FHP
LE10-00-2017-022

Meeting w Sarah Neville — August 4/17

- S.23 of CIPA – intercept provision

- lending policy — Michael Smith & Mark Baskin
  → agreements must include intercept provision unless otherwise directed; unsound loan

- ~~[illegible]~~ Does Province have obligation to pay IESO's debts?
  If so, risk to loan
  (Electricity Act 1998)

- It's a policy decision — need to get agents in place
  1. preserve security (will demand)
  2. proceed w risk
  3. leverage the intercept provision

→ Policy
- have to go to Minister if we want security

→ add intercept language (if unsound)

FNP credit agmt
LEIO - 00-2017-022

Mtg w Jody Whitfield: MOF legal — August 3/17
Re: (Permitted liens; s.3.3(5), s.4.6 of draft agmt)
- OFA doesn't usually take security in loans to public bodies

- interpret provision in other agreements; not applicable here

- structured as a asset-backed loan - with assets being the regulatory assets

- question is whether there is going to be a security interest created? Why are we not requesting a first priority asset?

- maybe not would be we be same notified as IESO

- Do we need to engage [illegible] external counsel

- perhaps one formal, e concurrently look into rationale behind it

T/C IESO, CM   Aug 29/17

- creates obligations
    → role IESO plays   - Agreements relate to OFHP,

    → role & obligations. OK
    → last part OK w IESO

- Election Notice -
    - separate lines for each Advance (anchored)
    - OK not to combine new/contemplated Advances

→ update Grid Note to reflect current template

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T/C c̄ Toby Whitfield - 5-1456 - MOF Legal August 4/17

- talked to Malla → it's a good question
- Toby will discuss c̄ Energy lawyers

⇒ - delete pari passu clause → doesn't really achieve anything → doesn't allow us to make argument that we're ahead of other creditors
  - not use of regulatory assets can even be secured
  - not included in original OPA loan agmt
  - unsubordinated debt → could be behind other creditors
⇒ ⓐ so add language "unsecured" and ⓑ "unsubordinated"

- Should we be engaging outside counsel? Securities expert → yes if need to restructure loan
- legislation doesn't address issue → complex

- CEFD (John Kim, Ren) & Yuli, MM

Main issue: chancery risk

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Conference with L. Ste (OFA legal) OBG (MoF legal); August 9/17
Sarah H, Willie, Bruno, Gavin, Opal

Re OBG - whether in act to not bring security items
- we don't know all of security items of IESO

Opal - OPLC loan - interest provision

Re OBG - need analysis [illegible] between [illegible] loan & other

Next steps: Analysis for [illegible] to submit to IESO

OPA FIT   LEO-0002017-2

Conference call: OPA & IESO re: FIT Agreement   Aug 3/17

= "Permitted Liens" → not clear whether any liens would
     Per IESO – identify
arise for IESO
→ IESO? obligation to recover assets → why the $
to a holder of IESO is it subject to a lien?
- subject to rule since all liens are covered

- there are other liens under OFHP, as well as rebates

How is IESO going to hold these assets? Will they be in
a securities account or a bank account?

will be held in bank
accounts; there is flexibility

- LDG collects Clean Energy Adjustment through rate payers → passed
through financing entity
→ statutory lien [illegible] of OFHP, there will
[illegible] be a lien when IESO receives funds
- Clean energy adjustment → 4 years for now

- will give final rate around Aug 17 – 250 million – 300
million

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T/C for Jody Whitfield 5-1456 Aug 4/17

- spoke to James Rehob @ Energy → acknowledged that there is a lot in the statutes about assets after its transferred but not much for before (not a single PPSA registration)
  → doesn't mean no value to creating a security interest

- doesn't think there is necessarily any value here in including intercept provisions