WEEKLY RATE MITIGATION IMPLEMENTATION GROUP
March 9, 2017

→ Legislation
↳ Two parts?

Agenda

1) Governance / Delivery Structure – Overview (ESPD)

→ OESP → more quality in the
Ltd amount → fund high entity surplus
→ when → distributed burn rate →
→ we could do it tomorrow →

2) GA Refinancing
  - Overview of US models (Blakes)
  - OPG Update
  - IESO Update
  - Legislative Drafting (LSB)

3) Affordability Fund (CRED)

→ shared draft TPA → need to work through the model
→ work in progress / March 17th → Trust in place
→ cross section of the finance →
→ some legislative → low-income →
→ high level → more trustees
more consulting
→ shell → conflict of interest
↳ Trust Appoints → 3/12
→ 1-2?

4) RRRP, OESP and FN (SNAP)

5) ICI (ESPD)

→ Attend →
→ Date of EDU

Notes:

U.S. models → ① allow us to take a conceptual discussion into a definitive
② how rating agencies rated → checklist → legislative background
→ measured by how we look relative to the U.S.
→ ① quality of underlying assets
② isolated in SPV → protected
③ in the functional plan to mitigate
Long Island Power Authority → 87 billion in debt – low credit rating –
→ goal → isolate revenue streams → legislation → framework to create vehicle →
→ financing order → abbreviated public hearing – merits of the case →
→ substantial → achieve purpose defined by the legislation → cheaper borrowing →
→ use of proceeds
→ Abbreviated Hearing → attack validity → 30 day window → no claim – bond
issued
→ order and charges irrevocable → could not be changed / true-up mechanism → adjust
what can be collected – serving all parties and interest → smooth out the rate

→ no bypass → pay fee if connected to the grid → regardless of whether you are using or not.

→ not more than 10% of the bill →

→ RPP ~ ~~small~~ / safest group to go after →

→ unique U.S. features → state pledge → not interfere leg. to impair rights of assets

→ if they do → provision → property right → taking by the govt to be made whole

→ bankruptcy → default → others

→ size/ non-by-passable → temperature of political environment → risk of change →

→ don't have an American remedy → will need to structure our own remedy

→ buy back of the bonds →

→ Rule of Republic → abbreviated hearings → seemed to be from an advantage

→ Public Authority Control Board → special purpose regulation

→ oversight → forecasting right →

→ American case - least helpful → stability may differ → took certainty - right in the right path →

→ Moody's Rating Methodology →

→ Looking @ instrument →

→ may be sub-ordinated debt →

IESO

→ Market Rules / Leg / → what leverage.

→ Authority → IESO is ordinary → entity structured by the end of March → KPMG → finalize then in MAY —

→ formulate for many years → proactive —

→ .

< Legislation → targeting mid-April for approvals — pass during assistance → could do a special LRC → of the Eastern *