Fair Hydro Trust

Investor Presentation

January [xx], 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President - Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

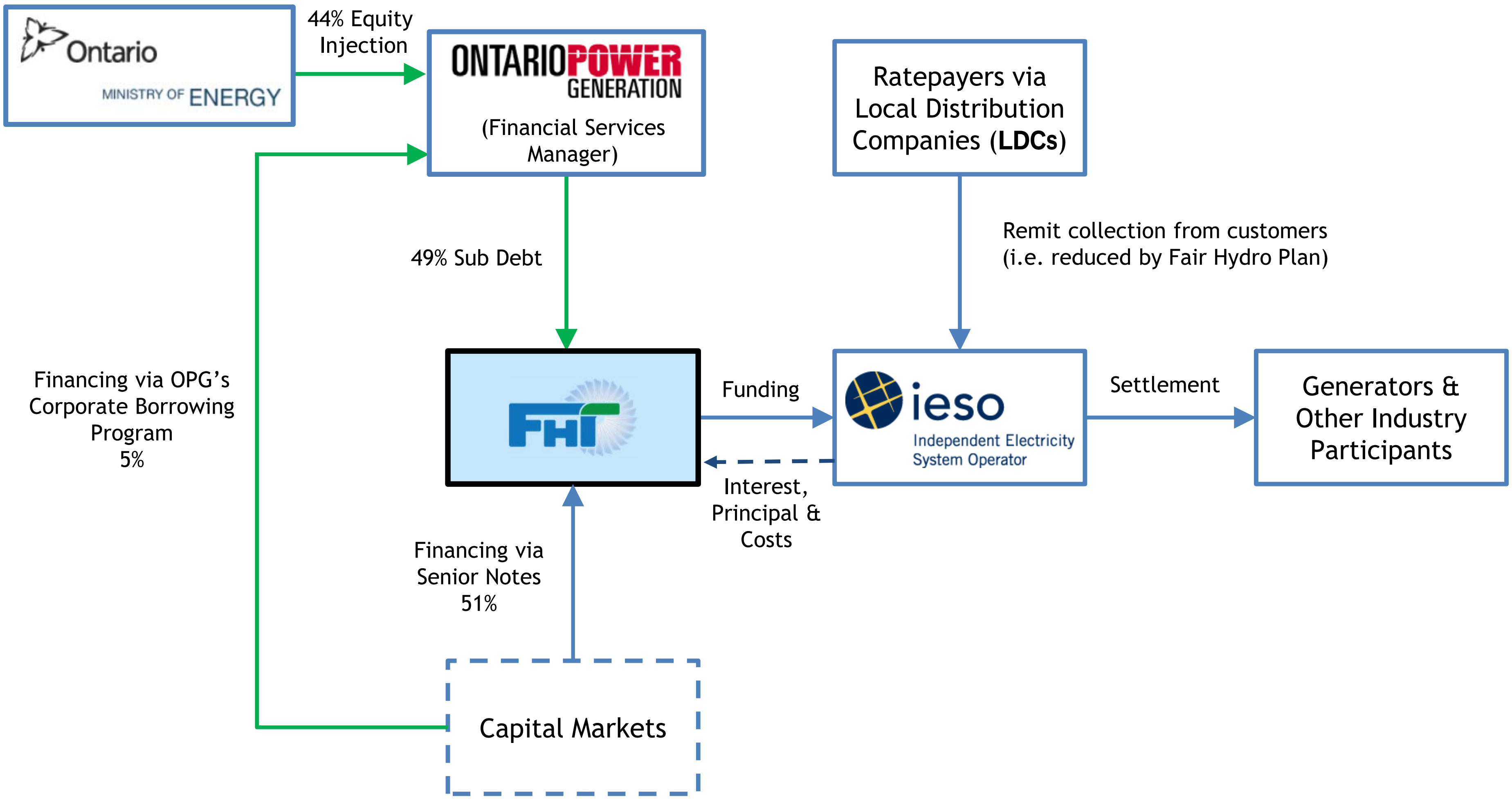
Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2nd, 2017, which proposed to lower the average electricity bill for eligible customers[1] (referred to as "Specified Consumers") by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate in the provincial portion of the HST granted by the Ontario government in January 2017 • It is expected that the rate reduction will be in effect to April 30, 2021, with any rate increases over that period limited to the rate of inflation in Ontario
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or "Act"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers • The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment ("CEA") that will be determined by Ontario Power Generation ("OPG") in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 until April 30, 2021 (the "Moratorium Period"), no CEA will be collected; during this period the Independent Electricity System Operator ("IESO") is obligated to pay all funding costs (excluding principal) under the Regulations
Fair Hydro Trust ("FHT")	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior and subordinated notes • Structured to be bankruptcy remote and ring fenced from OPG

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt of the Trust in an amount not to exceed 49% of all outstanding debt

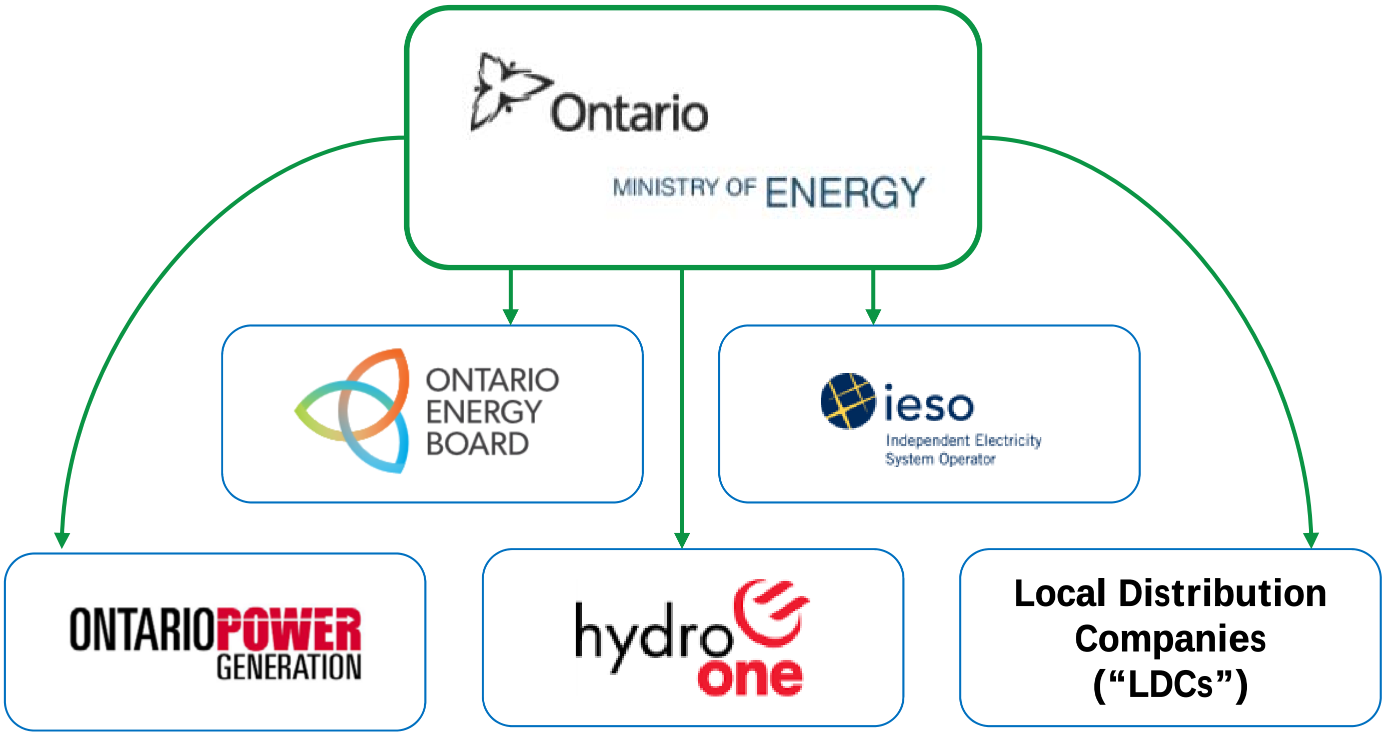


Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to not include the assets and liabilities of OPG, and vice versa

II. Ontario Electricity Market

Overview of Ontario’s Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in annual cash flows
- Transmission rates, distribution rates, and OPG’s regulated rates are set by the Ontario Energy Board
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



Key Industry Participants

Participant	Rating (DBRS / S&P / Moody's)	Description
Ontario Energy Board	--	• The OEB is an independent public regulatory agency established under the Ontario Energy Board Act, 1998 • The Ontario Energy Board Act, 1998 provides the OEB with the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • The OEB sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November) • RPP prices are set for: time-of-use (On-peak, Mid-peak, and Off-peak); and tiered (Tier 1 and Tier 2), to recover the forecast commodity cost of electricity
ieso Independent Electricity System Operator	A(h) / -- / Aa2	• The Independent Electricity System Operator (the "IESO") is a not-for-profit corporation established under the Electricity Act, 1998 • The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	A(l) / BBB+ / --	• OPG is a corporation formed under the Business Corporation Act (Ontario), whose sole shareholder is the Province of Ontario • OPG's principal business is the generation and sale of electricity in Ontario • OPG is Ontario's largest electricity generator, providing approximately half of Ontario's electricity
hydro one	A(h) / A / A3	• Hydro One is Ontario's largest electricity transmission and distribution company; Hydro One delivers electricity to over 1.3 million customers across the Province of Ontario, and to large industrial customers and municipal utilities

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations
  - These distributors are typically referred to in Ontario as local distribution companies, or "LDCs"
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors
  - A service territory may cover large portions of all of a particular municipality, or an otherwise-defined geographic area
  - Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals

Select Aggregate Market Stats[1]

Number of LDCs	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

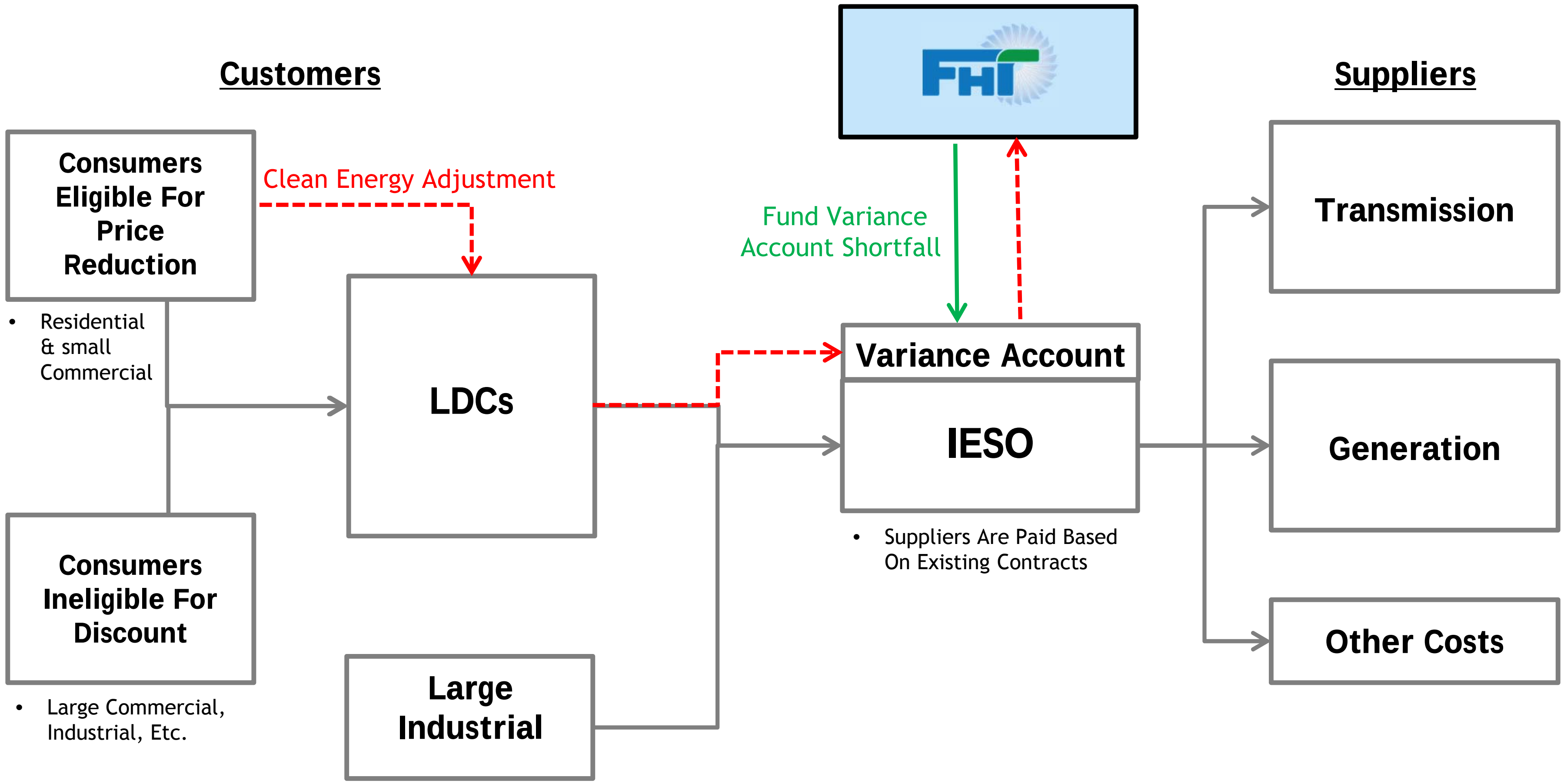
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	**Customers[4]** *(MM)*	**Revenue[4]** *(C$MM)*
Hydro One	A / A(h) / A3	1.30	$4,533
Alectra Utilities	A / A / --	0.96	$3,642
Toronto Hydro	A / A / --	0.75	$3,886
Hydro Ottawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with financing costs, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

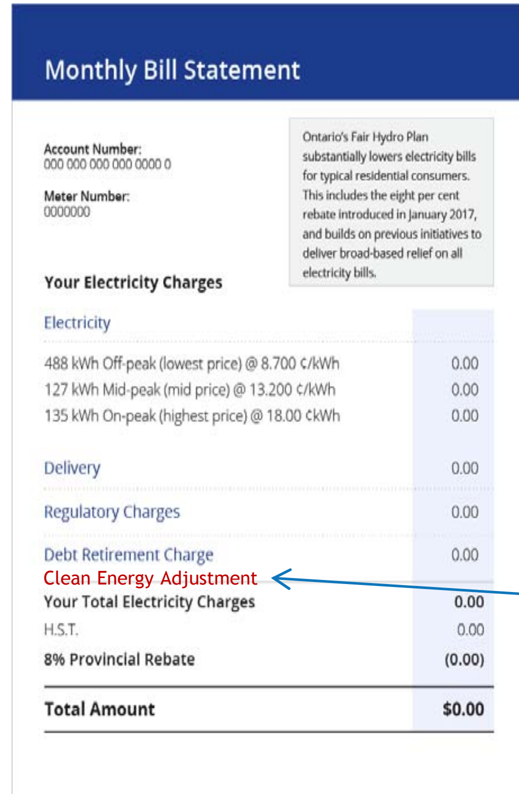
Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiative; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• *July 1, 2017 – April 30, 2018* - Specified Consumers charged an invoice amount that is 25% less than the regulated rate that would otherwise have been determined by the OEB (referred to as the “Fair Adjustment”) • *May 1, 2018 – April 30, 2019* - previously established regulated rate anticipated to increase by the rate of inflation in Ontario • *May 1, 2019 – April 30, 2021* - rate reductions will be established by regulation but anticipated to increase by the rate of inflation in Ontario

Legislation Overview

Regulatory Asset	• Each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset
Investment Asset	• If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right, an "Investment Interest") • By acquiring an Investment Interest, the Trust will be entitled to recover all of its costs of such financing and will acquire the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers • The Trust is not obligated to purchase Regulatory Assets from the IESO
Moratorium Period	• From July 1, 2017 to April 30, 2021, CEAs are not permitted to be collected from Specified Consumers ("Moratorium Period") • The IESO is obligated to pay all funding and other expenses of the Trust (referred to as Carrying Costs), excluding principal, during the Moratorium Period up to July 31, 2021 • The IESO has a $2 billion credit facility from the Ontario Electricity Financing Corporation ("OEFC") to pay Carrying Costs; as security for the performance of its obligations, the IESO has granted a first-priority security interest in all of its accounts receivables

Clean Energy Adjustments

- Under the FHPA, the “clean energy adjustment” is the amount payable by Specified Consumers to cover the cost of financing the shortfall from the Fair Adjustment and the associated costs to finance, including operating costs of the Trust and funding of reserve accounts
- CEAs may not be set off or by-passed by Specified Consumers
- **Finance amount** = estimate of the amount payable by the Trust in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments
- **True-up amount** = captures the difference between the finance amounts incurred by the Trust and the CEAs collected from consumers and also includes other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)


Monthly Bill Statement

Account Number:
000 000 000 000 0000 0

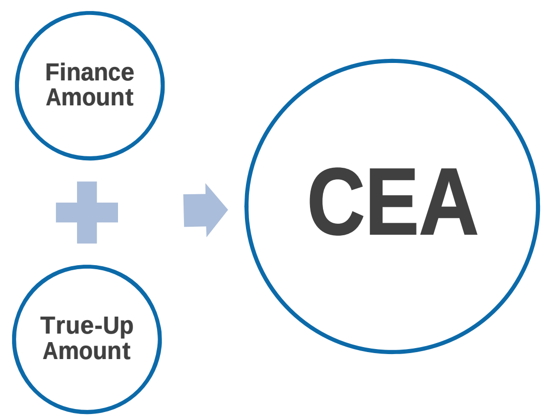
Meter Number:
0000000

Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

Your Electricity Charges

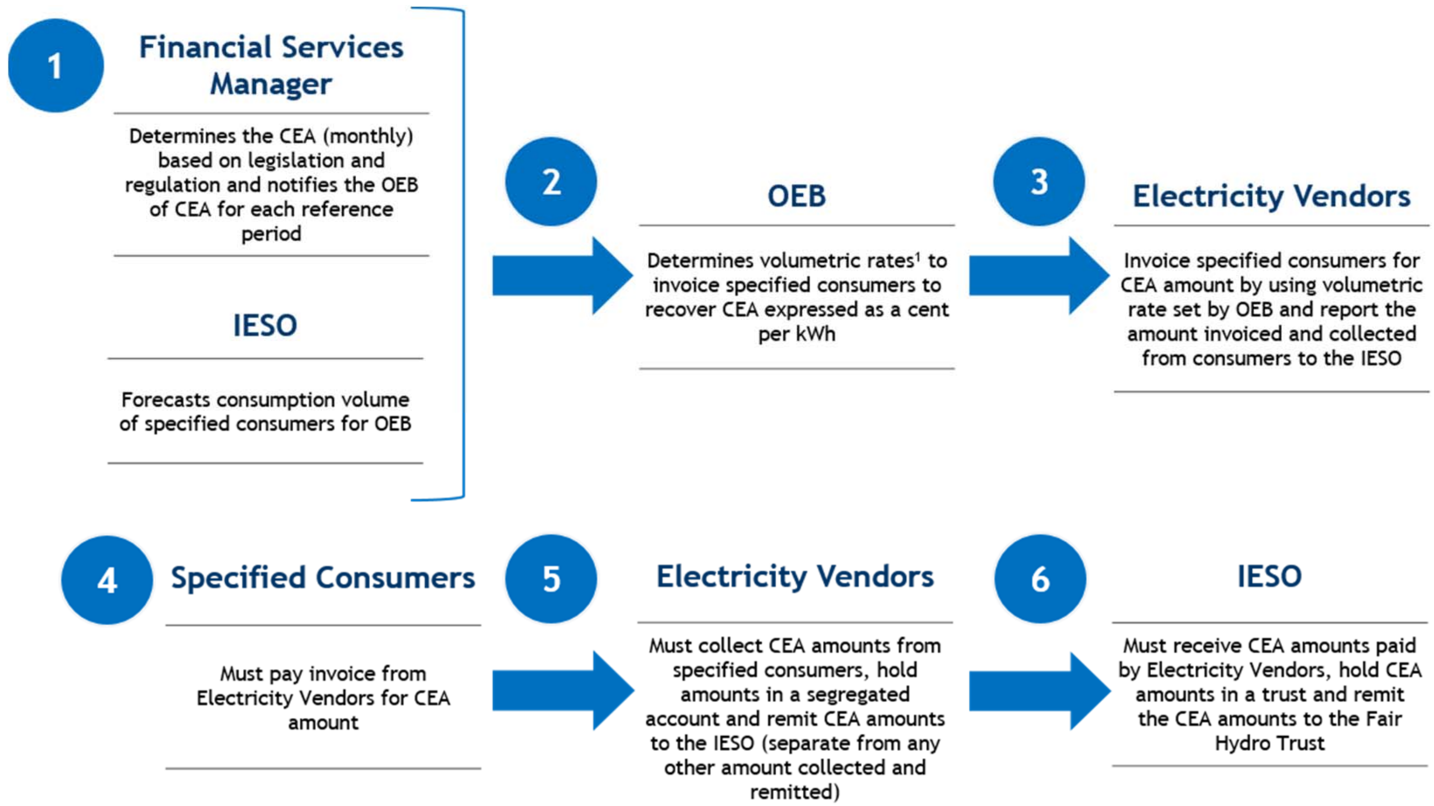
Electricity	
488 kWh Off-peak (lowest price) @ 8.700 ¢/kWh	0.00
127 kWh Mid-peak (mid price) @ 13.200 ¢/kWh	0.00
135 kWh On-peak (highest price) @ 18.00 ¢kWh	0.00
Delivery	0.00
Regulatory Charges	0.00
Debt Retirement Charge	0.00
Clean Energy Adjustment	
Your Total Electricity Charges	0.00
H.S.T.	0.00
8% Provincial Rebate	(0.00)
Total Amount	$0.00

New charge that will be added to electricity bills in May 2021 as a separate line item



Billing and Collection of CEAs

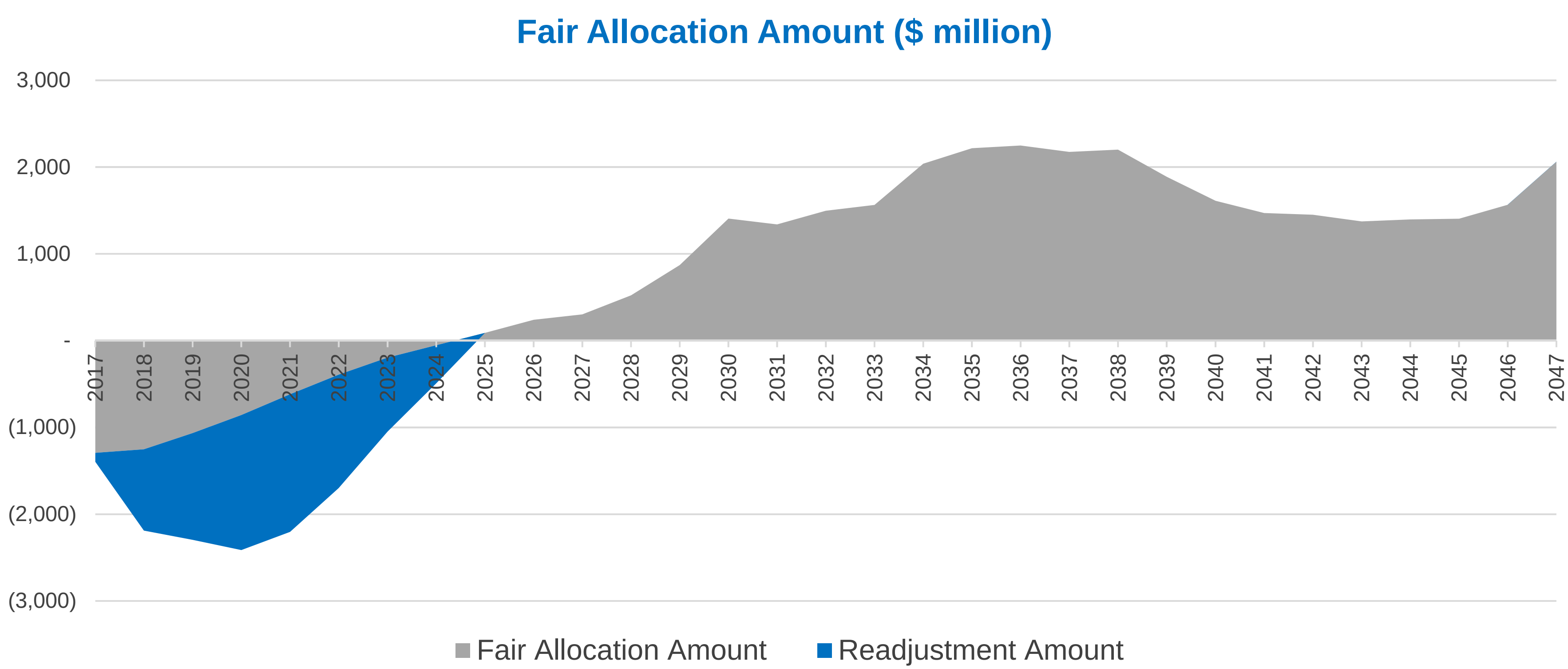
- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are dealt with through statutory rights in the Act, the collection obligations of the IESO under the Master Transfer & Servicing Agreement ("MTSA") and the ability to include amounts into the true up mechanism



[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers

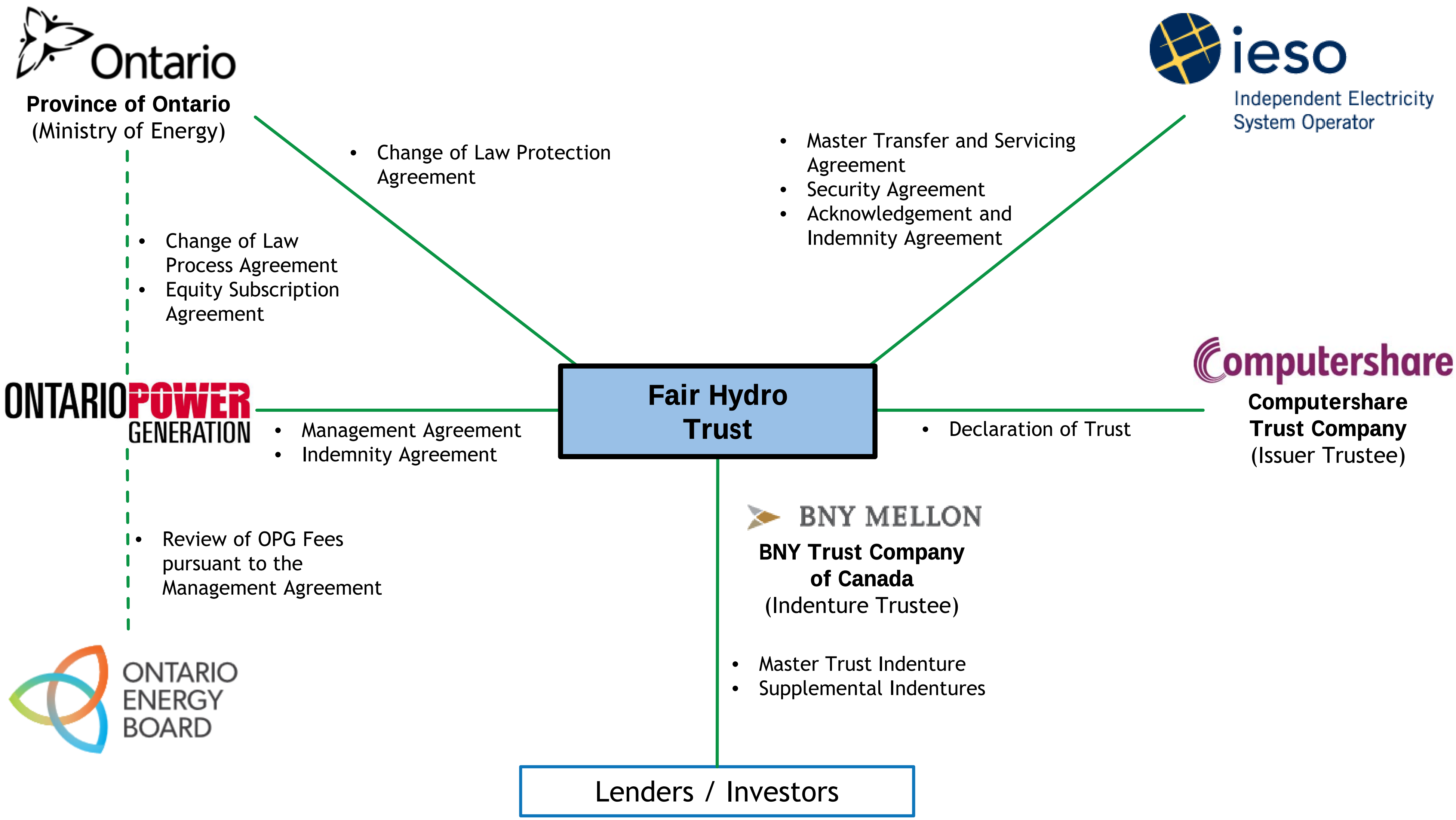
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is the estimated clean energy costs without consideration of the FHP compared to these same costs reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT
- If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024
- The Ministry of Energy will provide updated FAAs to OPG from time-to-time



IV. Contractual Framework

Simplified Contractual Structure



Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario as Obligor and (2) Indenture Trustee, on behalf of Specified Creditors[1], as Beneficiaries and (3) OPG as Financial Services Manager ("FSM")
Purpose	• Provides assurance to investors that upon the occurrence of a Protection Event, the Province of Ontario will have an obligation to make payments on behalf of the Trust
Key Terms	• **Term**: Continues for as long as any obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • **Mandatory Payment**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all obligations when due and payable • **Priority of Payments**: The priority of payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the issuance of debt which is to benefit from change in law protection from the Province • **Suspension Notice**: The Province may deliver a suspension notice, after which date funding obligations incurred will not have the benefit of the Change of Law Protection, upon the occurrence of a program breach, a default in performance, or misrepresentation by OPG as FSM

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events	The occurrence of any of the following events: • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council amends any "regulation" (as defined in Part III of the Legislation Act, 2006) as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is ultra vires or invalid in a way that adversely affects the ability of the Trust to pay its obligations in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts and any reasonably expected potential effect of a true-up amount

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) the IESO, as transferor and servicer; (2) the Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the regulatory asset, and upon such transfer the Trust acquires an investment interest
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the regulatory asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the investment interest under the Regulations, including collecting clean energy adjustment amounts from electricity vendors and remitting the same to the Trust, including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause electricity vendors to do the same – Collect CEAs from electricity vendors – Remit CEAs monthly to the Trust – Prepare monthly servicer reports – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During Moratorium Period (until May 1, 2021), the IESO will be required by regulation to fund all interest and other expenses of the Trust, which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, for the obligation of non-rated or non-investment grade rated electricity vendors.

Key Agreements (cont'd)

Management Agreement

Parties	• Issuer Trustee, on behalf of the Trust, and OPG, as Manager
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or caused to be reviewed, records of electricity vendors on a annual basis with respect to CEAs – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire investment interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee and provides certain indemnities with respect to its duties and obligations under the MTSA
Indemnity Agreement (OPG)	• OPG, as manager under the Management Agreement, provides certain indemnities to the Indenture Trustee with respect to its duties and obligations under the Management Agreement
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of a proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time) to be exceeded
Equity Subscription Agreement	• Specifies the terms and conditions upon which the Province provides equity injections to OPG to purchase subordinated debt issued by the Trust
Declaration of Trust	• Establishes FHT to carry out activities for the benefit of its beneficiary unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare)

Allocation of Servicing Role and Responsibilities

The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Annually Review Records of LDCs with Respect to CEAs	✓		
Determination of True-Up Amount	✓		
Ongoing Filings for Trustee and Rating Agencies	✓		
Management of Ongoing Debt Issuances	✓		
Cash Management		✓	
Preparation of Monthly Service Reports		✓	
Remittance of CEA to IESO and to the Trust		✓	✓
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✓	✓
Customer Billing			✓
Customer Collections			✓
Customer Meter Reading			✓

V. Financing Program

Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit) and OPG subordinated debt will be used to fund monthly regulatory asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

ABCP Conduit	• ABCP conduit and OPG subordinated debt will be used to fund monthly regulatory asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance short term debt financing provided by ABCP conduit and OPG subordinated debt • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to fit under the fair allocation curve (bullet bonds with synthetic amortization or amortizing bonds)
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund regulatory asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be purchased by OPG, primarily with equity injections from the Province (44%) and the remaining 5% from OPG

Senior Debt 51%

Subordinated Debt 39%

Junior Subordinated Debt 10%

Senior Notes
Term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

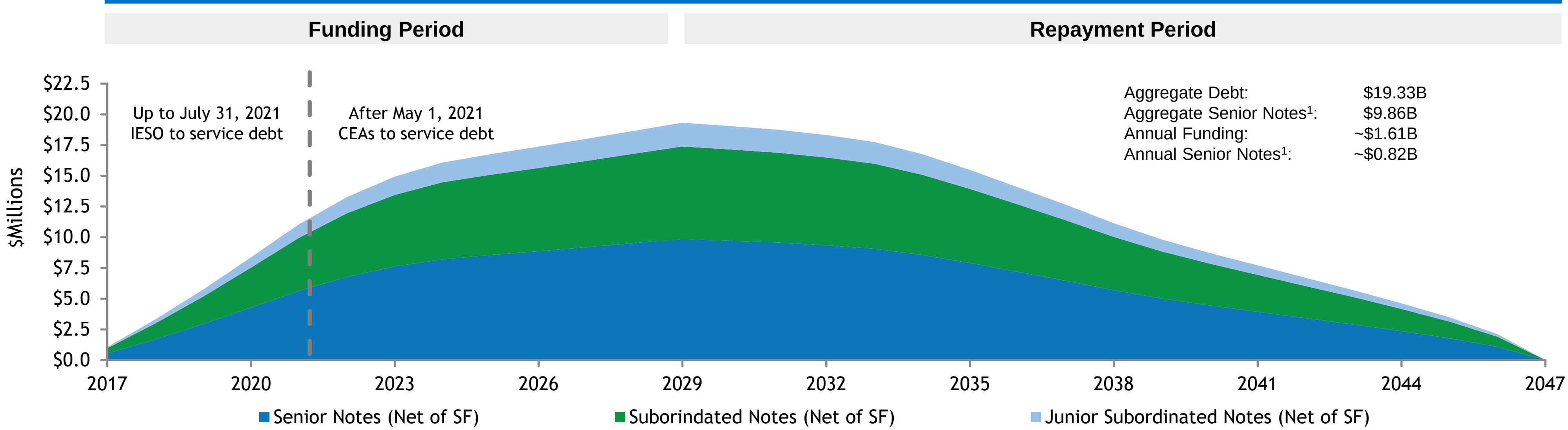
Junior Subordinated Debt
- OPG equity injection (5%)
- Provided to Trust by OPG via the Province (5%)

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which will mature over a period after 2029

Illustrative Aggregatee Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)



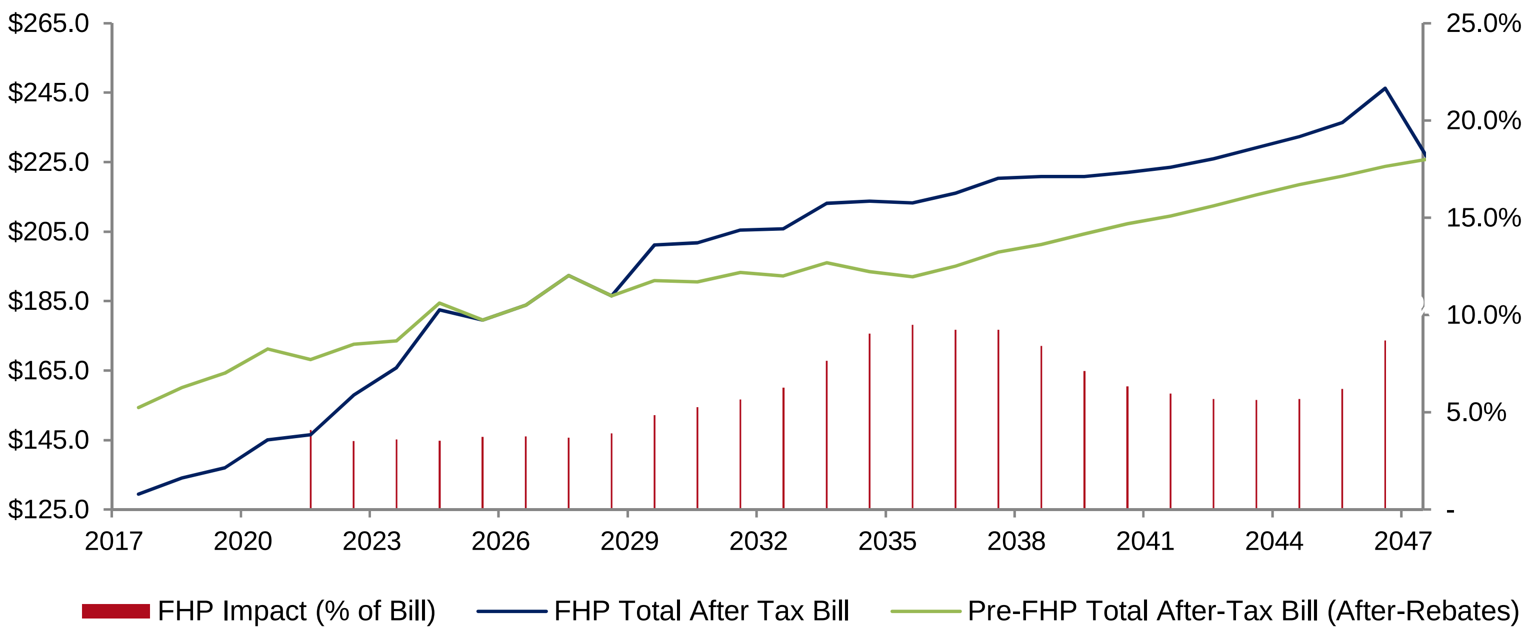
[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro program, the clean energy adjustment for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.1%
- Average CEA as a percent of the total bill is forecast to be 6.9%

RPP Bill Forecast – FHP Impact as % of Total Bill



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• All Specified Creditors are required to be bound by the terms of the MTI including the priority provisions and to limit recourse to the assets of the Trust

Key Terms

Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: • Note issuances under supplemental indentures • Borrowings under credit agreements • Purchase of notes under note purchase agreements • Letters of Credit/Guarantees under credit enhancement agreements • Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan – the estimated finance amount that would become due during the applicable reference period is expected to reasonably align with the fair allocation amount for such reference period • It will also be a condition precedent that each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations
Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Subordination	• Provides for three different classes of funding obligations (i) senior (ii) subordinated, and (iii) junior subordinated
Priority	• Prior to an Event of Default: the waterfall provision applies • After an Event of Default: payment priority direct all amounts to pay senior obligations first
Early Amortization	• Early amortization events will include the occurrence of a scheduled final payment date on notes, the Trust becoming an investment company, the insolvency of IESO or the Manager and any other additional early amortization events set out in a funding obligation agreement • An early amortization event will result in a modified repayment schedule for the outstanding funding obligations
Events of Default	• Include payment defaults, and representation and covenant breaches
Acceleration	• CEAs cannot be increased to the level to repay all outstanding principal following acceleration, however the subordination of debt would advance the repayment of the senior funding obligations

Indicative Waterfall

Allocation of Collections

- Taxes; Trustee Fees & Operating Expenses
- Interest Accrual Amount – Senior Debt; Derivative Funding Obligations
- Interest Accumulation Account – Subordinated Debt
- Interest Accumulation Account – Junior Subordinated Debt
- Principal Accumulation Amount - Warehouse
- Principal Accumulation Amount - Senior Debt; Termination Payments to non-defaulting Derivative Counterparties; fees and other amounts on the Senior Funding Obligations
- All fees, expenses and reimbursement amounts owing to the Manager
- Principal Accumulation Amount – Subordinated Debt; fees and other amounts on the Subordinated Funding Obligations
- Principal Accumulation Amount - Junior Subordinated Debt
- Program Cash Reserve Account, Senior Debt reserves, subordinated Debt reserves
- Fees and other amounts on the Junior Subordinated Funding Obligations; Junior Subordinated Reserve
- Termination Payment where the Derivative Counterparty is the Defaulting or sole Affected Party
- Issuer Trustee; Manager in respect of all indemnity amounts owing; taxes and Trustee Fees not previously paid
- Collection Account

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Issuance	see table below
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager
Financial Services Manager	Ontario Power Generation, Inc.
Servicer	Independent Electricity System Operator
Guarantor	Province of Ontario
Provincial Rate Authority	Ontario Energy Board
Source of Repayment	• Moratorium Period: Statutorily mandated remittances from IESO • Post Moratorium Period: Non-bypassable charge from residential and commercial customers in Ontario, related collections and reserve accounts
Amortization	Sinking fund with bullet maturity
Payment Frequency	Semi-annual
Interest	Fixed rate
Senior Note Credit Enhancements	• Semi-annual True-up • Reserve Account (Senior Notes) • Subordination
Reserve Account	[ ]
True-up	Calculated on a semi-annual basis post-moratorium period
Subordination	Subordinated and Jr. Subordinated Notes will be retained by OPG
Additional Issuance	Master trust allows for the issuance of additional notes subject to Rating Agency Condition

Initial Fair Hydro Issuance

Class	Size	% of Trust	Expected Maturity	Legal Maturity	Rating (DBRS / Moody's)
Senior Warehouse	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	N / A
Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA / Aa2
Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• There may be pressure on a future government to adjust certain aspects of the repayment requirements	• Change of Law Protection Agreement in favour of lenders / investors
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• 6-month reference period • True up mechanism • Any shortfall in collections are recoverable from all Specified Consumers
Defaults (IESO & LDCs)	• During the Moratorium Period, the Trust is dependent on the IESO to pay carrying costs • Receipt of CEAs dependent on the performance of LDCs and IESO	• IESO has a very strong credit profile and very low losses • IESO to provide a letter of credit/other security for the obligation of non-rated or below investment grade rated LDCs • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total is forecast to be ~10%

VIII. Investment Highlights

Investment Highlights

- ✓ Strong provincial support through the Change of Law Protection Agreement
- ✓ Irrevocable & non-bypassable rate payer charge
- ✓ Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- ✓ Enhanced true-up mechanism
- ✓ Credit enhancement for senior debt provided via subordinated debt
- ✓ Experienced operating agents (OPG, IESO, and LDCs)
- ✓ Strong service territory
- ✓ No large user industrial risk exposure