

Aboriginal Loan Guarantee Program Review

Ontario's \$1 billion *Aboriginal Loan Guarantee Program* ([ALGP](#)) is the longest running loan guarantee program in Canada for Indigenous participation in electricity infrastructure projects, including renewable energy infrastructure in Ontario (e.g., wind, solar and hydroelectric generation projects) and transmission projects.

The program provides Provincial guarantees for loans to wholly owned Indigenous entities to finance a portion of their equity investments (typically about 75 per cent) in eligible projects. The program is administered by the Ontario Financing Authority on behalf of the Province of Ontario and has provided approximately \$500 million in loan guarantees to date.

As part of the [2024 Ontario Economic Outlook and Fiscal Review: Building Ontario For You](#), released on October 30, 2024, the government promised a review of the ALGP:

Reviewing the Aboriginal Loan Guarantee Program

The Aboriginal Loan Guarantee Program (ALGP) facilitates Indigenous equity participation by Indigenous communities in electricity sector projects at a more affordable cost, by providing loan guarantees to eligible project participants. ALGP is the longest running loan guarantee program in Canada for Indigenous participation in infrastructure. Since its inception, ALGP has provided approximately \$500 million in loan guarantees. Over the coming months, the government will initiate a review of the program and its alignment with other government programs. This would respond to the needs of Indigenous communities for meaningful participation in the energy transition over the coming years.

With the advent of the [Government of Canada's Indigenous Loan Guarantee Program](#) and the impacts of climate change making Ontario's energy transition more imperative, the infrastructure finance landscape in Ontario continues to evolve rapidly. As highlighted in an energy policy vision paper from the Ministry of Energy and Electrification, "[Ontario's Affordable Energy Future: The Pressing Case for More Power](#)", Ontario's electricity demand alone will increase by 75 per cent by 2050 as per forecasts from the Independent Electricity System Operator and that the Province will continue "to promote Indigenous leadership and participation in energy projects."

Please provide your comments and feedback on the Aboriginal Loan Guarantee Program in the survey below.

SURVEY

Please fill out the survey below and return to the Ontario Financing Authority at algp@ofina.on.ca by 11:59 PM on January 12, 2025. If you need additional space for your comments, feel free to add them to the space provided on the last page.

1. Please provide your name and that of the organization you are representing:

2. Has your organization ever been issued a loan guarantee by the Aboriginal Loan Guarantee Program?

- Yes
- No

If yes, what is the name of your project?

3. Is your organization interested in or actively pursuing a loan guarantee under the Aboriginal Loan Guarantee Program?

- Yes
- No

If yes, what is the name of your potential or proposed project?

4. In what capacity are you or your group interested in the Aboriginal Loan Guarantee Program?

- First Nation
- Advisor/Representative for First Nations
- Lender
- Project proponent
- Member of the public
- Other:

5. The maximum amount of loan guarantees that the Aboriginal Loan Guarantee Program can issue is called the program envelope and is currently set at \$1 billion, of which \$500 million has been used. Is the current Aboriginal Loan Guarantee Program sufficient to support the projects that are priorities for Indigenous communities in Ontario and to encourage Indigenous participation in projects that affect Indigenous communities?

Comments:

6. Should the Aboriginal Loan Guarantee Program expand its eligibility criteria beyond just the electricity sector to include projects in the energy sector broadly as well? This could include projects related to renewable fuels, natural gas pipelines and energy-related products.
- Yes, eligibility for the program should be expanded to the energy sector.
 - No, eligibility should remain as is, i.e. limited to the electricity sector.

Comments:

7. Ontario's energy transition is in full swing. Are any *immediate* changes needed to the Aboriginal Loan Guarantee Program in order for it to support your potential projects?

Comments:

8. Should opportunities be sought to bundle loan guarantees provided by the Aboriginal Loan Guarantee Program to increase efficiency or should they remain tailored so that the particulars of each project are accounted for appropriately?
- Loan guarantees should be bundled where possible.
 - Loan guarantees should be tailored to individual projects.

Comments:

9. Should opportunities be sought to align the Aboriginal Loan Guarantee Program with the Government of Canada's Indigenous Loan Guarantee Program?

- Yes
- No

Comments:

10. Should the name of the Aboriginal Loan Guarantee Program be changed to *Ontario Indigenous Loan Guarantee Program*?

- No, it should remain the same.
- Yes, to Ontario Indigenous Loan Guarantee Program.
- Yes, but to another name:

11. What opportunities do you think exist to consolidate the Aboriginal Loan Guarantee Program across other tools that Indigenous communities have access to?

Comments:

12. What changes would need to occur in the financial markets so that loan guarantees are no longer needed for Indigenous communities to fully and equitably participate in Ontario's infrastructure finance sector?

Comments:

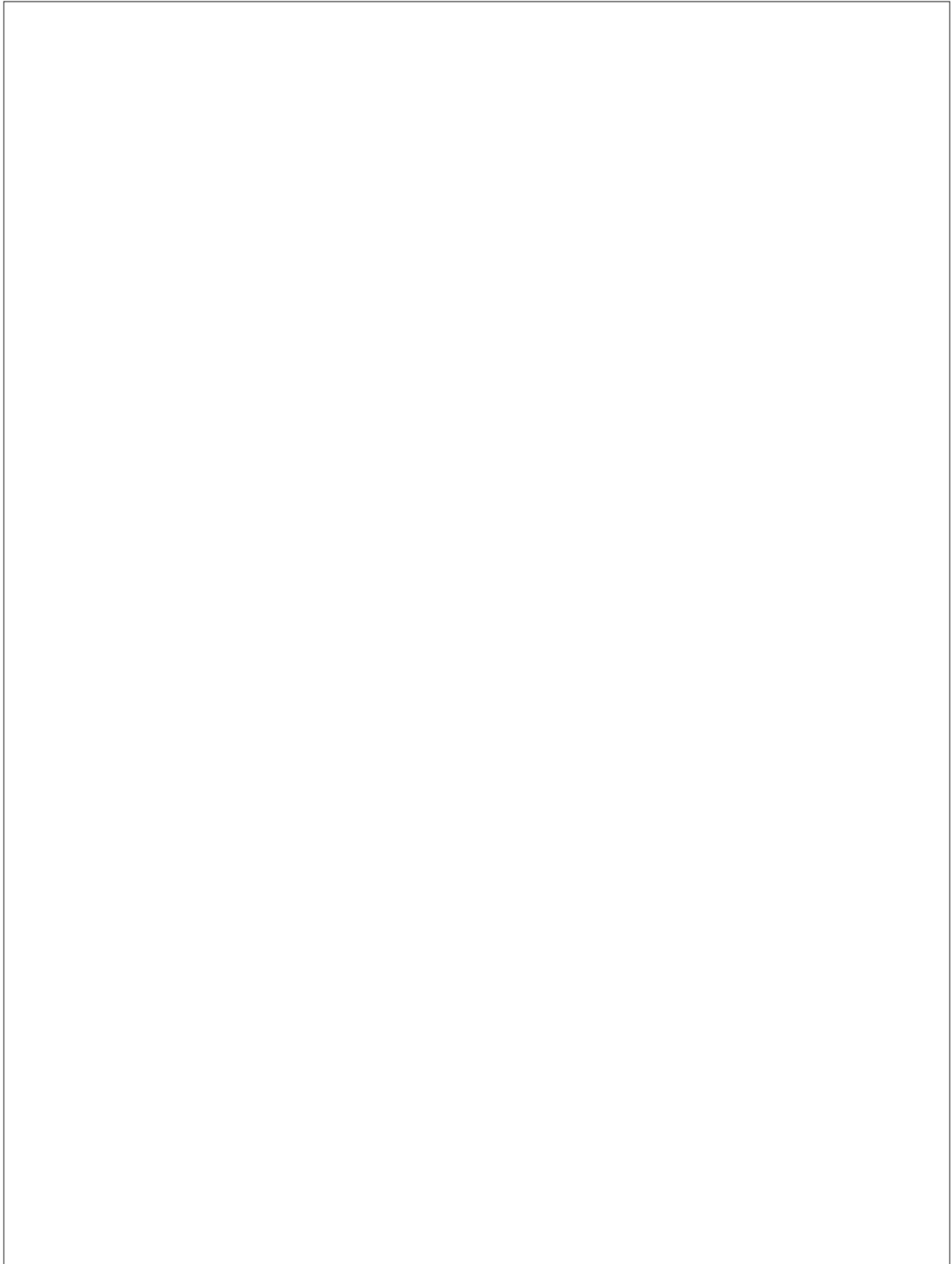
13. What aspects of the Aboriginal Loan Guarantee Program do you think work well?

Comments:

14. What additional improvements do you think can be made to the Aboriginal Loan Guarantee Program to make it more successful?

Comments:

Additional space, if required:

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Collection of Personal Information. The collection of personal information by the Ontario Financing Authority (OFA) as administrator of Ontario's Aboriginal Loan Guarantee Program (ALGP) complies with subsection 38(2) of the *Freedom of Information and Protection of Privacy Act*. Personal information is collected pursuant to subsection 30(1) of the *Capital Investment Plan Act, 1993*.

All personal information collected from an individual will only be used for the purposes of administering a review of the ALGP, including contacting respondents in case of follow-up questions, and for advising the Government of Ontario on matters related to the ALGP. Any personal information collected by the OFA will not be disclosed further unless required by law. If you have any questions regarding privacy matters, you may contact:

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