GBB&II

Date Apr 20/17

FHP - Guarantee
OPA-MOF - Legal Call Apr 21/17

Call w/ KM of IESO May 1/17

FN Permits May 1/17

Legal mtg w/ MI (new General Counsel)

- Lots of churn at MA - very few w/ history on the file (except Lou(?) Fortini)

LTEP ADMs Forum May 3/17

IESO working on modelling on electricity outlook w/ additional info since OPD (CFHP, LRP II suspension, deal w/ Quebec, Cap & Trade auction results)

Cabinet approval
- timing under discussion (June-July?)

Had frequent P.O. briefings

still working through draft of the report don't know when will share closer to that time

LTEP will include - FHP
- market renewal
- climate Δ mitigation affects on energy sector

One more set of FN-Metis meetings to go

Date

Follow ups:
- Approval update (Imperial site sold for more per acre
- Marketing materials
- Parkland - how it came to be

- City - Developer ~~[illegible]~~ Agreement
  - → Appendix to Purchase Agreement between OP6 and Developer

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FAO Draft — May 15/17

1) Factual issues

2) Inappropriate Disclosure?

Buckets
- Fiscal

- Accounting - Nortwo - FAO not familiar w/ rate regulated ac
  - → regulator does not need to be independent
  - → can be legislated
    - OPG examples
  - → CV will request a mtg w/ FAO
  - → GAAP hierarchy exists (under PSAB)

- Financing
  - assumes 3.5-6.2%
    - → misuses 5% as a weighted avg
  - lookwind → expand c spread, but 270 bps too hig
    - → don't know the spread
      - (e.g. Muskrat Falls → 70-80 bps → still $↑
    - → shorter term for OPG initial borrowing
      - → spread likely tighter

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Date

- commercial sensitivity for OPG & FAO publishes such as high spread

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FHP Report 17/5/17
Mtg w/ FAO Staff

OBESI 24/5/17

SFIB Weekly 26/5/17

OBP: OBE Income Mtg 30/5/17

- updates, timeliness - mid-Sept and mid-Jan.
- could be early documents
- want to hit balance

[Revenue Integrity Target 100, 200, 300]

Energy FHP Weekly

Date Jan/17

Regs for GA - 1st Tranche Jan 14 - TBS asked
pt 2: OESB RFP modification about seeing
↳ instructions sent to Leg Counsel drafts
⇒ early next

social programs - 7 regs

Sensitivity Analysis
- GA
- social programs

- TB / TBS / ABMD will be interested
↳ rating agencies likely too

OPG Update

(BNS wants a schedule in more detail
(~~[illegible]~~ too)

GEA - flow through IESO?
- seeing ↳ as an intangible vs financial asset
↳ netting of costs vs on revenue line
↳ affects financial metrics

distributed deliverables handout

IESO Updates

↳ credit facility w/ OFA
- update of systems
- setting up separate bank accts to seggregate cash flows

FWP

Weekly Implementation Mtg

Date June 8/17

- TB timeline now June 27 (?)
- OPG - DFSD → how interest costs will flow during the moratorium period
  → respective acting firms will discuss

Equity Injection
- OPG articles of incorporation
  → what is approvals

FWP + PILs : Conf. Call : FIGs + TPD June 12/17

Recruitment : SPFB June 12/17

MYBP Date 21/6/17

1) no 5 day review

2) people will get STDs for positions they were in as of May 31, 2017

3) Issues with mgr SJDs
- took out speciality on skills, Technical parts of

4) Designations?

Energy FHP Weekly 22/6/17

1) Legs work on-going w/ feedback from OPG, DBSS, OFSS
2) TB Request on report back
→ timing
→ sensitivity analysis timing

Critical Path
OPG - credit rating agencies
↳ would want to see how program looks like over time
↳ would do sensitivity analysis
Ministry will put out estimate of full curve for the plan
Trustee Service Agreement
IESO ← interest during moratorium
↳ someone has to have the obligation for the interest
↳ accounting?

→ need more comments on sub-debt from MOF(?)

Date

OEB - RPP prices out ≈ soon
- decision on RRRP out ≈ soon
~~close~~ to assumed amt 36.43 vs 38

Scott N.

↳ Energy legal response on indemnity sent to MOF on Wednesday
↳ looking to have indemnity signed on Thursday i.e. need s.28 approval by/for Tuesday
↳ Energy needs to do submission package

Prov. Support Agreement 22/6/17

MOF Legal Query

Payment Guarantee vs Indemnity
↳ how does it work vs ~~payment~~ guarantee

[- to damages penalty, make whole]
[- Niagara Falls example →

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FMP Call

Date 10/7/17

3 Key Issues

I
1) Accting: Interest how paid in first four yrs
   DBSO concerned

2) OBG likes idea to borrow in own name
   Board some concern on why do this vs generating power
   wants to take on risk, but pass on to gov't
   guarantee structure issue for accting

3) Constitutional
   good news: life of plants well beyond 20 yrs
   bad news: need to ramp up faster after first 4 yrs (vs Brish %)

II Potential Paths
1) Resolve all 3 → OBG one owned
   → interest header
2) Cut out OBG → DBSO reg asset
   Prev. finances asset
3) Gov't accepts fiscal impact → budget balance issue

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Date

III LTEP

└ EO wrmts it for July 26

└> Mkt Energy not ready

└> Ont-Quebec deal => Cdn approt

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Mitzsluro Implementation Weekly

Date Jl 27/17

OPG Update

1) Credit Rating Mtgs

↳ cap 2 - it imposed due to a rating

↳ moratorium period an issue when amounts can't be passed on to ratepayers

→ sub-debt component a positive
→ not in other similar structures
→ structure more complex than others
∴ will take longer than normal
4wks ⇒ maybe 6-8 wks
(GM comment: could be longer)
→ J.L. - but, given a timeline for an issue, will meet timeline

- When it can provide the revised projection of the time profile

↳ alignment w/ LTEP outlook
↳ timing of LTEP?
↳ timing of rating agencies to go to committee for rating ⇒ follows in 24-48 hrs

2) Interest during the moratorium
↳ regulatory settlements regulation possible solution
↳ make "carrying costs" generally an obligation of ratepayers, not IBS?

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Date

Committee - Timing has to align w/ ratings

↳ timing to be "settled" - to communicate and do the
-approval ratings process

↳ to follow - if differs from what was communicated, to update ratings agencies

w/in 2 wks

- Energy has meeting w/ P.O. ~~Aug~~ 16

- Go to TD afterwards (next) Aug 16 ⇒ likely too soon

↳ then Sept 12

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Rate Mitigation Implementation Weekly — Date Aug 24/12

8:40 OPG Issues

① payment of shortfall

2 options - flow through GB vs CBS (remote events)

② Events of Default not covered by P. 6
- Trust Indenture ⇒ acceleration
rate impact
⇒ ability to prov. to assume obligations

P6
IESO issue — workaround?
- LoC ⇒ cost, is it w/in IESO mandate
- reserve account

[Energy requested of IGB + OFA a briefing deck
to brief Minister on TB (pre-brief in advance of Sept 26 TB)

Credit Ratings
OPG plans to go to agencies in week of Sept 12 (w/ drafts of eg. P6)
take 6-8 wks

Date

P.A.
quadelination - IESO mkt books
[how about old DPA and treatment]

- Other Matters
- rate regulated accounting - not qualified due to not relevant this yr
⇒ could be in future

"legislated accounting"
↳ view of AG.
↳ OPG does not agree

Call on E.B. Debt / Acceleration / PSA Sept 11/17

I Acceleration
- acceleration = a bottom on a default
↳ challenge this idea in this type of market
- no to acceleration

II E.B.-debt

[not a "guarantee"
⇒ self-initiated event (legislation)

Assumption Agreement

- keep spread low

⇒ Accounting Issue?

Assumption Agreement
["steps-in-right" not "pay-through"]

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Date

- assume debt payment obligations

- right to terminate 3rd party service providers
  => there'd be a cost to this

FES Kick-off — Sept 13/17

II - Bridge from Budget 2017 - and lean - to Budget

- be more forward looking

- Themes - Potential : not signed off on at this point
  - More fair Ontario (eg electricity) lowering ...
  - While doing well, wealth income not properly distributed
    ↳ govt can do something about that

  - Stronger economy - level some things
    eg. housing
    ↳ more fairness

Drafting Narrative
↳ why doing this

Timing - late Oct / early Nov ?

Weekly Rate Mitigation Implementation Date Sept 13/17

1) GA Refinancing
OPG Update – OPG Board Sept 29
(1) → Support Agreement Wording
– degree of provincial Review of issues
(2) → issue of modelling of the curve
↳ understanding of how the legislation works → how would refinancing work
↳ part of credit rating discussion
→ how OPG would borrow → eg tenor, if refinancing or not, eg

LDC → IESO LC
↳ needs to be able to recover the cost of the LC. ⇒ regulation amendment would be needed

Moratorium Period – afterwards, what is the mechanism (vs OEB)
4 yrs on interest
↳ plus additional period before principal is recovered

Resolved → CEA (for P+I both) will start when 4 yr moratorium ends (July 2022)

(3) OEB Involvement
↳ fees regulation

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Reb Implementation "Weekly" Date Dec 7/11

1) GP.
- Protection Agreement close
- Rating - LT won't be issued until close to issuance next month ⇒ more typical to be close
∴ warehouse will be more under the radar
(ST ratings don't get published)
- Banks approval working through - their levels
- including internal credit office
- draft offering memo likely later this month
- E&Y opinion draft next week

- Everything for warehouse has to be done by Dec 15

Equity injection
- Resolution signed
- Subscription Agreement signed
- MOU signed

Sub-debt
- viewed as operational

PILs - draft to be shared soon

OPG - IESO agreements

IESO Audit
wants to attend Audit Cttee / Board
↳ OPG wants to do audits ⇒ she has the right to do audits
→ Under the Act, IESO has the right to appoint the auditor → and doesn't see changing the appointment from KPMG
- will have 2 audits, 2 opinions
- Board will approve F/S ⇒ scheduled for Feb 25

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Date

- some sense of AG that IEEO report agrees w/ her and AG wants to convince the Board

3) DREP - now gov't funded so Energy take over program from UEB? ⇒ PRAT ask, more FTEs

4) Affordability Fund Trust
- 45 LDCs want a fund
- 5 considering

[IESO "HAP" (?) program threshold being raised
→ increasing eligibility from 500K to 1.1 m HHs
⇒ if HAP eligible, can't get AFT.

Rate Mitigation Implementation Group Date Jan 11/18

Refinancing
- Aa2, AAA - DBRS
- Close Feb 12(?)
- Min 300m could go to 600m
- Warehouse has about 1.2 bn (goes to extend debt)

- disclose docs starting Jan 22 (Technically not public, but will be in external hand

Technical Briefing

Public Accts Office (TBS, MOF, Energy, OEB, IESO, SOC)
- Feb 28
- Responses due by Feb 14
- Materials due Jan 19
  - First draft

Ratepayer Fund
- looking at budgeting for 14 LDCs

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