

Message

From: Jeannette Briggs [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=148095610F7242F48A5A9DA24B1A8A87-JEANNETTE B]
Sent: 2017-08-01 11:23:04 AM
To: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]
Subject: RE: EXTERNAL – RE: IESO Default Levies

Yes

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
Independent Electricity System Operator (IESO) | T: 905-855-6364 | C: 416-997-6364
Station A, Box 4474, Toronto, ON, M5W 4E5
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals

From: Anthony Martinello
Sent: August 01, 2017 11:23 AM
To: Jeannette Briggs
Subject: RE: EXTERNAL – RE: IESO Default Levies

Say hi, downtown?

From: Jeannette Briggs
Sent: August 01, 2017 11:22 AM
To: Anthony Martinello
Subject: RE: EXTERNAL – RE: IESO Default Levies

Having lunch with Ted today

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
Independent Electricity System Operator (IESO) | T: 905-855-6364 | C: 416-997-6364
Station A, Box 4474, Toronto, ON, M5W 4E5
Web: www.ieso.ca | Twitter: [IESO_Tweets](https://twitter.com/IESO_Tweets) | LinkedIn: [IESO](https://www.linkedin.com/company/ieso)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](https://twitter.com/saveONenergyOnt) | LinkedIn: [saveONenergy](https://www.linkedin.com/company/saveONenergy)

Corporate Services collaborates with you to deliver solutions and expertise that enable the IESO to achieve its goals

From: Anthony Martinello
Sent: August 01, 2017 11:19 AM
To: Hamlet Alexanian; Michael Boll; Kim Marshall; Jeannette Briggs
Subject: RE: EXTERNAL – RE: IESO Default Levies

Revised email for your review – plan to send at 2pm today:

John:

Yes, since market opening, the IESO has had LDCs' default in their payments to the IESO. However, none of the LDCs' defaults resulted in any default levy. The majority of LDCs' defaults are, in general, administrative in nature and are cured within a few days (e.g. vacation delays, person was sick, bank/IT error, etc..).

Regards

From: Anthony Martinello
Sent: August 01, 2017 9:41 AM
To: Hamlet Alexanian; Michael Boll; Kim Marshall; Jeannette Briggs
Subject: FW: EXTERNAL – RE: IESO Default Levies

Any concerns with my response, I will send this afternoon:

John:

Yes, since market opening, the IESO has had LDCs' default in their payments to the IESO. However, none of the LDCs' defaults resulted in any default levy.

Regards

From: DREWNIAC John -TREASURY [<mailto:john.drewniak@opg.com>]
Sent: July 31, 2017 3:38 PM
To: Anthony Martinello
Cc: Michael Boll; Kim Marshall; Jeannette Briggs
Subject: RE: EXTERNAL – RE: IESO Default Levies

Anthony,

In our discussions with the credit agencies, they have asked if any LDCs have defaulted in their payments to the IESO. I believe a better question would be since 2002 (market open) has any LDC defaulted of their payment to the IESO and a default levy was applied.

Can you confirm that of the three default levies since 2002, none were associated with a LDC?

Thanks,

John

From: Anthony Martinello [<mailto:Anthony.Martinello@ieso.ca>]
Sent: Monday, June 19, 2017 2:23 PM

To: DREWNIAC John -TREASURY
Cc: Michael Boll; Kim Marshall; Jeannette Briggs
Subject: EXTERNAL – RE: IESO Default Levies

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

John,

As a statement of fact, the IESO has incurred multiple defaults of which a few resulted in IESO default levies. Since 2002, the total aggregated default levies have been under \$ 1 million, and these amounts were apportioned and recovered from both loads and generators.

For clarity, the IESO's market settlement default levy framework will not apply to Fair Hydro payment defaults.

Regards

From: DREWNIAC John -TREASURY [<mailto:john.drewniak@opg.com>]
Sent: June 19, 2017 11:28 AM
To: Anthony Martinello
Subject: IESO Default Levies

Anthony,

OPG has been tasked by the provincial government to set up a Trust to borrow monies that will fund the discount that will be applied to customers under the Fair Hydro Plan.

My group is involved in providing a presentation to the credit agencies who would rate the debt within the Trust. One of the key areas that would be highlighted is the structure of the IESO and the Market Participants and the level of credit worthiness that has existed since market opening.

The 2016 Prudential Framework Report by the IESO indicated that there were only three default levies since 2002. In our discussion you had stated that the total default levies were under \$1 million.

I'm just confirming that using the statement that "total default levies since 2002 to the IESO Market Participants have been under \$1 million" is acceptable to present to the credit agencies.

Thanks,

John Drewniak
Senior Manager, Credit & Market Risk
Ontario Power Generation
700 University Ave, Toronto, ON, M5G 1X6
W: (416) 592-2010, C: (416) 705-1686

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review,

retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

This e-mail message and any files transmitted with it are intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient(s), any dissemination, distribution or copying of this e-mail message or any files transmitted with it is strictly prohibited. If you have received this message in error, or are not the named recipient(s), please notify the sender immediately and delete this e-mail message.

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.