| | Passage | ENERGY Comments |
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| Pg. 6, section 3, para. 1 | "The Fair Allocation Amount, including the readjustment amount where applicable, is an amount calculated under the Act and the regulations by the MOE for every reference period over the term of the FHP Program." | The RA is only provided for in O. Reg. 195/17 up to April 30, 2019 |
| Pgs. 9-8 | "In a reference period when the Fair Allocation Amount is negative, the operating and financing costs of the FHP Program are shown in the Fair Allocation Amount calculation as an increase in the debt of the FHP Program. This treatment is equivalent to increasing the amount of the deferred GAC. The repayment of the related debt is included in the Fair Allocation Amount calculation to establish that all debt will be repaid by the end of the FHP Program." | Consumer rates are impacted in the negative FAA years after the inflationary cap period, when there is a need to offset carrying costs being recovered through CEAs, but not during the initial four-year inflationary cap |
| Pg. 10, para. 2 | "For a new issuer such as the Trust offering a unique program, a strategy of issuing a 15-year term paper may not provide an optimal initial pricing given the absence of a specific credit curve for the Trust. It is expected that at program inception, the Trust will issue debt to cover both short and long-term exposures. The terms of maturities will be staggered, up to year 30" | As noted in the plan, a 15-year term is suboptimal in terms of price. ENERGY staff understand from OPG that the term is required, given the constraints imposed by the program structure and the fact that refinancing risk is not intended to be covered by the provincial support agreement.<br><br>Later issuances will have longer terms than 15 years as the repayments must fit under the curve in Figure 3 if refinancing is not permitted.<br><br>It may be helpful to provide some clarity around the short-term notes that are being considered here, in light of the 15-year term that is described |
| Pg. 11, section 4 | "Debt refinancing may occur under the following scenarios: | As above, it may be helpful to provide some clarification here in light of the 15-year+ terms |

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| | - When original financing is incurred, the short end of the yield curve is more cost efficient than the long end, on a relative basis;<br>-The Fair Allocation Amount or readjustment amount is updated; and<br>- In line with the provisions of the Act, no Clean Energy Adjustments will be collected from specified consumers between July 1, 2017 and April 30, 2021. Accordingly, any debt maturities during this period will need to be refinanced.” | described earlier (e.g. what implications of the short end yield curve being considered here? What maturities during the inflationary cap are being contemplated?)<br><br>CEAs cannot be collected during the inflationary cap period. |
| Pg. 15, Table 3 | | Current pricing for Senior Debt is listed at 3.25%. Is this a comparable 15-year term? |
| Pg. 17, section 12, bullet 2 | “For January 2018 to March 2019, OPG will receive (i) a base fee equal to 7.5 basis points times the average monthly outstanding debt of the Trust, (ii) a variable fee…” | The regulation presents the fee for this period as a general fee, i.e. no base and variable (although the actual calculation does not differ from what is described here) |