Message

From: Anthony Martinello [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=3FB7D76317B34780B15D96309B995C31-ANTHONY MAR]
Sent: 2017-10-16 3:37:06 PM
To: Manii, David [david.manii@tdsecurities.com]
CC: Victor Buza [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7643c3d5ac26488bab32d07049f1e089-Victor Buza]
Subject: IESO - 3 fair hydro items
Attachments: Intercept letter agreement IESO MOE OFA Sept 2017-rev_Markup4Clean_Energ....docx

David,

As discussed, in regards to the IESO servicing the fair hydro program, below are the three items for TD to note.

1.
IESO is expected to post a letter of credit (or maybe a letter of guarantee solely written by IESO) in favour of the Trust for any non-credit rated LDCs defaults during the period 2021 to 2047. The rough amounts $ are still being discussed, and I am trying to make it a zero amount suggesting that LDCs have much lower risk than is being appreciated.

2.
IESO found out in mid-Sept 2017 that the Ontario Financing Authority has a new lending policy for giving out any unsecured credit facilities. As part of the new $2billion IESO fair hydro facility, OFA is looking for the IESO and Ministry of Energy to sign the attached "intercept letter".

3.
The Trust is looking for the IESO to give a 1st priority/security over all IESO assets including accounts receivables in favour of the Trust. This item is being discussed heavily amongst all parties and I recognize this item will if it proceeds will require the IESO and TD to take action with regards to the current TD credit facility.

Once you had a chance to review, if you could comment / let me know of any concerns on #1 and #2 above – ......as I already know what #3 likely is going to entail.

Regards.