Message

From: Michael Boll [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4811917E15054407B665FE16D12FF415-MICHAEL BOL]
Sent: 2017-11-29 10:32:18 AM
To: Jeannette Briggs [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=148095610f7242f48a5a9da24b1a8a87-Jeannette B]; Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]; Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
CC: Lia Kosic [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=73708c51cf2349cfb6fb2106d496b3ab-Lia Kosic]; Rayhan Malik [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=e37b6a6f611d4718afc70148fd49ad58-Rayhan Mali]
Subject: RE: Follow Up On OFHP for Board

For risk 11 I think the concern was that the risk definition was confusing. Since the IESO is definitely providing the security, the risk is not that we provide the security. Much of the discussion was focused on the impact, or perceived impact, of providing the security such as adverse impact on market participants and contract counterparties. Should the risk therefore be redefined as follows? I have also suggested changes to the other columns.

11	Market participants perceive there to be an adverse impact due to the IESO providing security to the financing entity	Significant [What leads to this being significant?Should we revisit the excel risk register to see if this changes?]	Rare	- negative reputational impact on the IESO - Increased workload and operational cost	Continued support by Ontario Financing Authority for credit; and IESO's provincial indemnity/support letter IESO's ability to provide the security is supported by legal advice of internal

[redacted]

From: Jeannette Briggs
Sent: November 29, 2017 9:32 AM
To: Michael Boll; Anthony Martinello; Susan Nicholson
Cc: Lia Kosic; Rayhan Malik
Subject: RE: Follow Up On OFHP for Board
Importance: High

All,

Rayhan is looking to finalize this in Alexander's absence.

Regards,

Jeannette Briggs Director, Settlements - Corporate Services
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From: Alexander DeAngelis
Sent: November 24, 2017 9:40 AM
To: Michael Boll; Anthony Martinello; Jeannette Briggs; Susan Nicholson
Cc: Lia Kosic
Subject: Follow Up On OFHP for Board
Importance: High

All,

I thought I would kick off the conversation regarding the items the board asked for follow up to be brought to the December 6 meeting.

As per my notes, the board wanted:

1. A more in-depth discussion of the risk 'Accounting treatment for Ontario Fair Hydro Plan in disputed'. The discussion is focused on the impact of the risk as there are differing views regarding whether the impact is accurately stated. My plan is to define the factors (e.g. reputation, impedes effective delivery of OFHP, potential litigation, financial impact, reduction in service quality / inefficiencies) used to arrive at the impact rating and allow the board to discuss. Outcome would be a final decision of the overall rating for the risk. I am not sure Alex is asking Michael, Anthony or me to do anything here. Susan do you want to provide him help in defining the factors used in arriving at the impact rating so you two align?

2. For risk 11, 'The IESO provides security to the financing entity that it has priority over IESO receivables', a better definition of this risk is required. I look to you all to define what the ultimate wording of the risk should be describing the implications of the IESO providing the security. So I added why it would be triggered as a means to make it more understandable. – feel free to edit

[redacted]

3. There was an in-depth discussion driven by Carole Workman regarding the reputational risk that MPs are no top of list for receivables, the likelihood that MPs could lose financially (concept of financial winners and losers), what the potential magnitude of loss could be and whether MPs will challenge this due to fiscal concerns. Michael / Jeannette, I'd ask you to take the lead on this. The question is whether we need an additional risk here, but at the very least, it breaks down to providing the board the potential impact and likelihood of this risk occurring. If you could define the risk, then I could circulate the assessment template to assess it. We have memo for Board discussion and I am confident a new risk is not required here beyond risk 11. In the memo, we [redacted]

I'm not clear whether we need to submit something with board materials that will be due on Monday , but I think it would be best that we have the information ready by Monday just in case.

If I've mischaracterized anything or have directed items to the wrong individuals, please let the group know.

Thank you,

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