FHP: Prev. Guarantee Mtg Date June 7/17

FHP Act
- provides ability for diff types of financing
  - includes OPG SPV financing - debt issuances
- risk is future govt actions
  - performance by DSOs/LDCs
- → a lot left to forthcoming regulations

⇒ illiquidity problem
- nothing like it in Cda ⇒ need to socialize the market
- few products in the U.S.

→ need to broaden the mkt
- mkt for structured financing (AAA) is very narrow
- refinancing risk
  - → don't want to be held hostage by a small market
- → alternative paradigm
  - ⇒ a CPPIB or PSP

- true up mechanism
  - that's what people would be buying

Payment Guarantee
- should be very limited scope ⇒ if govt does something

Performance Guarantee
- provide a robust guarantee

Page

Date

Indemnity

- [illegible] provided of to OGC (JM) to run by the indemnity w/ E&Y and assess what accounting treatment

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Mtg on FHP "Guarantees" Date Aug 10/17

Change in Law

prov. debt rates in side AAA

- Prov stepping in => should be ok in Cda

=> GS noted it may be an issue in U.S. if Prov. not tighter than AAA

Aug 11/17

AG Request on MOF E-mails

"Prov. Guarantee" FHP Aug 15/17

Conf Call w/ OPG, OPCD, FSSD, Energy

Prov. Protection Agreement Date 18/09/17
- Mtg w/ OFA w/ Tonys

FMP Debt Profile - FAO

CFA principle paydown not until 2030s

→ looking like more likely 20 yr term initially
=> IESO and refinancing risk issue

→ looking at amortizing debt

→ likely looking, as well, at taking IESO out not monthly
=> IESO would be doing the warehou
=> take out at calendar year end or March 31 at fiscal yr end

∴ so not like other debt issues from the Province => not just a simple sprea calculation

Structured Finance
trading market
=> vs buy and hold mkt

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FMP Call: Change of Law Agreement Date Nov 17/17
+ Process Agreement

Some minor legal issues to resolve
One significant one

Does not look like other Provincial guarantees

↳ need to meet accounting test at OPG too

Information Certificate on terms of the bonds and within approval limits

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be

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Protection Agreement Call Date 12/11/12

MTI → notices to creditors — typically no notice to bondholders in cases of amendments
– Clause 11.01

SA. ° note that typically what's good for bondholders is not good for the Province*
° what is of concern to the Province may be silent on in the MTI

[A Bond Trustee can't be relied on to provide the Province notice.
↳ may not know
→ no legal recourse against it
→

– Not supposed to be a hollow right

– Province has real issues ⇒ should not be an accounting issue

[Province had originally wanted right to walk if there are amendments
↳ now → want notice.

Notice should be in MTI ⇒ it governs amendments

[Province as a "specified creditor" under the MTI with rights – subrogation, waterfall
↳ if don't get notice, does not state the amendment, amendment, guarantee?

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(Internal)

Protection Agreement Conf. Call Date Dec 4/17

201(a)
"may" to "shall" (depending on rating agency)
↳ want it to be automatic, not a vote of bondholders

201 (iv)(B)

Process Agreement
- Suspension - restored to Prov. version

202(v) (D)

Softwood Lumber Forest Products Mills Dec 4/17
Weston Alpha lumber Nicholson } northern
Remanufacturers ≈ 10 firms Eastern Ontario
≈ 850 direct jobs ↳ Richmond Hill Brampton
↳ Cost mill basis last time
→ now on full value
→ want loan guarantee for the difference
→ Prov. loan guarantee
- Fed EDC program is in place
- ~5-6 m/yr (for 5-6 yrs)
- if duty deposit not returned, looking for forgiveness

elig be spread

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