Message

Sent: 2017-10-17 10:58:35 AM
To: Ronald Kwan [Ronald.Kwan@ofina.on.ca]; John Kim [John.Kim@ofina.on.ca]
CC: Victor Buza [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=7643c3d5ac26488bab32d07049f1e089-Victor Buza]
Subject: IESO - OFA

Ronald/John,

Based on verbal feedback, OPG has not raised a concern with the proposed intercept letter. I hope to get a more formal

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.