Implementation of Ontario's Fair Hydro Plan
Week of January 11, 2018

Global Adjustment (GA) Refinancing – Business Issues / Implementation

Issue	Overview	Supporting Documentation	Timing / Next Steps
~~Provincial Support Agreements~~	• ~~Province to provide contingent supports to enable structure~~	• ~~Term Sheet~~ • ~~Change of Law Protection Agreement~~ • ~~Change of Law Process Agreement~~	• ~~On December 14, 2017: MOF / OPG / ENERGY to finalized the Protection Agreement and Process Agreement based on Term Sheet approved by TB/CAB~~ ~~**Timing / Next Steps:**~~ • ~~Agreements to be finalized by mid-December (Note: No later than December 15)~~
OPG's Financing Plan / Market Activity	• OPG, as Financial Services Manager (FSM), to provide a Financing Plan in accordance with legislation, to evaluate the incurrence of funding obligations consistent with the FAA	• Minister's FAA letter to OPG • Financing Plan • Transaction Documents	• ~~On December 20X, OPG has provided another draft offinalized the Financing Plan to ENERGY for review.~~ • • On December 21, 2017: OPG purchased the regulatory asset ~~short-term debt~~ via the warehouse facility **Timing / Next Steps:** • ~~Final Financing Plan expected the week of December 11, pending conclusion of rating agency assessment and Ministry of Energy review~~ • Finalize Transaction Documents in ~~December /~~ January • January 22 (TBC): OPG to proceed with initial issuance of term debt
Equity Injection	• Province to purchase shares of OPG on a monthly basis	• Master Subscription Agreement – Complete	•

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		• MOU between OFA and Energy – Complete • ~~Notice of Subscription~~First Share Subscription Form- Complete • Amendment to Articles Signed – Complete	**Timing / Next Steps:** • Next asset transfer/equity injection expected to take place in March 2018. Note: First equity injection closed on December 20 •
~~Protocol for Subordinated and Junior Subordinated Debt~~	• ~~OPG will lend the equity injection from the Province to the Trust by way of subordinated debt~~	~~Subordinated Debt Pricing Protocol- Complete~~ ~~Draft Term Sheet~~ ~~Debt Loan Arrangement~~	• ~~OFA has provided comments~~ • ~~OPG to draft Debt Loan Arrangement~~ ~~**Timing / Next Steps:**~~ • ~~OPG to provide additional details~~~~Subordinated Debt Pricing Protocol agreement signed by OPG, OFA and ENERGY on December 19, 2017.~~
~~PILs Exemption~~	• ~~The beneficiary of the OFHP Trust would be subject to tax under the payments in lieu of taxes (PILs) regime under the *Electricity Act, 1998* (EA), and would pay PILs to the Ontario Electricity Financial Corporation (OEFC)~~ • ~~Province to mitigate cost to ratepayers by minimizing PILs payable by the Trust beneficiary~~ • ~~A regulation under the EA is required to exempt the beneficiary from PILs~~	• ~~Regulation~~	~~**Timing / Next Steps:**~~ • ~~MOF to obtain Minister's signature on proposed regulation (TBD)~~
~~OPG / IESO Commercial Agreement~~	• ~~OPG and IESO to enter in to commercial agreements governing the Financing Entity purchase of the regulatory assets (i.e., the Master Transfer and~~		• ~~OPG and IESO working to finalize Agreement~~ • ~~IESO Board has approved delegation of approval for agreements~~ • ~~IESO provided an update to its Board on November 29~~

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Issue	Overview	Supporting Documentation	Timing / Next Steps
	~~Servicing Agreement, Security Agreement and Acknowledgement and Indemnity Agreement)~~		~~**Timing / Next Steps:**~~ ~~• Agreements to be finalized.~~ ~~• Further changes may be required pending the completion of the rating process~~

Ontario's Fair Hydro Plan – Implementation Matrix of Other Items

Item	Key Deliverables / Considerations	Timing / Next Steps
1) Broadening Rural or Remote Rate Protection (RRRP) (SNAP)		
• ENERGY, LSB and LDCs	Recent Action Items • All LDCs have indicated they have implemented the program • IESO has begun to submit reimbursement claims to the Ministry	• Discussions have begun with OEB over content of cost forecast report, as contemplated in Regulation
2) Expanding Ontario Electricity Support Program (OESP) (SNAP)		
• ENERGY, LSB, MCSS and OEB	Recent Action Items • MCSS has begun work to enroll social assistance (SA) clients to OESP, and is directly contacting these clients by phone and letters. The temporary call center is operational and OESP posters and brochures are being distributed to SA offices. • OEB and MCSS and working together on aligning software systems to electronically automate enrollment of SA clients into OESP. Targeting summer 2018 for completion. • Work is underway to implement a solution to the requirement for wet signatures, and is expected for Q1 2018. • Ministry is targeting a January 23 LRC date to proclaim OEBA amendments to shift the OESP to the tax base. The current OESP regulation is OESP variance account is expected to deplete in February 2018, and mechanisms to compensate program delivery partners through the tax base needs to be in place for that date. • OESP administration will remain with the OEB until such time that the Ministry has adequate resources to assume responsibility for the program. ~~The Ministry~~	• LRC on January 23 for proclaiming OEBA provisions and replacement OESP regulation.
3) Providing a First Nations On-Reserve Delivery Credit (SNAP)		
• ENERGY and LSB	Recent Action Items • All LDCs have indicated they have implemented the program.	• Receiving regular updates from H1 on enrollment

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Item	Key Deliverables / Considerations	Timing / Next Steps
	• FNDC post card has been distributed to First Nations Band Councils • IESO has begun submitting claims for reimbursement to the Ministry	
4) Establishing an Affordability Fund (CRED)		
• ENERGY, IGS, LSB, Blakes, CSD, OPCD, TBS, MOF and H1 (KPMG and Osler)	Recent Action Items • October 12 – Soft launch of microsite and 1-800 number • October 24 – Formal announcement in Hamilton involving the Minister of Energy • ~~As of November 16 – 1,634 intake forms submitted; over 1,000 AFT applications sent to Hydro One or the 41 active/pending participating distributors~~ • On October 24 – Trustees held a webinar with 200 participants to overview program design, walk-through the web site, and answer distributor questions • November 2017 – Affordability Fund Trust (AFT) entered into a Memorandum of Understanding with Ontario 211 services to support community engagement related activities (e.g. call referrals, consultations) • As of December 14 – 1,448 applications sent to Hydro One or the over 40 active/pending participating distributors • December 18 – AFT and IESO meeting with ENERGY to discuss changes to HAP income-eligibility requirements and effect on Affordability Fund eligible population. • Next Trustee meetings scheduled for ~~December 14, 2017~~January 11, 2018 • The ~~Trust~~ AFT expects to enter into agreements with interested electricity distributors starting ~~mid to late December 2017~~January 2018 (Hydro One will deliver the program in service areas of those distributors who do not apply)	**Early 2018:** • February 2018: Report back to TB/MBC through the PRRT process with final program details and a performance management framework including outcome measures and targets. • The Fund will have an iterative design process to support continuous improvement, and will revisit design elements every 6 months and measures every 3 months • ENERGY can apply for additional funds through an in-year TB submission based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust ~~**Fall 2017:**~~ ~~• The Trustees are considering the use of Ontario 211 services for the Affordability Fund~~ ~~The Fund will have an iterative design process to support continuous improvement, and will revisit design elements every 6 months and measures every 3 months~~

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	• ENERGY has shared draft TPA amendments with the AFT to require use of the Ontario logo in Fund marketing and communications, and is waiting for the Trustees to sign	~~• ENERGY has amended the TPA with the Affordability Fund Trust to require use of the Ontario logo in Fund marketing and communications and is waiting for the Trustees to sign~~ ~~• Report back to TB/MBC through the PRRT process with final program details and a performance management framework including outcome measures and targets~~ ~~**Early 2018:**~~ ~~• ENERGY can apply for additional funds through an in-year TB submission based on performance and need. Trust term can be extended with amended/new TPA if agreed by Trust~~
5) Bill Presentment (SNAP/LSB)		
• ENERGY	Recent Action Items • Ongoing Ministry work re bill presentment	• 2017-2018 – Bill redesign
6) Expanding ICI (ESP/COMs)		
• ENERGY, LSB, IESO and LDCs	Recent Action Items • Ongoing OCC outreach campaign to promote ICI. Ministry finalizing OCC's expansion proposal • Ministry finalizing CME proposal	• Quarterly Report Backs re ICI to TBS / MBC
7) Energy Sector Efficiencies (i.e., Ontario Energy Board and IESO) (SNAP / ESP)		
• ENERGY, LSB, OEB and IESO	Recent Actions Items • Work with agencies ongoing	• Continue this work as part of 2017 LTEP implementation

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