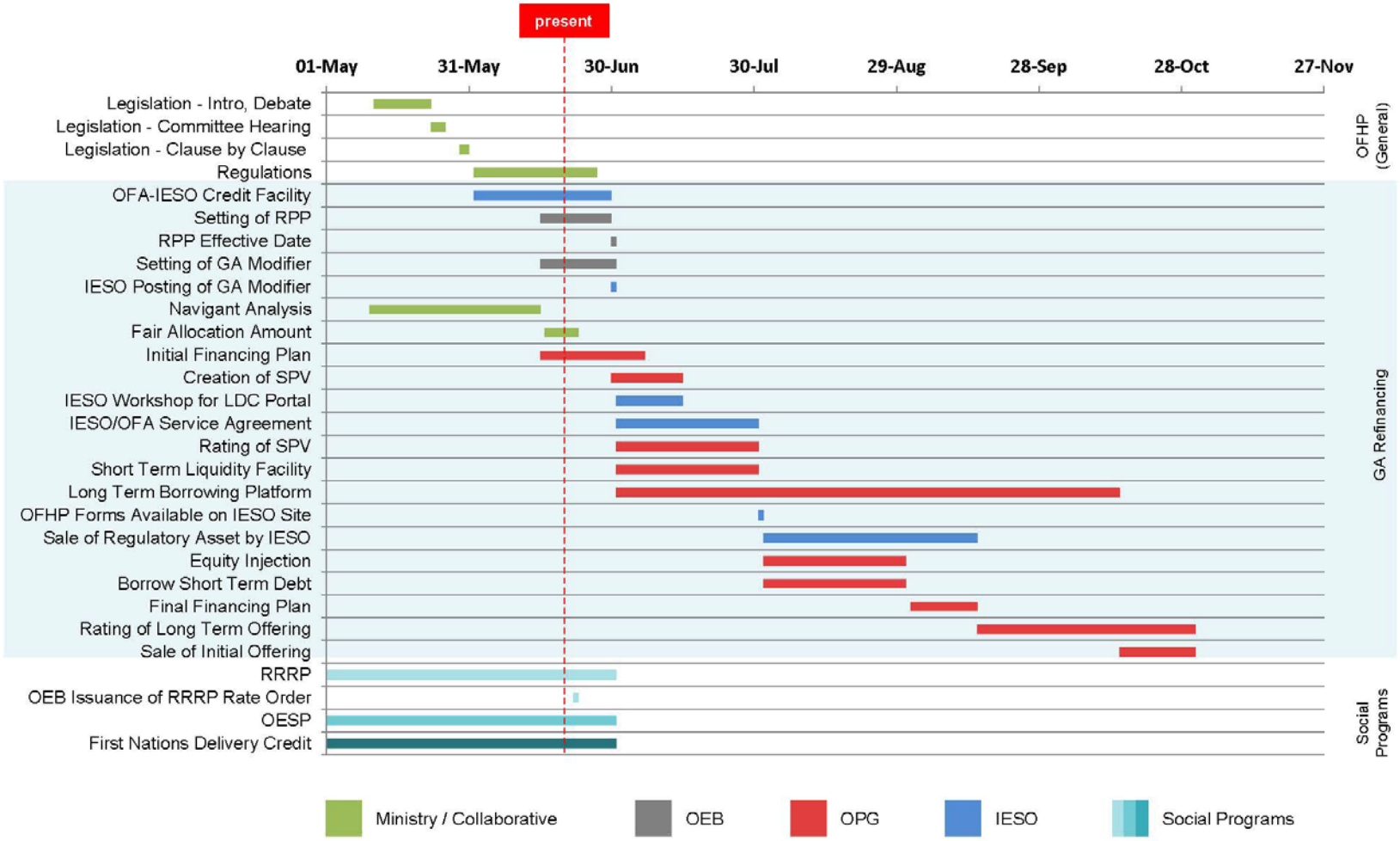
Ontario Fair Hydro Plan Implementation



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

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Rate Mitigation Materials _ OFHP Matrix.pdf

From: Hume, Steen (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Materials / OFHP Matrix
Date: June 23, 2017 7:36:00 PM
Attachments: Consolidated - OFHP Matrix - Week of June 26_Tracked.docx

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Hi Martin: attached is an updated OFHP Matrix for the Monday discussion. New content is highlighted in yellow.

Have a good weekend. Steen

From: Schlaepfer, Martin (ENERGY)
Sent: June-23-17 5:39 PM
To: Hume, Steen (ENERGY)
Cc: Cox, Hilary (ENERGY)
Subject: Rate Mitigation Materials

Hey Steen,

I just wanted to see if you were still tracking an updated matrix up for Monday morning's meeting?

Thanks,
Martin

Consolidated - OFHP Matrix - Week of June 26__2.pdf

Implementation of Ontario's Fair Hydro Plan
Week of June 26, 2017

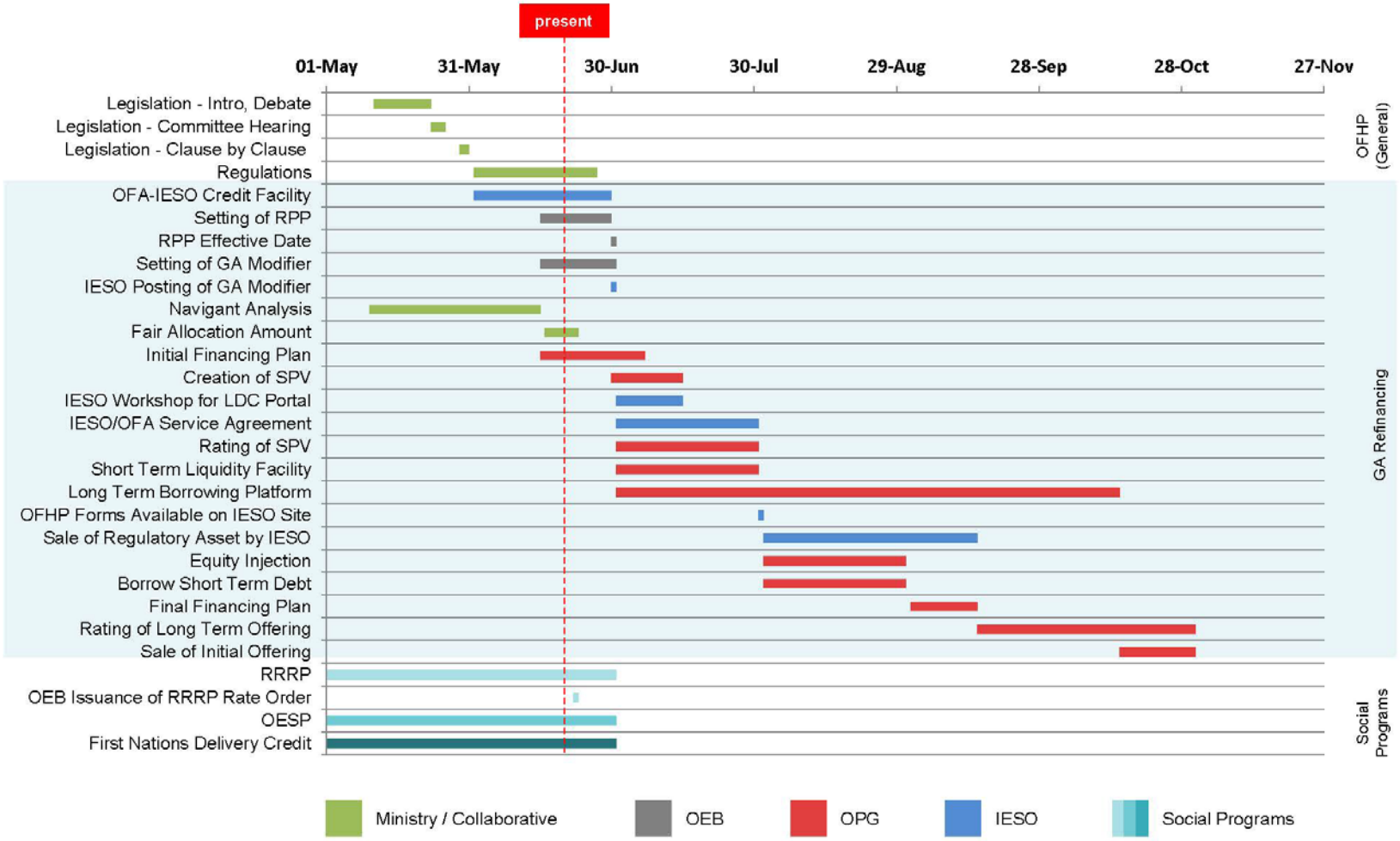
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Regulation (ongoing) – Ministry continues to work with OPG, OEB, IESO and other ministries • Ongoing Business Items: o Performance / Payment Guarantees (i.e., term sheet) – OFA to send comments back to OPG by June 23 (looking to finalize by end of July) o OPG / IESO Board Indemnities; MOF to provide s. 28 approval; Ministry has provided answers on MOF's questions on the Board indemnities ▪ Ministry to submit formal (transmittal memo) s28 submission ▪ MOF to brief its Minister on June 28 to get s28 approval ▪ Minister of Energy would then sign indemnities o OPG Equity Injection Process – Energy need to be comfortable with equity injection process, but OFA would coordinate on a monthly basis o Management Fees o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption • Agencies (OPG/IESO/OEB) to provide weekly critical paths/detailed workplans as required: o OPG having discussions (using soft deck) with the rating agencies (DBRS, S&P, Fitch) late next week / early the week after to determine the scope of documents required (legal, program); OPG to provide deck to Ministry o OPG/IESO accountants and lawyers meeting to work through accounting issue on the need for revenue to pay interest and fees in the period when clean energy	• June 27 – TB/LRC/Cabinet Approval of Part 2 package of regulations, including Communication presentation to Cabinet (i.e., media campaign, OFHP Ads, etc) • June 27 – TB/LRC/Cabinet Approval to increased OFA Credit Facilities • July 1 – 25% takes effect

Item	Key Deliverables / Considerations	Timing / Next Steps
	adjustments cannot be charged to rate payers; OPG/IESO to report back o OPG legal agreements in progress; OPG to provide a detailed list of legal agreements to Ministry o OEB released RPP prices June 22, 2017, as well as RRRP amounts. • ENERGY working with Navigant to prepare a report on long lived assets and associated assessment of value • ENERGY to provide comments on TB/MBC Report Back Chart – GA refinancing, Social programs, etc.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • Ministry working with LDCs to finalize program design. Note: One LDC may not be able to implement RRRP	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • Ministry continues to work with MCSS on OESP automatic enrollment, which is tracking for September at earliest	• June 27 – TB/LRC/Cabinet Approval of OESP regulation • July – MCSS-OESP Automatic Enrolment TB Submission
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • Ministry finalizing process for eligibility and working with COO to communicate FNDC • Ministry met with COO on April 26 and May23 regarding FN Rate implementation	• June 27 – TB/LRC/Cabinet Approval of regulation update

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • Key next steps include: o Trustees to sign appointment document o Trustees to appoint Hydro One as administrator, pending review by Trustees of Administrative Services Agreement o Next meeting of Trustees to be scheduled for late July. Hydro One to develop "strawperson" of program design considerations for Trustees' review • Advisory Committee working to confirm remaining social service agency representative required for Board of Trustees • In its administrative capacity, Hydro One is preparing documentation to replace Computershare, as the original trustee, with the Board of Trustees. Hydro One is also developing back office support and preparing recommendations for the first meeting of the Board of Trustees	**June 2017:** • June 21 – First meeting of Trustees • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • TBS to follow-up on whether AG met with large audit firms and outcome. TBS met with AG; AG to provide opinion on August 18, 2017. • June 14 – AG meeting with IESO Board. AG provided IESO with	• June 12 – ENERGY Tranche 1 responsive documents provided to AG • End of June – ENERGY

Item	Key Deliverables / Considerations	Timing / Next Steps
	letter/document on accounting concerns. IESO will provide a technical document to its Board by the end of the week. KPMG received a similar letter/document and will be responding to the issues raised. • ENERGY and other ministries (MOF and TBS) have received additional/broader scope request from AG. Responses to be coordinated across ministries	Tranche 2 responsive documents to be provided to AG
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	Recent Action Items • N/A	• May 24, 2017 – FAO report released publicly
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• July 1 – Bill inserts to be ready • Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC and CME outreach campaigns to promote ICI • Ongoing outreach with LDCs being undertaken by IESO	• Quarterly Report Backs re ICI to TBS / MBC
9) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	Recent Action Items • Ongoing work with MEDG to identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' (i.e., power for job proposal)	• TBD
10) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	**OEB:** • Directive / Letter (TBD) **IESO:** • Directive / Letter (TBD)	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Rate Mitigation Materials.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Materials
Date:	August 9, 2017 6:13:19 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of August 8.docx 2017-07-07 Consolidated - OFHP Matrix - Week of Aug 8_Clean.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 10.docx

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Hi Martin: attached are the materials for tomorrow's rate mitigation meeting. We've recycled the materials from last week's internal meeting on the topic.

On the proposed agenda, I've included an item re next week's follow-up with CO/PO on Aug 16th. Need to line up Gadi to speak to the provincial guarantee proposal at the meeting on the 16th.

Thanks,

2017-07-07 Consolidated - OFHP Matrix - Week _28.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 8, 2017

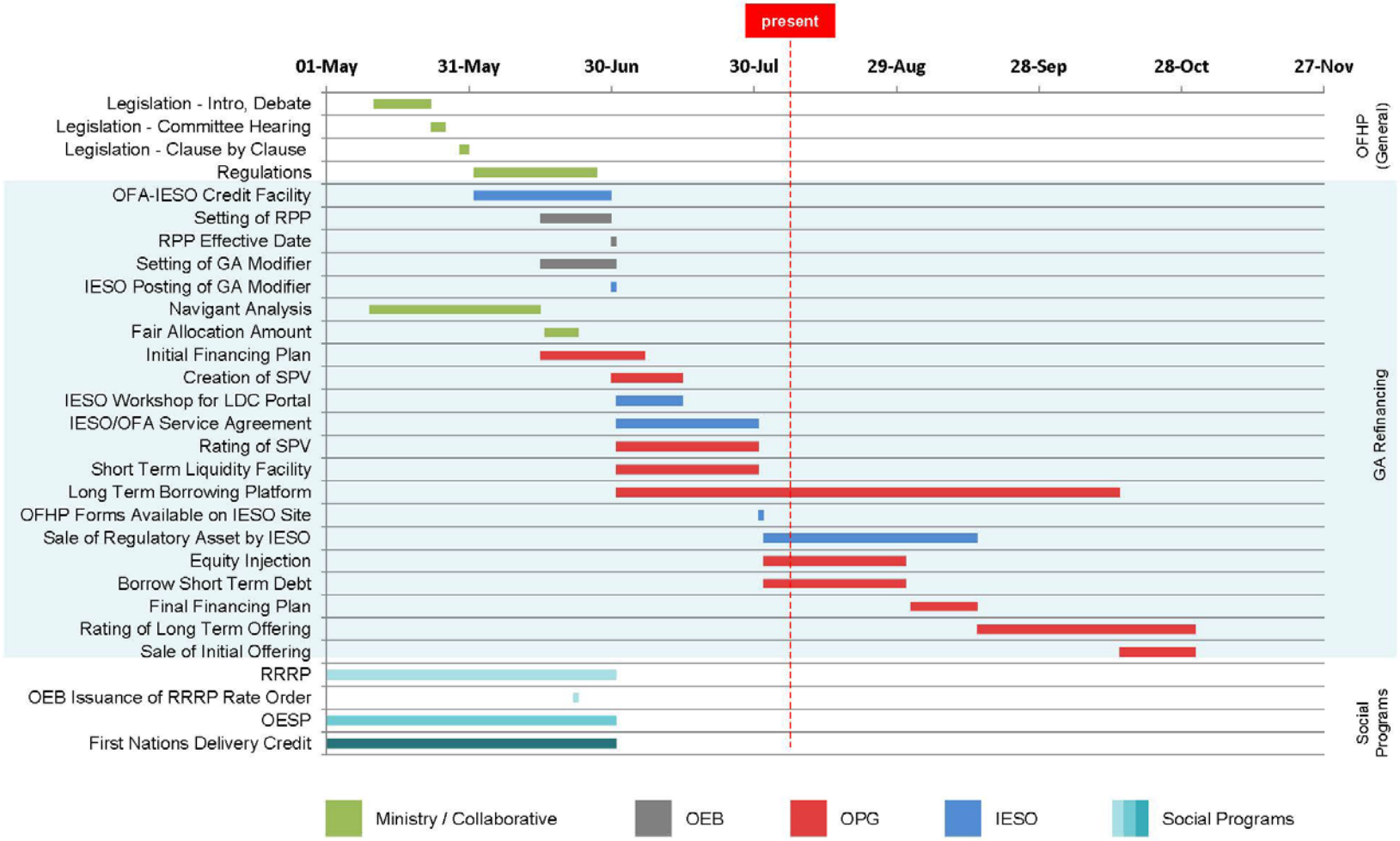
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017-07-07 Consolidated - OFHP Matrix - Week _29.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Agenda_Weekly Rate Mitig Implmentation Group__82.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 10, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Draft Provincial Guarantees for Dealers (OFA/OPG)
    - Business Item (OPG/IGS)

2) August 16th Meeting

3) AG Update

4) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

Rate Mitigation Meeting (1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Meeting
Date:	August 25, 2017 8:54:00 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 21 - updates.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Fees Rider 25 August 2017.docx

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Hi Andrew,

Attached are the materials for Monday morning's meeting: regular Matrix and Business Issues table, along with a draft fees reg.

Thanks,
Martin

2017 Outstanding Business Issues - Week of A_22.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _25.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

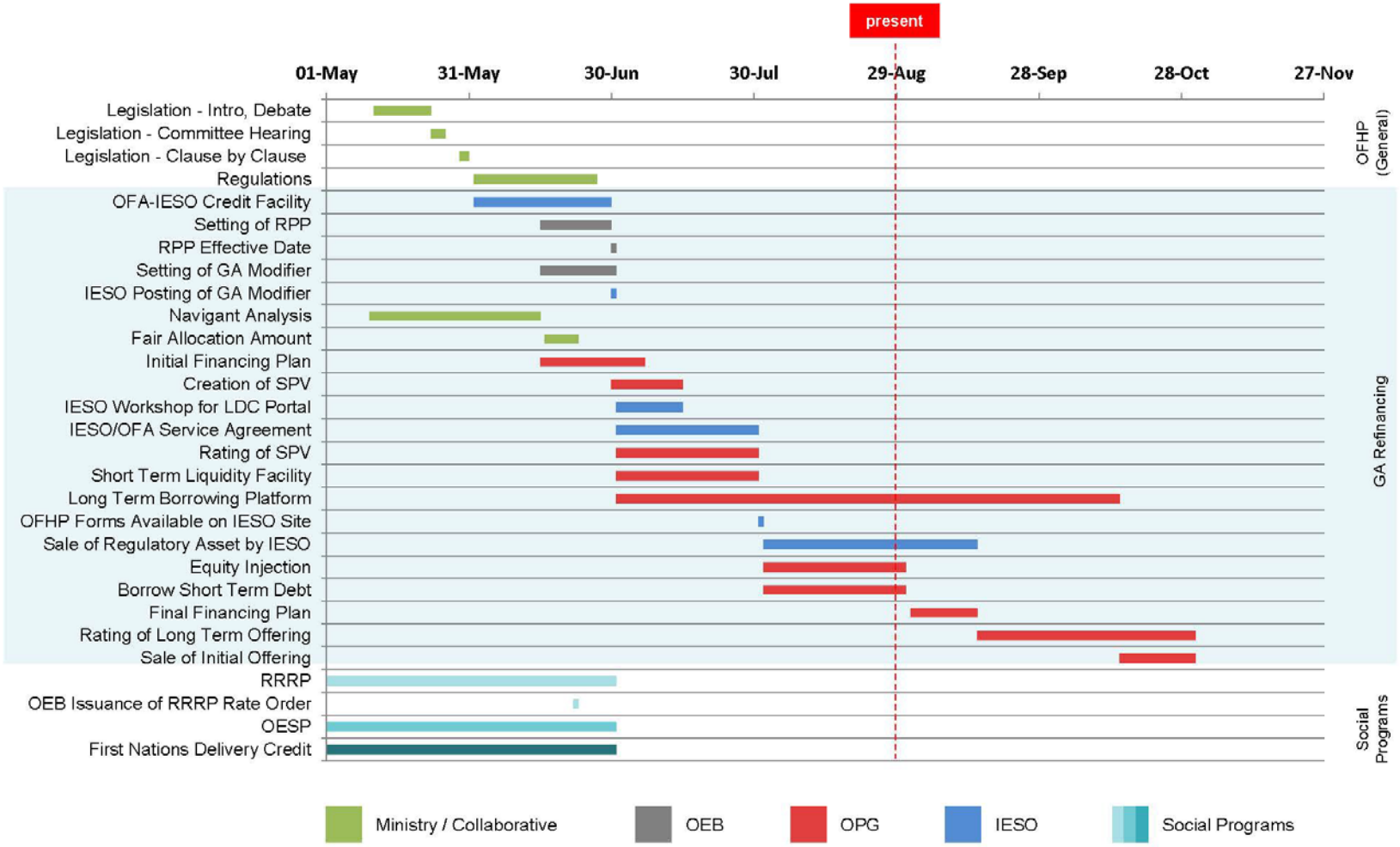
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Fees Rider 25 August 2017_1.pdf

FEES RIDER – subs. 19 (3) of the Act – August 25, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of the applicable tranche of incremental annual funding obligations,

B = the forecast interest rate for the applicable tranche of incremental annual funding obligations,

C = the actual interest rate for the applicable tranche of incremental annual funding obligations,

D = 5% or such other percentage that is approved by the Board.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (D × the incremental annual funding obligations), or

2. less than -1% of (D × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (x).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

5.(1) Section ■ applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

Rate Mitigation Meeting (2).pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY); Calwell, Carolyn (ENERGY/MEDEI/MRI)
Subject:	Rate Mitigation Meeting
Date:	August 30, 2017 5:04:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx 2017 Outstanding Business Issues - Week of Aug 21 - updates.docx Agenda_Weekly Rate Mitig Implmentation Group_Aug 28.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx Fees Rider 28 August 2017.docx

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Hi Martin. Attached are materials for tomorrow's rate mitigation meeting at 9:00 am.

Agenda is fairly standard. The Matrix and IGS Business items are consistent with the material we used earlier in the week.

I've also attached "Fees Rider" note that we discussed on Monday, I recall COS wanting to talk about this tomorrow. Earlier in the week the note was shared with OPG and TBS/OPCD.

If you have any questions, happy to chat.

Steen

Agenda_Weekly Rate Mitig Implmentation Group__83.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 28, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017 Outstanding Business Issues - Week of A_23.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

Agenda_Weekly Rate Mitig Implmentation Group__84.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 28, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Supporting Agreement (OFA/OPG)
    - Business Item (OPG/IGS)
    - Fees (ENERGY)

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-11 Consolidated - OFHP Matrix - Week _26.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 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 o Supporting Agreement (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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Supporting Agreement (TBD) • Late November 2017 – OPG Financing (TBD)

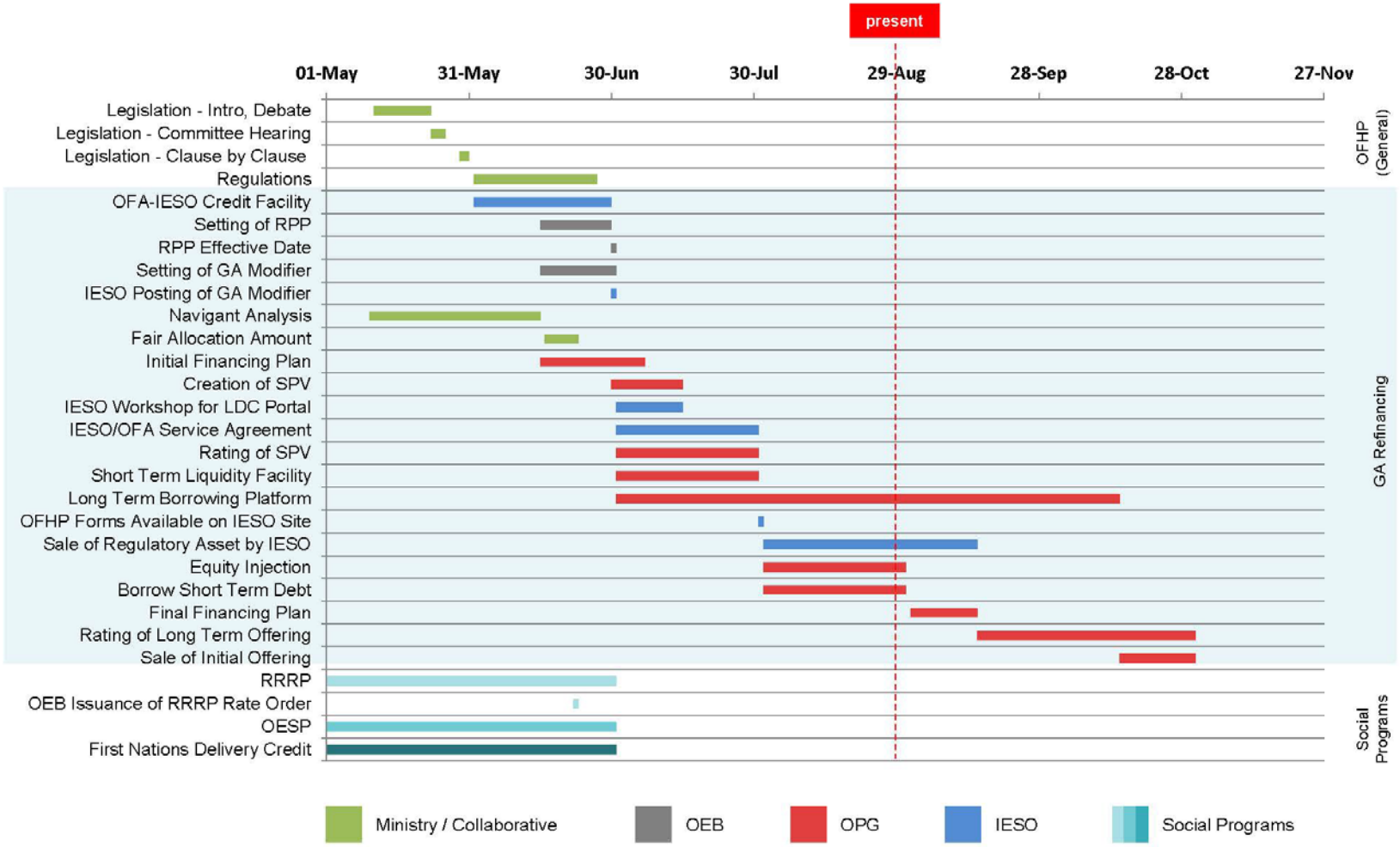
Item	Key Deliverables / Considerations	Timing / Next Steps
	– MOF/Tax Policy working on comfort letter re: PILs for OPG – IGS to provide best timing estimates for PILs, Equity Injection, Subordinated Debt Loan Agreement (between OPG and Trust) • OPG continuing work with rating agencies. OPG working to 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	
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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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> • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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	**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

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Fees Rider 28 August 2017_4.pdf

FEES RIDER – subs. 19 (3) of the Act – August 28, 2017

1. (1) For the purposes of subsection 19 (3) of the Act, the Financial Services Manager may establish and charge fees to financing entities in relation to the following matters:

1. The services provided by the Financial Services Manager to financing entities, which may include services related to planning, financing, negotiation and execution of agreements, front office services and administrative services.

2. The costs of doing anything that the Financial Services Manager is required or permitted to do under the Act.

(2) The fees mentioned in subsection (1) may provide for a fixed fee and a variable fee based on performance.

2.(1) The fixed fee shall be equal to the reasonable cost of services provided to all financing entities plus a reasonable rate of return.

(2) The variable fee shall be calculated as follows:

$$(A \times (B - C)) \times 5\%$$

Where,

A = the principal amount of all tranches of incremental annual funding obligations,

B = the forecasted weighted interest rate of incremental annual funding obligations, and

C = the actual weighted interest rate of incremental annual funding obligations.

(3) For the purposes of subsection (2), incremental annual funding obligation means the aggregate of all funding obligations issued by all financing entities in a calendar year, including senior debt and subordinated debt.

(4) The variable fee payable for any calendar year shall not be

1. more than 1% of (5% × the incremental annual funding obligations), or

2. less than -1% of (5% × the incremental annual funding obligations).

(5) If the variable fee is a negative amount, such amount shall be deducted from the fixed fee payable in the following calendar year in twelve equal monthly instalments.

3.(1) When the Financial Services Manger submits its proposed fees to the Board, the Financial Services Manager shall provide the following:

1. The methodology that the Financial Services Manager has used to calculate its proposed fixed and variable fees.

2. The methodology that the Financial Services Manager has used to benchmark the each component of the proposed fee.

3. The period of time during which the Financial Services Manager is proposing to charge its proposed fee.

5. The identity of the financing entities that are required to pay the proposed fees.

6. Such other information as the Board may require.

(2) The Board is not bound by any methodology or benchmark provided to it by the Financial Services Manager under subsection (1).

(3) The Board may approve the proposed fees or proposed amendments or may refer the proposal back to the Financial Services Manager for further consideration with the Board's recommendations.

(4) Fees established by the Financial Services Manager and approved by the Board shall be included in the definition of "expenses" for the purposes of determining finance amounts under the Act.

4.(1) The Financial Services Manager may from time to time, but not more than once in any 12 month period, submit proposed amendments to its fees to the Board.

(2) If the Financial Services Manager submits proposed amendments, the proposed amendments shall be submitted no later than 120 days before the Financial Services Manager intends for the fees to be charged.

(3) Subsections (1) and (2) do not apply in the first 12 months after this regulation comes into force.

Note: Draft language provided for the purpose of instructions to Ontario Legislative Counsel. Final content of regulation is subject to drafting by OLC.

5.(1) Section 3 applies with such modifications as the context may require to any application by the Financial Services Manager for approval to amend its fees.

6.(1) Where there is more than one financing entity, the total amount payable by a financing entity in respect of fees shall be proportional to the services that it receives from the Financial Services Manager.

7.(1) Upon approving the first fee submitted by the Financial Services Manager, the Board may make it retroactive to a date prior to the date of the Board's approval and not earlier than July 1, 2017.

(2) The Financial Services Manager shall establish a deferral account in connection with subsection 19(3) of the Act that records costs incurred by the Financial Services Manager in providing services referred to in section 1 during the period from July 1, 2017 to the day before the date of the Board's first order under subsection 19(3) of the Act.

Rate Mitigation Meeting .pdf

From:	Hume, Steen (ENERGY)
To:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Meeting
Date:	August 25, 2017 7:19:14 PM
Attachments:	2017 Outstanding Business Issues - Week of Aug 21 - updates.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 28.docx

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Hi. Attached are the materials for the rate mitigation meeting with DM and MO.

Thanks,

2017 Outstanding Business Issues - Week of A_24.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** Sept 26 TB/MBC
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: Late Sept/Early Oct
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: Late Sept
OEB Rate & Fees	• OPG is allowed to charge a management fee for its services made up of 1)base fee and 2) performance fee	• Draft Base Fee framework • Draft Performance Fee framework • Regulation	• OPG, ENE and OFA to determine role of OEB in determining fees OPG charges **Timing**: Regulation by the fall

2017-07-11 Consolidated - OFHP Matrix - Week _27.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 28, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o 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 o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o Ministry/OPG to look into mechanism (regulatory line) to pay interest and expenses through GA after the 4 year moratorium o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption	• July 1 – 25% takes effect • 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) • Week of September 11 – Minister's Fair Allocation Amount letter, following preliminary discussions with OPG • September 27 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD) • Late November 2017 – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
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2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • All LDCs have indicated they have implemented the program	• Will hold a wrap-up working group teleconference in August.
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• 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.
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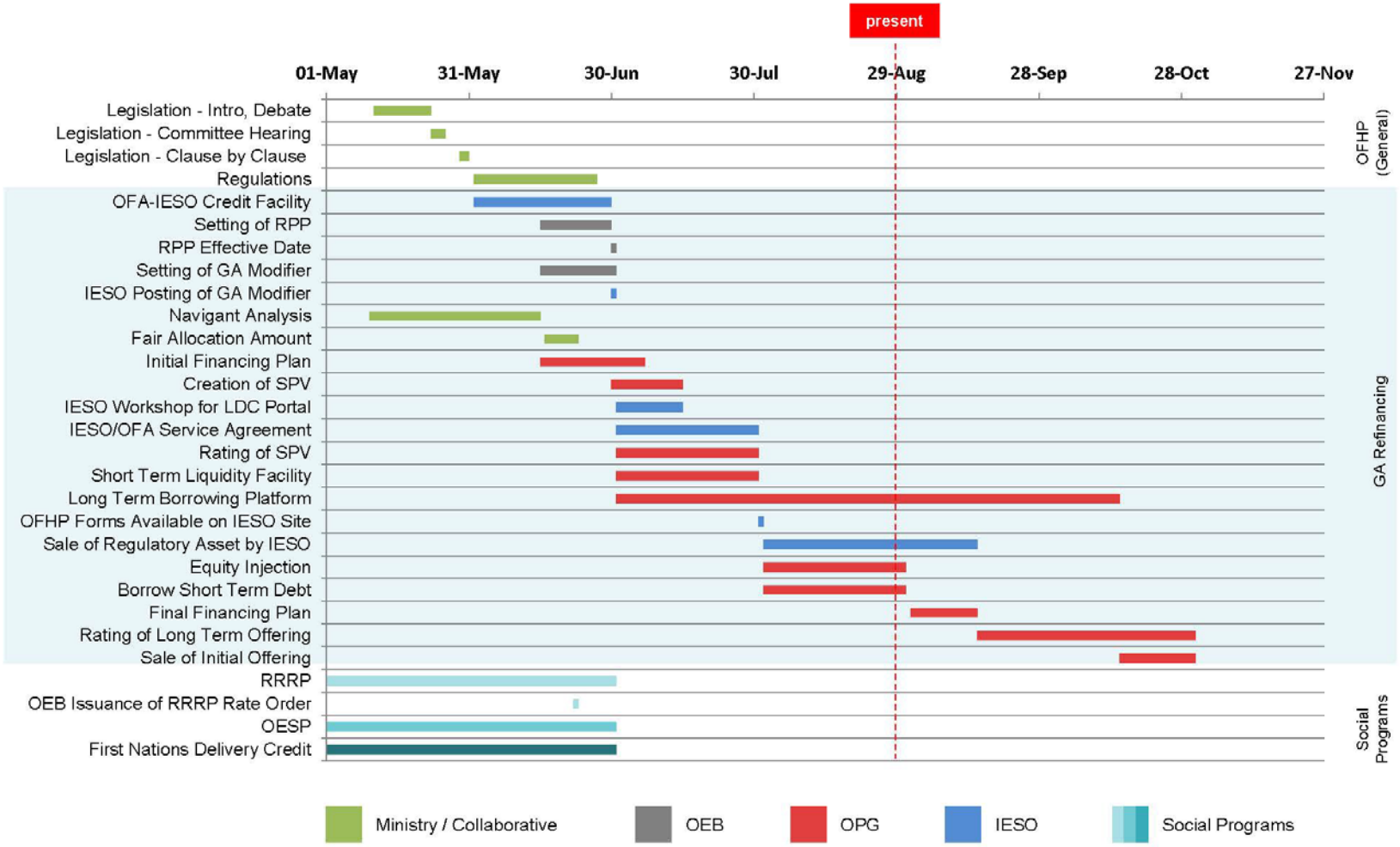
Item	Key Deliverables / Considerations	Timing / Next Steps
	• Trustees call held August 11, 2017 (recap of LDC feedback and discussion on program design) • Trustees to brief Ministry on August 28	
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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)		

Item	Key Deliverables / Considerations	Timing / Next Steps
• 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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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Rate Mitigation Meeting Materials (1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Hume, Steen (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Rate Mitigation Meeting Materials
Date:	August 2, 2017 6:05:00 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31 (2).docx 2017 07 07 Business Issues v01-kc.docx

Hi Andrew,

Attached are the materials for tomorrow's meeting. Updates highlighted in yellow.

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
E: martin.schlaepfer@ontario.ca

2017-07-07 Consolidated - OFHP Matrix - Week _30.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
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Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
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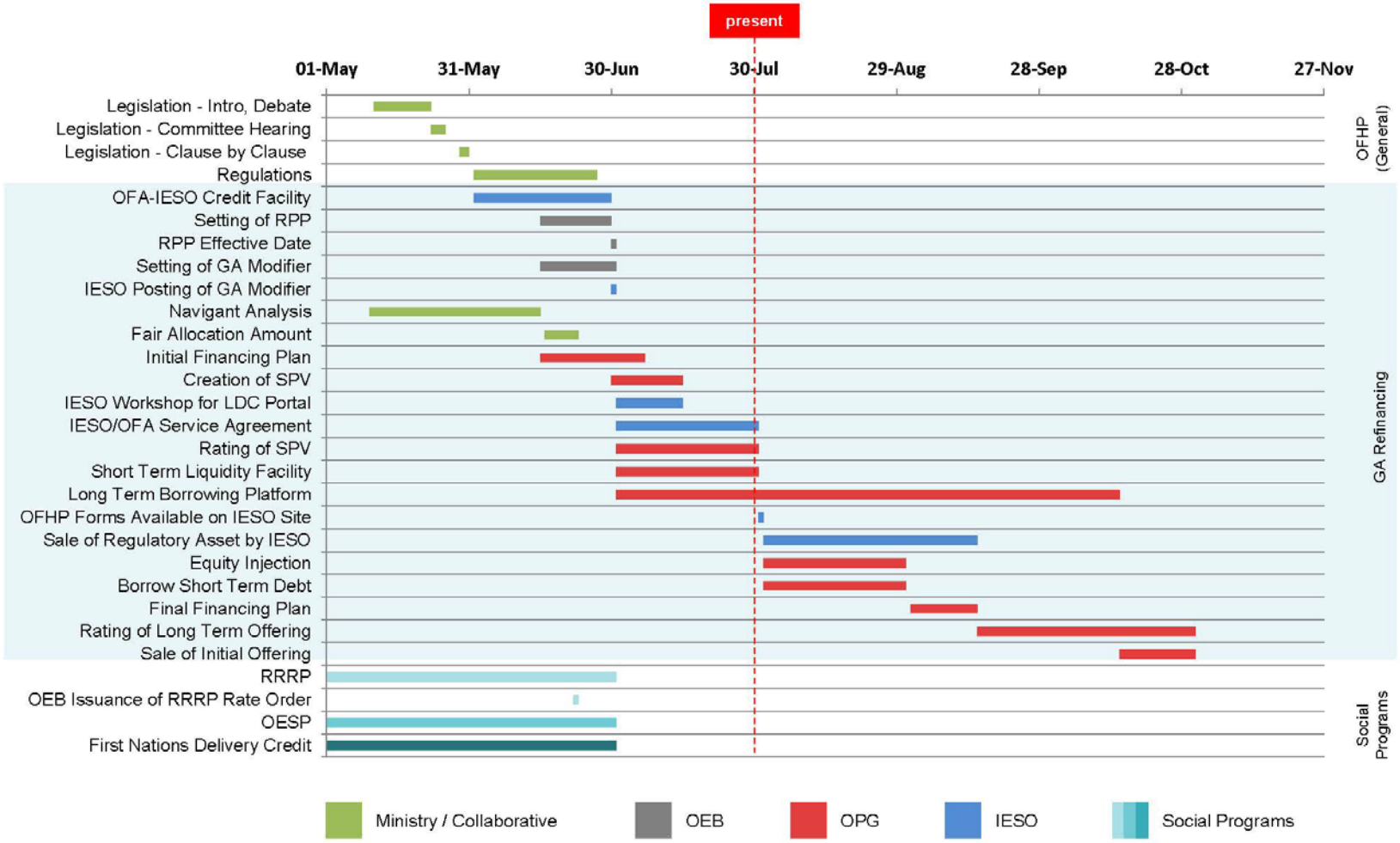
Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01-kc_3.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Meeting Materials .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Meeting Materials
Date:	August 2, 2017 6:00:00 PM
Attachments:	2017-07-07 Consolidated - OFHP Matrix - Week of July 31 (2).docx 2017 07 07 Business Issues v01-kc.docx

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Hi Martin: attached are updated materials for the meeting tomorrow (i.e., matrix and business issues). Edits are highlighted in yellow.

Have a good evening. Thanks

2017-07-07 Consolidated - OFHP Matrix - Week _31.pdf

Implementation of Ontario's Fair Hydro Plan
Week of July 31, 2017

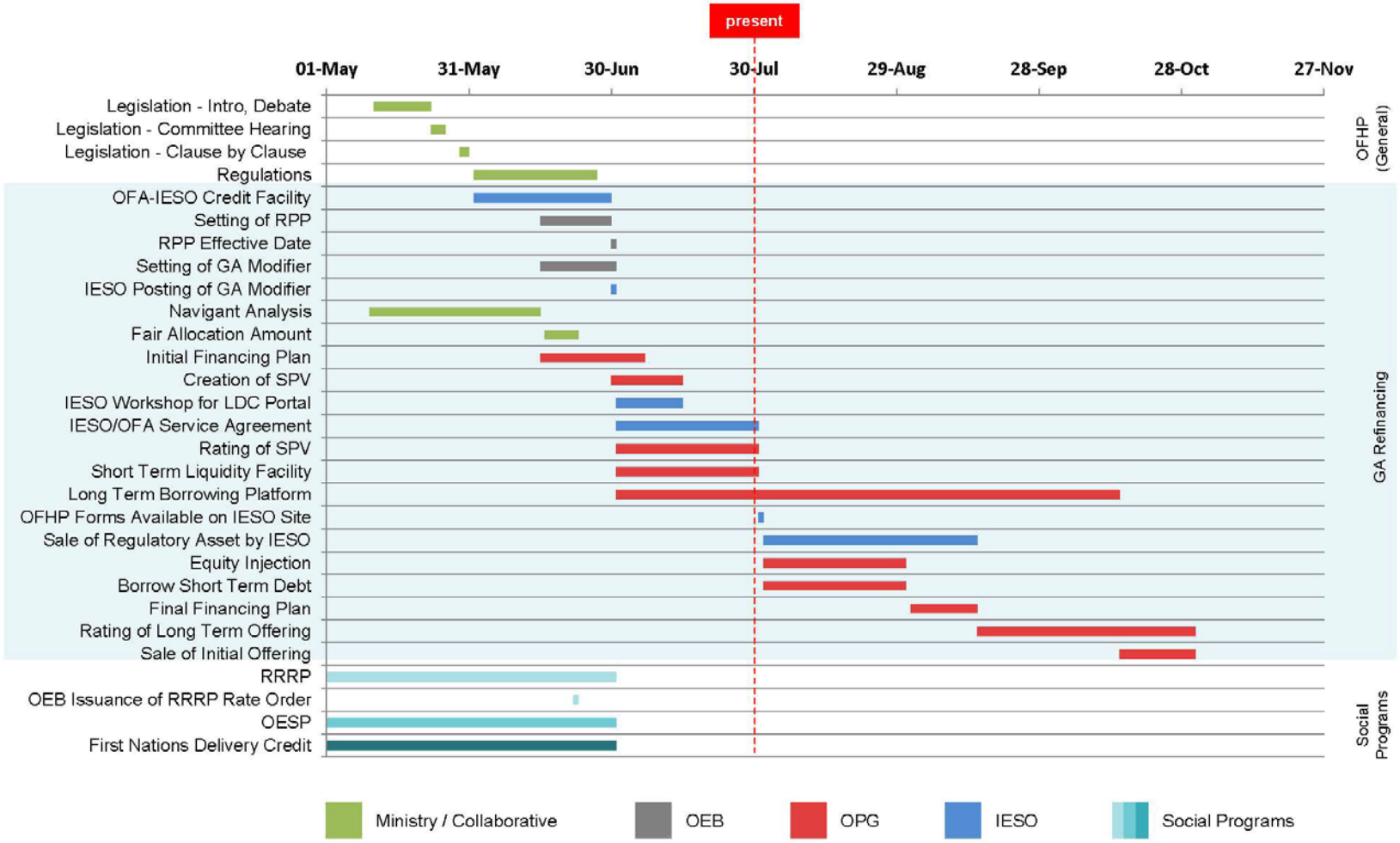
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	Recent Action Items • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG to set meeting with OFA and IGS to discuss dealers' questions on guarantee – OPG targeting early August to settle on approach to guarantee and begin rating process (pending final approval at later date) o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • OPG continuing work with rating agencies. OPG working to finalize this working by end of September • 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	• July 1 – 25% takes effect • 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) • Summer – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • Hydro One, in its administrative capacity, is developing back office support and preparing recommendations for the first meeting of the Board of Trustees • Stakeholder engagement is underway; preliminary outreach with several LDCs conducted in July and a WebEx meeting to allow for broader outreach to utilities is scheduled for August 1 • 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	**Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 07 07 Business Issues v01-kc_4.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to review MSA and SLA • OPG / Energy to revise OPG Articles to enable new class of shares **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and begin drafting regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Meeting.pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Rate Mitigation Meeting
Date:	August 23, 2017 5:13:39 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_Aug 24.docx 2017-07-11 Consolidated - OFHP Matrix - Week of August 21.docx 2017 Outstanding Business Issues - Week of Aug 21 - igs.docx

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Hi Martin. Attached are materials for tomorrow's rate mitigation meeting at 8:30 am.

Agenda is fairly standard. The Matrix and business items are consistent with the material we used with Andrew on Friday. The only update to the Matrix is that MOF has pushed out the TB date for the Provincial Guarantee until later in September because of MIN availability.

If you have any questions, happy to chat.

Steen

Agenda_Weekly Rate Mitig Implmentation Group__85.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
August 24, 2017

Agenda

1) GA Refinancing
    - General Update (OPG / IESO)
    - Provincial Guarantees (OFA/OPG)
    - Business Item (OPG/IGS)

2) AG Update

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)

Notes:

2017-07-11 Consolidated - OFHP Matrix - Week _28.pdf

Implementation of Ontario's Fair Hydro Plan
Week of August 21, 2017

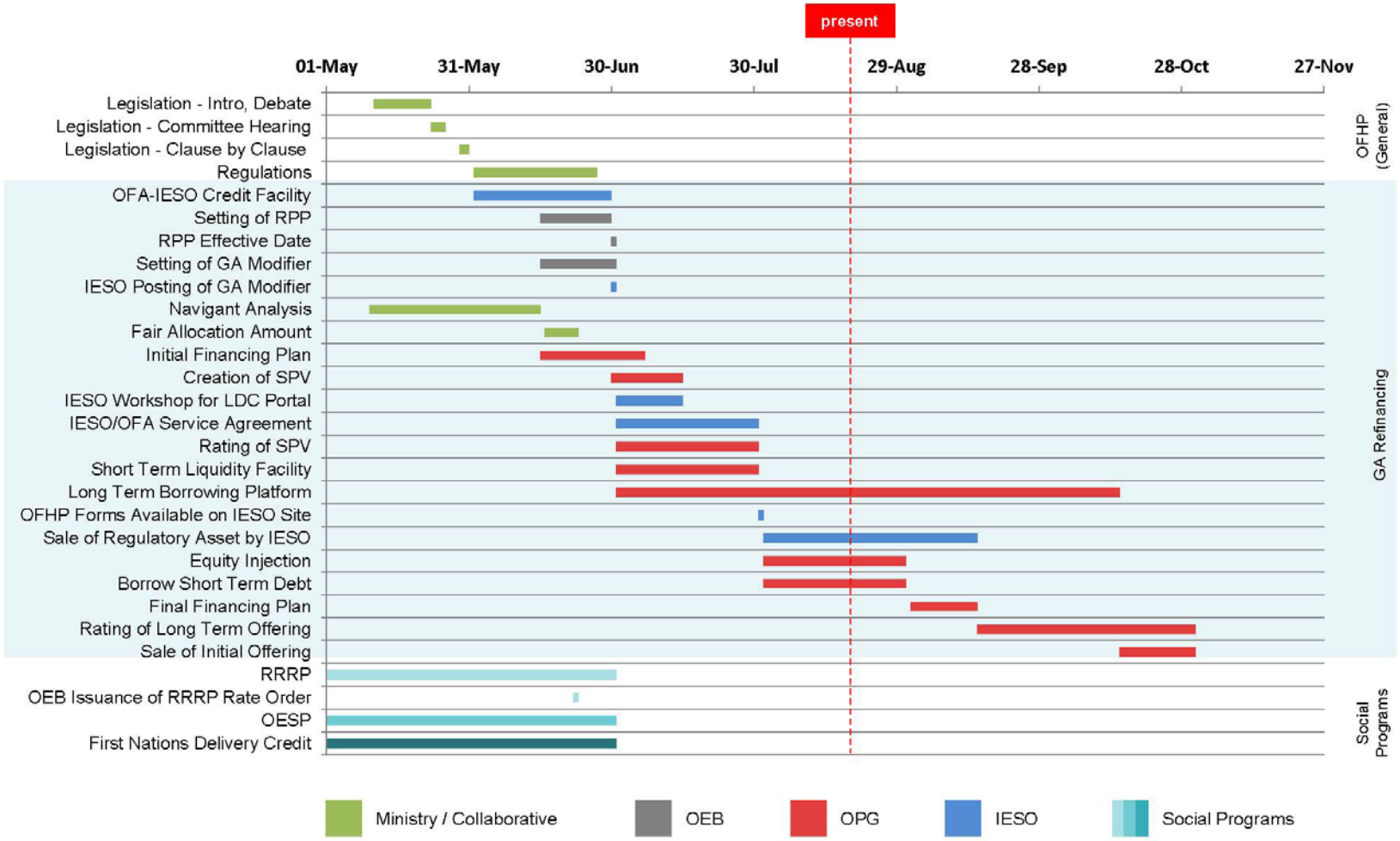
Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS/LSB)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> • Ongoing Business Items o Provincial Guarantees (i.e., performance / payment, term sheet) – OPG/TBS (OPCD), MOF, OFA and ENERGY held meeting August 10, 2017 to discuss proposed approach to Provincial Guarantee. Additional accounting review on proposed approach is required – OFA will develop proposal summary on the Provincial Guarantee for August 16, 2017 meeting – Note: Initial focus of OPG financing will be on Canadian market o Management Fees Regulation o Interest Collection During the Inflationary Cap Period (OPG, IESO and Energy to work through approach) o OPG Equity Injection Process o Subordinate Debt Loan Agreement o Payment in Lieu of Taxes Exemption – MOF/Tax Policy working on comfort letter re: PILs for OPG • 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	• July 1 – 25% takes effect • 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) • September 26 – TB/Cabinet Approval and s.28 Approval Provincial Guarantees (TBD). Note: On August 16, OFA and Energy to bring forward proposed approach to Provincial Guarantee to CO/PO discussion • Summer / Fall – OPG Financing (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • 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	Recent Action Items • 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 • 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	• Week of August 7 – follow-up with CRA on proposed wet signature solution
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • 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.

Item	Key Deliverables / Considerations	Timing / Next Steps
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • On June 19, 2017, Computershare, the original trustee of the Affordability Fund Trust, was replaced with a Board of Trustees which includes representation from two social agencies and three LDCs (Ottawa Carleton UW / Neighbour to Neighbour Centre / Thunder Bay Hydro / Hydro One / Alectra). The Ministry of Energy is also represented on the Board of Trustees in a non-voting capacity • 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 discussion on program design).	**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
6) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Auditor General (AG)	Recent Action Items • 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)	• Summer – Responding to AG Request (Ongoing)

Item	Key Deliverables / Considerations	Timing / Next Steps
	• 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	
7) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• Fall 2017 – Bill redesign
8) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • 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) Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP

Ontario Fair Hydro Plan Implementation



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

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2017 Outstanding Business Issues - Week of A_25.pdf

Outstanding Business Issues – Ontario Fair Hydro Plan

Issue	Overview	Supporting Documentation	Next Steps
Guarantees	• Province to provide contingent supports to enable structure	• Draft Term Sheet • Performance Guarantee • Service Guarantee	• OPG/MOF/ENE to discuss respective comments on the term sheet • ENE/MOF tracking to TB in September for approval **Timing:** TBD
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement • Service Level Agreement • Notice of Subscription • Amendment to Articles	• OFA / Energy to determine required monthly process and sign-off mechanism **Timing**: TBD
PILs Exemption	• Province to mitigate cost to ratepayers by minimizing PILs payable by OPG financing vehicle	• Tax Regulation	• MOF legal to draft comfort letter and regulation **Timing:** Regulation by fall
Subordinated Debt Loan Agreement	• OPG will lend the equity injection from the Province to the Trust by way of subordinated debt	• Draft Term Sheet • Debt Loan Arrangement	• OFA to provide comments • OPG to draft Debt Loan Arrangement **Timing**: TBD

Rate Mitigation Weekly.pdf

From:	Katona, Keley (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY); Schlaepfer, Martin (ENERGY)
Subject:	Rate Mitigation Weekly
Date:	April 24, 2017 4:58:38 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_April 25.docx Consolidated - OFHP Matrix - Week of April 24.docx

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Hi Andrew,
Attached is the agenda and matrix for the weekly tomorrow. I'll circulate to the broader group.
Thanks,
Keley

Agenda_Weekly Rate Mitig Implmentation Group__86.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
April 25, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB / Blakes)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of April 24_9.pdf

Implementation of Ontario's Fair Hydro Plan
Week of April 24, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation / Regulations • Ministry has retained Navigant to prepare a report on long lived assets and associated assessment of value, Ministry to work with OPG to ensure alignment with OPG internal report for its Board • Financing: o How long will IESO hold short term liability (weeks/months); o When and how frequently will OPG purchase the asset from IESO; o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc); o OPG to confirm if it is considering more than one SPV/subsidiary; o OPG to explore tax considerations; o OPG to indicate how it would determine interest rate on sub-debt; o OPG working with the Ministries of Energy and Finance on equity injection mechanics, approvals and valuation approach; and o Ministry of Finance and Energy are working with TD on a non-disclosure agreement <u>Recent Action Items</u> **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing issues • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues	• AG briefing on April 19, 2017 (TBD) • April 28, pens down on Legislation • KPMG and E&Y opinions to be provided by May 1 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB on May 9 2017; and o LRC/Cabinet on May 10, 2017 • Legislation introduced May 11, 2017: o Opposition Briefing (TBD) • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	regarding OPG cash flows • MOF (IGS) to work through equity injection mechanics and report back next week • OPG to embed OFA/Energy (as necessary) in their ongoing internal discussions • ESPD, IESO and OPG to continue discussions around refining refinancing modelling • OPG /LSB to work through requirements / help draft a shareholder letter in a form to be determined. OPG to continue to consider requirements for enhanced indemnification for Board member • OPG provided draft letter to OPG Board sub-committee on April 7, 2017 and provided to Ministry for comment. April 13, 2017, Minister of Energy sent letter to the OPG Chair • OPG to develop note on rationale for 51/49 capital structure of the Trust • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG / OFA to comment / report on overall structure and financibility for TB report back • OPG to draft terms of guarantee to dealers (which will be presented to dealers) **IESO:** • IESO to work with KPMG in the development of a formal opinion once first draft of legislation is available • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to discuss LDC issues with OEB • IESO to work with KPMG on IESO recovery mechanism **OEB:** • OEB working to finalize RPP rates and release by April 20 **Legislative Drafting:** • LSB / Blakes / OPG / IESO / OEB / Key Ministries will continue to	

Item	Key Deliverables / Considerations	Timing / Next Steps
	work through legislative drafting issues including asking dealers about whether a rate class can be named as the backstop in legislation instead of individual ratepayers • LSB has drafted a letter for the Minister to send to LDCs re: contempt of the Legislature. • LSB to circulate legislation for review and comment over the weekend – comments requested by end of day Sunday April 23 • ENERGY / Blakes / IESO / OEB / OPG / Key Ministries to meet on Monday to work through issues related to legislation • Blakes / LSB to work with MAG on any constitutional law issues <u>Considerations</u> • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB decision this week on removing OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding	• April 28, pens down on Legislation • Report back to TB/MBC on May 9, 2017 (TBD) • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• April 28, pens down on Legislation • Ministry to meet with COO on April 26 regarding FN Rate implementation • Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13 million to $20 million • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017;

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) Considerations • Legislative changes not required.	Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Communications finalized TPA with OCC / ESP, CRED and COMMS to consider providing support to CME (outreach with CME ongoing) Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP Recent Action Items • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017 (TBD)

Item	Key Deliverables / Considerations	Timing / Next Steps
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry to develop deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Re_ Consolidated - OFHP Matrix - March 17.pdf

From: Thompson, Erin (ENERGY)
To: Sermat-Harding, Kaili (ENERGY)
Subject: Re: Consolidated - OFHP Matrix - March 17
Date: March 17, 2017 9:25:55 PM
Attachments: OFHP Matrix - 20170317 - to ESP.docx

Also, our updates weren't made to the second column. e.g. TB sub is still there, bullet re TPA still has "multi party".

Attached is what I sent to Hilary.

From: Thompson, Erin (ENERGY)
Sent: Friday, March 17, 2017 9:15 PM
To: Sermat-Harding, Kaili (ENERGY)
Subject: Re: Consolidated - OFHP Matrix - March 17

Thanks. We didn't provide the section "recent action items" in the second column... ESP must have added it?

From: Sermat-Harding, Kaili (ENERGY)
Sent: Friday, March 17, 2017 8:07 PM
To: Thompson, Erin (ENERGY)
Subject: Fwd: Consolidated - OFHP Matrix - March 17

Sent from my iPad

Begin forwarded message:

> **From:** "Hume, Steen (ENERGY)" <Steen.Hume@ontario.ca>
> **Date:** March 17, 2017 at 7:48:24 PM EDT
> **To:** "Katona, Keley (ENERGY)" <Keley.Katona@ontario.ca>
> **Cc:** "Reid, Michael (ENERGY)" <Michael.Reid@ontario.ca>, "Sermat-Harding, Kaili (ENERGY)" <Kaili.Sermat-Harding@ontario.ca>, "Nelms, Scott (MOF)" <Scott.Nelms@ontario.ca>, "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <Carolyn.Calwell@ontario.ca>, "Cox, Hilary (ENERGY)" <Hilary.Cox@ontario.ca>
> **Subject: Consolidated - OFHP Matrix - March 17**
>
> Hi Keley: attached is the OFHP Matrix updated for next week. Changes are highlighted in yellow.
>
> I've also included the "Rate Mitigation Implementation Follow Ups / Next Steps" items (highlighted in yellow).
>
> Cheers, Steen

OFHP Matrix - 20170317 - to ESP_1.pdf

Implementation of Ontario's Fair Hydro Plan
Week of March 13, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	• Legislation: o Defining mitigation and recovery mechanism; and o Establishing roles for IESO, OPG and OEB • Regulation (amend O.Reg.429/04) • Shareholder Declaration and Resolution • Third Party Technical Report re Long Lived Assets (TBD) • Accounting opinions from E&Y (OPG) and KPMG (IESO) • Financing: o IESO line of credit to bridge from May-July; o OEFC to OPG equity injection structure; and o OPG trust rating agency review and 3rd party lender market sounding (e.g., cost/term, etc) <u>Considerations</u> • GA refinancing legislation could also include legislative changes to enable broadening of RRRP, expanding of OESP and establishing of FN delivery credit. • Ongoing legal, accounting and financing risk assessments. • Impact on Electricity Sector Dedicated Income. • OEB-RPP Filing in May 2017. OEB may also be required to set new GA rate for RPP-eligible consumers.	• Report back to TBC/MBC by spring 2017, prior to going to LRC with any legislation, on the approach to refinance GA (per TBC/MBC Minute) • Report to TBC/MBC, LRC and Cabinet in spring 2017 (per Cabinet Minute) • Provide comfort level to allow OEB to include in May 2017 RPP • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	• Legislation • Regulation (TBD) <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure	• LDC working group kick-off March 14, 2017 • Report back to TB/MBC by Spring 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Fall 2017 implementation (per Cabinet Minute)
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	• Legislation • Regulation <u>Considerations</u> • OEB has been engaged on implementation timelines for 50% + new eligibility – Potentially early Spring. • Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100M) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. Currently engaging OEB. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 • Program in place in 2017 (per Cabinet Minute)
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Considerations</u> • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	• Report back to TB/MBC by Spring 2017 with final program details, including performance management framework, and clarifying how the programs aligns with the significant OEB estimate of program costs, from $13M to $20M

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Work with LDCs to consider any bill messaging.	• Program in place in 2017 (per Cabinet Minute)
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, TBS, MOF and H1	• ~~TBC/MBC Submission~~ • ~~Trust Structure~~Declaration of Trust • Transfer Payment Agreement ~~(multi-party)~~ Considerations • Legislative changes not required. ENERGY has requested an exemption from the Cash Management Directive from the OFA. This is required before funds can be transferred to the Trust. • ~~Funding needs to flow to the Trust prior to March 31, 2017.~~	• Ongoing engagement with Hydro One, ~~LSB~~, Blakes, OPCD, ~~CSD~~ on development of Transfer Payment Agreement (TPA) and Trust Declaration ~~(including sharing of drafts for comment)~~ • Identification of Advisory Committee Members to recommend Trustees for appointment by the interim Trustee (Computershare) • ~~Hydro One to finalize establishment of Trust by March 17, 2017~~ ~~**Week of March 20, 2017:**~~ • Execute TPA between the Ministry and the Trust on~~by~~ March 23rd ~~2nd~~ • Funds to be transferred by March 28 • ~~Initiate process to flow funds to the Trust; to be completed before March 31st~~ **April to June~~May~~ 2017:** Appointment of Trustees;

Item	Key Deliverables / Considerations	Timing / Next Steps
		~~Additional trustees to be appointmen~~t; Trust develops further details, e.g. customer eligibility criteria and processes for LDCs to apply for funds; to be developed in consultation with LDCs **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	• Regulation (amend O.Reg.429/04) • Regulatory Registry (RR) posting <u>Considerations</u> • Amendments need to be in effect as much in advance of the consumer notification date to impact electricity bills this year (May 15, 2017). • Working with the Ontario Chamber of Commerce on a targeted outreach campaign.	• RR posting on the proposed amendment – posted March 9, 2017 for 30 days • Report back to TBC/MBC by spring 2017 (per TBC/MBC Minute) • LRC on March 11, 2016 • Effective May 2017 (TBD)
7) 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

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Signal efficiencies intent in OEB business plan letter • Work with OEB/LDCs on LTEP document and proposed directive to OEB **IESO:** • Directive / Letter (TBD) Considerations • Opportunity to highlight Market Renewal in the next LTEP. • IESO's stakeholder engagements on Market Renewal is ongoing. • Moving away from a two schedule system could impact consumer prices depending on implementation. • Most of the savings accrue from the move to a capacity auction. These savings do not materialize until the province has capacity requirements.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' Considerations • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs Considerations • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to	• Report back to TBC/MBC and Cabinet in spring 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
	provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion. • Awaiting formal letter requesting additional information
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP	• Preliminary discussion in April 2017 (TBD)

Re_ Meetings with AG on Fair Hydro Plan(1).pdf

From: Cox, Hilary (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Cc: Bungaro-Yemec, Francesca (ENERGY)
Subject: Re: Meetings with AG on Fair Hydro Plan
Date: August 31, 2017 6:44:27 PM

Will do!

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY)
Sent: Thursday, August 31, 2017 6:23 PM
To: Cox, Hilary (ENERGY)
Cc: Bungaro-Yemec, Francesca (ENERGY)
Subject: Re: Meetings with AG on Fair Hydro Plan

Yeah Steen, Carolyn and myself were in that one.

Yes, please send up the whole list.

Thanks,
Martin

From: Cox, Hilary (ENERGY)
Sent: Thursday, August 31, 2017 6:22 PM
To: Schlaepfer, Martin (ENERGY)
Cc: Bungaro-Yemec, Francesca (ENERGY)
Subject: Re: Meetings with AG on Fair Hydro Plan

Thank you! The August 9th one included Steen as well, correct?
I'll layer in the info on the initial technical briefing that had Steen, Michael and Kaili.

Assume I should send back to you for DM approval before providing to Cindy?

HC

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Schlaepfer, Martin (ENERGY)
Sent: Thursday, August 31, 2017 6:19 PM
To: Cox, Hilary (ENERGY)
Cc: Bungaro-Yemec, Francesca (ENERGY)
Subject: RE: Meetings with AG on Fair Hydro Plan

Hi Hilary,

Below are the meetings that have occurred with the Deputy subsequently. Let me know if you would like to discuss.

Thanks,
Martin

May 31, 2017 (3:30 pm)	DM Call | Auditor General
June 5, 2017 (4:30 pm)	DM Call | Auditor General
June 15, 2017 (5:15 pm)	AG phoned DM (not scheduled in calendar)
August 9, 2017(10:30 am)	DM Meeting | Auditor General

From: Schlaepfer, Martin (ENERGY)
Sent: August 25, 2017 9:06 PM
To: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Subject: RE: Meetings with AG on Fair Hydro Plan

Hi Hilary,

Francesca will look into this on Monday and compile a list.

Thanks,
Martin

From: Cox, Hilary (ENERGY)
Sent: August 25, 2017 10:17 AM
To: Schlaepfer, Martin (ENERGY) <Martin.Schlaepfer@ontario.ca>
Subject: FW: Meetings with AG on Fair Hydro Plan

Hi Martin –
As below, TBS is asking us to compile a list of meetings, calls etc with AG related to OFHP. I've got the info on the technical briefing we did back in the spring, but the DM's subsequent meetings and calls are something I haven't kept track of.

Could you tackle that part of the list and send to me? I'll consolidate.

HC

From: Hosick, Sarah (TBS)
Sent: August 23, 2017 5:19 PM
To: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Subject: Meetings with AG on Fair Hydro Plan

Hi Hilary,

For backpocket purposes for Public Accounts release preparation we are putting together a timeline of all govt meetings, briefings, calls, etc with the AG that related to Fair Hydro Plan.

Are you able to pull together a list for me of dates of Energy-AG meetings and if any other organizations were present?
I have the one from April 19 that TBS and Energy were both at, but I understand there were other meetings where she met with Energy separately.

Let me know if you have any questions. Hoping to get a consolidated timeline together by end of week

Thanks
Sarah

Sarah Hosick
Executive Assistant & Special Policy Advisor (A)
Assistant Deputy Minister's Office | Office of the Provincial Controller
Office of the Treasury Board | Treasury Board Secretariat
7 Queen's Park Cres E, 2nd Floor, Toronto, ON, M7A 1Y7
416-212-8512

Re_ Meetings with AG on Fair Hydro Plan.pdf

From: Cox, Hilary (ENERGY)
To: Schlaepfer, Martin (ENERGY)
Cc: Bungaro-Yemec, Francesca (ENERGY)
Subject: Re: Meetings with AG on Fair Hydro Plan
Date: August 31, 2017 6:22:43 PM

Thank you! The August 9th one included Steen as well, correct?
I'll layer in the info on the initial technical briefing that had Steen, Michael and Kaili.

Assume I should send back to you for DM approval before providing to Cindy?

HC

Sent from my BlackBerry 10 smartphone on the Rogers network.

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Cc: Bungaro-Yemec, Francesca (ENERGY)
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Martin

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Subject: FW: Meetings with AG on Fair Hydro Plan

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Sent: August 23, 2017 5:19 PM
To: Cox, Hilary (ENERGY) <Hilary.Cox@ontario.ca>
Subject: Meetings with AG on Fair Hydro Plan

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Are you able to pull together a list for me of dates of Energy-AG meetings and if any other organizations were present?
I have the one from April 19 that TBS and Energy were both at, but I understand there were other meetings where she met with Energy separately.

Let me know if you have any questions. Hoping to get a consolidated timeline together by end of week

Thanks
Sarah

Sarah Hosick
Executive Assistant & Special Policy Advisor (A)
Assistant Deputy Minister's Office | Office of the Provincial Controller
Office of the Treasury Board | Treasury Board Secretariat
7 Queen's Park Cres E, 2nd Floor, Toronto, ON, M7A 1Y7
416-212-8512

Re_ Rate Mitigation Implementation Weekly Meeting _1.pdf

From:	Reid, Michael (ENERGY)
To:	Sermat-Harding, Kaili (ENERGY); Hume, Steen (ENERGY)
Cc:	Feather, Adam (ENERGY)
Subject:	Re: Rate Mitigation Implementation Weekly Meeting
Date:	March 14, 2017 2:54:03 PM

LDC group has met. There was also an OESP meeting with Energy, OEB and MCSS. We will talk a bit about how to do the Social Assistance group tomorrow.

Michael Reid
416-325-6544
Original Message
From: Sermat-Harding, Kaili (ENERGY)
Sent: Tuesday, March 14, 2017 2:38 PM
To: Hume, Steen (ENERGY); Reid, Michael (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting

Yes, that is correct for the Affordability Fund subcommittee (we've had several conference calls).

-----Original Message-----
From: Hume, Steen (ENERGY)
Sent: March-14-17 2:37 PM
To: Reid, Michael (ENERGY); Sermat-Harding, Kaili (ENERGY)
Cc: Feather, Adam (ENERGY)
Subject: RE: Rate Mitigation Implementation Weekly Meeting

Hi. See below Can I say that the following subcommittees / working group have met since last week:

> Social Programs (including OEB)
> Affordability Fund
> LDC Working Group

Thanks,

-----Original Message-----
From: Katona, Keley (ENERGY)
Sent: March-14-17 2:27 PM
To: Hume, Steen (ENERGY)
Subject: FW: Rate Mitigation Implementation Weekly Meeting

Do you know which ones specifically have met?

-----Original Message-----
From: Imbrogno, Serge (ENERGY)
Sent: March-14-17 2:18 PM
To: Katona, Keley (ENERGY)
Subject: Re: Rate Mitigation Implementation Weekly Meeting

Hi. Did the subcommittees meet?

Sent from my iPad

> On Mar 14, 2017, at 1:33 PM, Katona, Keley (ENERGY) <Keley.Katona@ontario.ca> wrote:

>
> Hi Deputy,
> Attached is an agenda for tomorrow's WG meeting as well as an updated matrix. Blakes is working on something with LSB that they may be able to walk in to the meeting. Ok to share attached with MO?
> Thanks,
> Keley
> <Agenda_Weekly Rate Mitig Implmentation Group_March 15.docx>
> <Consolidated - OFHP Matrix -Week March 13.docx>

To Action Friday - OFHP MAtrix updates.pdf

From: Feather, Adam (ENERGY)
To: Chander, Sunita (ENERGY)
Subject: To Action Friday - OFHP MAtrix updates
Date: May 19, 2017 9:51:00 AM
Attachments: Consolidated - OFHP Matrix - Week of May 8_clean.docx
Action Items_May 18.docx

Sunita:

Please see attached OFHP matrix for your updates for 3 pm today.

Also attached is the list of action items from yesterday's rate mitigation implementation meeting that should be included in the OFHP Matrix update

Thanks,

A.

Consolidated - OFHP Matrix - Week of May 8_cl_10.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 8, 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> **Legislation and Regulations Drafting / House Prep:** • Leg Counsel finalizing legislation • LSB working on: o Committee motions o Regulations – 2 parts (mid and late June). Note: OPG has sketched out what it may require in regulation. Regulation tracking for direct to Cabinet on June 14th (TBC) o Indemnities for OPG and IESO Board members to be in place around Royal Assent • Ministry to follow up with stakeholder on rate cap • Blakes and LSB to work with MAG on any constitutional law issues – ongoing • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • Ministry working on approval documents for Minister signature for end of week: o LRC / Cabinet Submission on OFH Legislation o TB/MBC Report Back – GA refinancing, Social programs and ICI. Note: TB looking for variability risk analysis for Social programs o Ministry to share drafts by end of week • Ministry working with Navigant to prepare a report on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	• OPG and IESO's independent accounting work is complete: • OPG is finalizing E&Y's work • IESO has finalized KPMG's work • Agencies are each working a one page summary that could be released publically **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) • OPG to meet with OAG next Thursday (TBC) • OPG on track with Board meeting on May 12 to approve recommendation • OPG guarantees won't be negotiated until a later stage and guarantee for market disruption is still in play **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	• IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member • OAG request to IESO for emails has been expanded **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective) • OEB's cannot reset prices until regulation is public, but work will happen in the background to ensure a common understanding of regulations <u>Considerations</u> • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	<u>Recent Action Items</u> • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible • Ministry working with LDCs to finalize program design <u>Considerations</u> • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	<u>Recent Action Items</u> • SNAP to continue to work through OESP automatic qualification with MCSS / OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration • Ministry received final legislation, which includes information sharing provision with MCSS <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	money to programs. Need to work with IESO/OEB/MOF.	
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Public Hearings – Week of May 23, 2017 o Committee/Clause by Clause – Week of May 29, 2017 • Regulations – June 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust)	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full

Item	Key Deliverables / Considerations	Timing / Next Steps
	Recent Action Items • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro / Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies • Advisory group reaching out to social agencies Considerations • Legislative changes not required.	Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ministry promoting value of ICI (i.e., at upcoming OCC Annual General meeting) • Ministry discussing with CME ongoing Considerations • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
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 **IESO:** • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	• Continue this work as part of LTEP
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials

Item	Key Deliverables / Considerations	Timing / Next Steps
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall) • Ministry has developed deck on bill presentment with high level slides on legislation	• Initial discussion on March 31, 2017

Action Items_May 18_8.pdf

Action Items – May 18

1) GA Refinancing
    - Ministry working on motions which need to be filled a week from today. Draft motions to be shared early next week.
    - Ministry also working on regulations for mid and end of June timelines
    - OPG to set up SPV after regulations in June, which requires rating agencies review expected by the end of July
        - Documents will include commentary on credit worthiness
        - Potential engagement of Moody's/S&P/DBRS
    - Agencies (OPG/IESO/OEB) to provide critical paths for the next meeting
    - OPG to go to the market in Sept/Oct
    - IESO letter went to OFA to request $2.5B total credit
    - IESO expecting purchase and sale agreement by end of June
    - IESO memo and KPMG accounting opinion has been delivered to Ministry
    - OPG memo and E&Y accounting opinion has been delivered to Ministry
    - IESO is producing a document to respond to AG questions – to be shared with TBS for review
    - IESO to offer FAO separate meeting with KPMG (FAO declined)
    - FAO report to be provided to MO on Tuesday morning and be released on Wednesday at 9AM
    - OFA to work on analysis of comparison of clean energy adjustments to Debt Retirement Charge
    - Indemnities for Boards are tracking forward to be in place when legislation comes into force
    - Guarantees for dealers are still being explored and to be done in conjunction with rating process
        - Time is required to appropriately brief decision makers
        - OPG to provide draft version of Term Sheet to Ministry of Energy

2) Other OFHP Initiatives
    - RRRP, OESP and FN:
        - Ministry working on regulation details
        - OESP regulations will be the focus of the post-July 1 work stream
        - Products for both June 14
        - Ministry working with 5 Chiefs to determine the qualification of FN rebate based on existing processes
        - Ministry working to minimize number of individuals who qualify for credits but don't receive them on July 1
        - OEB calculation needs to be completed 15 business days from Royal Assent
    - Affordability Fund:
        - Waiting for social service agencies to respond
    - ICI:
        - No update

3) A Plan for Monitoring / Oversight
    - Ministry to develop implementation road map to track and ensure alignment of different work streams

Weekly Rate Mitigation Implementation Materials (1).pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Teliszewsky, Andrew (ENERGY)
Cc:	Imbrogno, Serge (ENERGY); Whittington, Matt (ENERGY); Baker, Carys (ENERGY)
Subject:	Weekly Rate Mitigation Implementation Materials
Date:	May 3, 2017 6:37:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May4.docx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Andrew,

Please find attached the materials for tomorrow's weekly rate mitigation implementation meeting, including:

1) Agenda

2) Weekly OFHP Matrix (for the Week of May 1)

3) Annotated Timeline (for the Week of May 1)

I'll circulate to the broader group.

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__87.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of May 1_12.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • SNAP to continue to work through OESP automatic qualification with MCSS / OEB	• April 28, pens down on Legislation • Pens down on Legislation – April

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Legislation to include provision to allow for sharing of data between MCSS and OEB • SNAP to continue to work with, MOF, OEB and CRA on OESP wet signature • OEB removed OESP from bill as of May 1. • SNAP to work with TBS to ensure funds flow from fiscal plan as soon as legislation passes • Ministry to meet with MCSS regarding taking over OESP administration <u>Considerations</u> • Ministry is working with OEB on how the OESP enhancement will be announced as part of a communications exercise. • Positive progress with OEB on implementation: o OEB has been engaged on implementation timelines for 50% + new eligibility – OEB working with LDCs to ensure systems are upgraded to reflect new credit amounts; o Ongoing work with MCSS to auto-enroll those receiving / applying to social programs. Work plan for implementation being developed with OEB support. • As part of legislation / regulatory amendment work, investigating steps required to use OESP variance (approx. $100 million) to reduce current OESP charge to zero and continue funding existing program until tax changes in place. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF.	28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Enhanced benefits and removal of OESP charge will take effect in May 2017
4) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

Item	Key Deliverables / Considerations	Timing / Next Steps
	implementation / work through implementation issues. SNAP working to meet with COO to have preliminary discussion of the FNDC • OEB has not posted FN rate report just yet as conversations are ongoing between Ministry on a letter from the Minister to the OEB acknowledging receipt of the report and outlining the plan for implementation • Ministry met with COO on April 26, 2017 regarding FN Rate implementation <u>Considerations</u> • On-reserve eligibility considerations require discussion with Chiefs of Ontario • Work with LDCs on implementation details that need to be captured in legislation. • Legislation required to have program funded by taxpayers. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause –n Week of May 23, 2017 • Introduction of FNDC program targeting July 1 2017
5) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

Item	Key Deliverables / Considerations	Timing / Next Steps
	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_11.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)
- June 2017 – LRC with Regulations

Weekly Rate Mitigation Implementation Materials .pdf

From:	Schlaepfer, Martin (ENERGY)
To:	Imbrogno, Serge (ENERGY)
Subject:	Weekly Rate Mitigation Implementation Materials
Date:	May 3, 2017 6:21:00 PM
Attachments:	Agenda_Weekly Rate Mitig Implmentation Group_May4.docx Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx

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Deputy,

Please find attached the materials for tomorrow's weekly rate mitigation implementation meeting, including:

1) Agenda

2) Weekly OFHP Matrix (for the Week of May 1); discussed with DM/COS on Monday

3) Annotated Timeline (for the Week of May 1); slightly updated based on DM/COS meeting

The plan would be to send all three items to the broader group.

OK to share with MO?

Thanks,
Martin

Agenda_Weekly Rate Mitig Implmentation Group__88.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes:

Consolidated - OFHP Matrix - Week of May 1_13.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

Item	Key Deliverables / Considerations	Timing / Next Steps
	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

Item	Key Deliverables / Considerations	Timing / Next Steps
	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
3) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
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• ENERGY and LSB	• Legislation • Regulation (TBD) <u>Recent Action Items</u> • SNAP convened LDC working group on March 24th • SNAP to move forward with including COO in FN rate	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10,

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• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	• TBC/MBC Submission • Declaration of Trust ("Trust Deed") • Transfer Payment Agreement (TPA) • Administrative Services Agreement (H1-Trust) <u>Recent Action Items</u> • March 23 and 24: Trust Deed and TPA executed. • March 30: Funds transferred to Computershare. • April 7, 2017: Hydro One letter to Advisory Committee members to schedule next meeting and ask members to start thinking of qualified Trustees • Affordability Fund advisory committee met this week and reached consensus on three LDCs + two social agencies to be represented on Trust Board (Ottawa Carlton UW / Advocacy Centre for Tenants Ontario / Thunder Bay Hydro /	**April to May 2017:** • Advisory Committee recommends Board of Trustees by May 31, 2017; Computershare appoints full Board of Trustees **June 2017:** • Trustees expected to engage with distributors, IESO, OEB, others, to define funding criteria and processes **June 2017:** • Report back to TB/MBC with final program details and a

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	Hydro One / Alectra) • Hydro One to prepare letters that will go out to social service agencies <u>Considerations</u> • Legislative changes not required.	performance management framework including outcome measures and targets **Summer 2017:** • LDCs begin to apply to the Trust for funds **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
6) Expanding ICI (ESP)		
• ENERGY, LSB, IESO and LDCs	<u>Recent Action Items</u> • Communications finalized TPA with OCC / ESP • TPA being developed to provide support to CME (outreach with CME ongoing) <u>Considerations</u> • Ongoing outreach with LDCs being undertaken by IESO.	• Report back to TB/MBC on May 9, 2017 • Effective April 2017
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	• Continue this work as part of LTEP

Item	Key Deliverables / Considerations	Timing / Next Steps
	IESO: • Directive / Letter (TBD) <u>Considerations</u> • IESO's stakeholder engagement re Market Renewal is ongoing.	
8) Additional Initiatives for Small Business and Industrials (i.e., Class B) (ESP)		
• ENERGY, MEDG, MOF, MOECC, MOL and Small Business	• Identify additional opportunities to assist Class B electricity consumers and small and medium sized manufacturers' <u>Recent Action Items</u> • ESP to work with other ministries regarding other measures that can be considered for SMEs <u>Considerations</u> • TBD	• Report back to TBC/MBC and Cabinet in spring 2017 (per Cabinet Minute)
9) Initiatives for Tenants (SNAP)		
• ENERGY and MOH	• Explore ways to provide direct assistance to tenants that are not sub-metered and do not directly benefit under the existing and proposed rate mitigation programs <u>Considerations</u> • MHO leading any legislative/regulatory changes needed to have tenants benefit from program. Consider whether benefits are limited to 8% and GA (rather than OESP which is harder to provide to tenants who do not pay their bills). • ENERGY working with MCSS to streamline/automate enrollment for ODSP/OW consumers into OESP.	• Report back to TBC/MBC and Cabinet in fall 2017 (Per Cabinet Minute)

Item	Key Deliverables / Considerations	Timing / Next Steps
10) Stakeholder/Agency Outreach (Communications)		
• ENERGY	• Minister's letters to: o Ratepayers; o LDCs; o Business (e.g., OCC, CME, Concerned Manufactures, etc); and o Agencies (i.e., IESO, OPG, OEB and H1)	• Early-mid March
11) Engagement with Officers of the Legislature		
• ENERGY, MOF/OFA, Financial Accountability Officer (FAO)	• Provide FAO staff with a technical briefing on the OFHP	• March 9, 2017: Preliminary discussion • March 14, 2017: Letter received requesting additional information by March 24, 2017 • March 31, 2017: Ministry submitted responsive materials
• ENERGY, MOF/OFA, Auditor General (AG)	• Provide the AG with a technical briefing on the OFHP <u>Recent Action Items</u> • Provide AG technical briefing presentation used in media lock-up on OFHP in advance of the technical briefing	• Preliminary discussion on April 19, 2017
12) Bill Presentment (SNAP/LSB)		
• ENERGY	• Ministry to begin work on bill presentment <u>Recent Action Items</u> • MO to clarify bill presentment expectations with PO (Bill inserts will be ready for July 1 with bill redesign to occur in the Fall)	• Initial discussion on March 31, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
	• Ministry has developed deck on bill presentment with high level slides on legislation	

OFHP Annotated Time Line_Final_May 1_12.pdf

Ontario's Fair Hydro Plan – Critical Path Dates

(Week of May 1, 2017)

- April 28, 2017 – Pens down on drafting the Legislation
- May 1, 2017 – KPMG and E&Y Opinions
- May 2, 2017 – Caucus Briefing
- May 3, 2017 – Fiscal Prep Briefing
- May 2017 – MMP Briefing (TBD)
- May 2017 – Agency Admin items (TBD)
    - OPG Shareholder Resolution
    - Indemnities for OPG and IESO Boards
- May 8, 2017 – Interim Report from Navigant (Final report due June 5, 2017)
- May 9, 2017 – TB/MBC Report Back
    - Legal Opinions
    - Accounting Opinion
    - OFA Financial Viability work (in collaboration with TD Bank)
    - OPG Business Plan Concurrence – Required for OEB process
- May 10, 2017 – LRC/Cabinet on Legislation
- May 11, 2017 – Introduction Legislation
- May 2017 – Regulatory Posting (TBD)
- May 2017 – Opposition Briefings (TBD)
- May 15, 16, 17, and 18, 2017 – House debate on Legislation (TBD)
- Week of May 24, 2017 – Committee to review Legislation (TBD)
    - Public Hearings
- Week of May 29, 2017
    - Clause by Clause / Amendments
    - Passage (TBD)
- June 2017 – LRC with Regulations

Weekly Rate Mitigation Implemention Materials .pdf

From:	Hume, Steen (ENERGY)
To:	Schlaepfer, Martin (ENERGY)
Cc:	Cox, Hilary (ENERGY)
Subject:	Weekly Rate Mitigation Implemention Materials
Date:	May 3, 2017 5:25:00 PM
Attachments:	Consolidated - OFHP Matrix - Week of May 1.docx OFHP Annotated Time Line_Final_May 1.docx Agenda_Weekly Rate Mitig Implmentation Group_May4.docx

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Hi Martin: please find attached the material for tomorrow weekly rate mitigation implementation meeting.

Attached are the:

1) Agenda

2) Weekly OFHP Matrix (for the Week of May 1); discussed with DM/COS on Monday

3) Annotated Timeline (for the Week of May 1); slightly updated based on COS update re when clause by clause is taking place

Keley typically sent out items 1 and 2 the night before the meeting. Can you check with the DM if also wants to send out the Timeline. I'm good either way.

Happy to discuss. Steen

Consolidated - OFHP Matrix - Week of May 1_14.pdf

Implementation of Ontario's Fair Hydro Plan
Week of May 1, 2017

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Refinancing the Global Adjustment (ESP/IGS)		
• ENERGY, LSB, IESO, OPG, OEB, TBS and MOF	<u>Recent Action Items</u> **Legislation and Regulations Drafting / House Prep:** • LSB, Blakes, OPG, IESO, OEB, key ministries and dealers continue to work through legislative drafting issues. Work on proposed regulation starts when pens down on legislation • LSB has drafted a letter for the Minister to send to LDCs regarding contempt of the Legislature • Blakes and LSB to work with MAG on any constitutional law issues • Proposed legislation will indicate that both MOF and Energy Ministers will be signatories to springing guarantee, performance guarantee and protection to Boards • LSB and Blakes circulated new draft for comments by April 26. Comments incorporated into final version for April 28 • LSB to identify additional amendments for at Committee • MO to work with MOF/TBS MOs to request their Ministers for house debate (Week May 15, 2017) **TBS, LRC and Cabinet:** • ENERGY preparing a report back submission to TBS/MBC on GA Refinancing, Social Programs and ICI • ENERGY preparing submissions to LRC / Cabinet on OFHP Legislation • MOF working with TD on content to be include in TB submission on financial viability. KPMG and E&Y preparing accounting comments/ opinions • Ministry working with Navigant (and OPG) to prepare a report	• Pens down on Legislation – April 28, 2017 • KPMG and E&Y comments/ opinions to be provided – May 1, 2017 • OPG Board to meet on May 1 for approval (Note: Sub-Committee meetings will occur in advance) • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Summer 2017 implementation (June/July). OPG preference for July 1 to align with quarter-end

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	on long lived assets and associated assessment of value. Interim report expected mid-May, followed by final report in June **OPG:** • OPG to continue to work with lead banks / rating agencies / OFA on financing • OPG to confirm accounting if OFA were to act as lead order on borrowing. • OPG to determine who will finance / hold the asset until it goes to the market – IESO/OPG to work together on outstanding issues regarding OPG cash flows • OPG to confirm proposed tax status of the Special Purpose Vehicle (SPV) • OPG to draft terms of guarantee to dealers (which will be presented to dealers) • Ministry to work with OPG to ensure alignment with OPG internal report for its Board • MOF, Energy and OPG work on equity injection mechanics, approvals and valuation approach • OPG undertaking modelling, but initial borrowing amount will come from formula in legislation. • Ministry draft assurances / indemnification for Board member and Shareholder Resolution re articles of incorporation/borrowing (Timing TBD) **IESO:** • IESO to discuss LDC issues with OEB • IESO to work through technical aspects with IT (i.e., operationalizing the back-office functions) • IESO to work with KPMG on IESO recovery mechanism • Ministry draft assurances / indemnification for Board member **OEB:** • OEB continues to work through drafting issues with LSB (e.g., role in review of admin costs, timing of revised RPP, why there needs to be an OEB objective)	

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	Considerations • Ongoing financing, accounting and legal risk assessments.	
2) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • SNAP to continue to monitor rate hearings for RRRP LDCs • SNAP to collect billing implementation timeline estimates from LDCs • SNAP working with CSD / TBS on allocation for each program (RRRP, OESP, FN Rate and OREC) without executive control on each • Ministry to develop briefing note on why LDCs with RRRP continue to track to OEB for rate increases • New turn of social legislation turned Wednesday/Thursday for comment to meet Friday pens down timeline • Ministry sorting through issue with Dubreuilville to ensure the legislation is permissive enough to allow them to be eligible Considerations • Consideration of revising definitions of RRRP program for broadening to other LDCs and continue to have current structure in place to provide to existing consumers in Algoma and Remotes. May require separation of RRRP and broader distribution rate protection into separate programs. • Technical/governance structures needed to flow taxpayer money to programs. Need to work with IESO/OEB/MOF. • Work with LDCs to consider any bill messaging.	• Pens down on Legislation – April 28, 2017 • Approval dates: o TB – May 9 2017; and o LRC/Cabinet – May 10, 2017 • Legislation / House dates: o Legislation introduction – May 11, 2017 o Opposition Briefing (TBD) o Debate – Week of May 15, 2017 o Committee/Clause by Clause – Week of May 23, 2017 • Implementation of expanded program and reduction in RRRP charge is targeted for July 1 2017
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Agenda_Weekly Rate Mitig Implmentation Group__89.pdf

WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
May 4, 2017

Agenda

1) GA Refinancing
    - Legislative Drafting (LSB)
    - OPG Update
    - IESO Update
    - OEB Update

2) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
    - Affordability Fund (CRED)
    - ICI (ESPD)

3) Update on Action Items / Policy Matrix

Notes: