RE: Funding from the OFA to the IESO

From: Olga Whiteley <olga.whiteley@ieso.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc: Anthony Martinello <anthony.martinello@ieso.ca>, Kim Marshall <kim.marshall@ieso.ca>
Date: Thu, 22 Feb 2018 11:05:31 -0500

Based on verbal discussions we understand the spread mainly accounts for a) administrative expenses, and b) smaller and more volatile IESO's debt (draws may require more capital markets management, which may cause minor slippages in pricing).
Overall, the spread is there to ensure there is no negative impact to the OFA.

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: February 22, 2018 9:16 AM
To: Olga Whiteley
Cc: Anthony Martinello; Kim Marshall
Subject: RE: Funding from the OFA to the IESO

Thanks Olga – what is the spread meant to represent.

Cindy

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: February 22, 2018 8:59 AM
To: Veinot, Cindy (TBS)
Cc: Anthony Martinello; Kim Marshall
Subject: RE: Funding from the OFA to the IESO

Good morning,
The OFA rate has always been (before and after Fair Hydro) the cost to the province plus a spread.
Regards.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca | Email: olga.whiteley@ieso.ca

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: February 21, 2018 6:44 PM
To: Kim Marshall
Cc: Anthony Martinello; Olga Whiteley
Subject: RE: Funding from the OFA to the IESO

Ok -- thanks

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: February 21, 2018 6:44 PM
To: Veinot, Cindy (TBS)
Cc: Anthony Martinello; Olga Whiteley
Subject: Re: Funding from the OFA to the IESO

Copying Anthony and olga...not sure but could check tomorrow

Sent from my iPad

On Feb 21, 2018, at 6:42 PM, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> wrote:

> Hi Kim – just thinking about one of the questions from the session earlier today – prior to the Fair Hydro Act, what rate did the OFA lend to the IESO re: the financing used by the IESO to bridge the difference between payments made to the generators and payments received from the LDCs (e.g. the variance account that had to be settled within 12 months). – Was it at market or the provincial cost of borrowing, or something in between?
>
> Thx