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Subject: For discussion only - workflow for FH Reg Asset sales

Kim,

I will send the below email to OPG to start the discussion on the preferred month-end flow that is more efficient.

For your review, below I have summarized the current workflow (one month lag) being discussed with OPG, and 2 draft proposals not yet presented to OPG but targets a more preferred / efficient workflow.

Current workflow – as discussed with OPG (one-month lag)

- Month 1 by 4th bus day, OPG inputs any reimbursement costs (vendors, interest) into IESO portal;
 - Month 1 10th bus day, IESO informs OPG the amount of RA available for OPG to buy (likely a manual notice; but may be automated)
 - Month 1 14th bus day, via regular settlement process, IESO pays OPG for reimbursement costs – this amount becomes part of RA
 - Month 1, 10th to the End of Month 1, OPG decides based on internal process, timing, how much RA to buy in Month #2
 - Month 1 10th to 14th bus, IESO borrows from OFA to fund FHP delta and any OPG reimbursement costs, segregates cash flows/variance accts, creates the IESO's RA;
 - Month 2, by the 4th bus day, OPG inputs a formal RA buy \$ amount into IESO's portal;
 - Month 2 by 10th bus day, IESO issues invoice to OPG for RA buy;
 - Month 2 by 12th bus day, OPG pays IESO for RA,
 - Month 2 12th-14th bus day, IESO pays down OFA debt;
- Cycle repeats

Proposed #1 new workflow – preferred more efficient flow (utilizes as much of current IESO settlement processes to avoid manual steps)

- Month 1 by 4th bus day, OPG inputs any reimbursement costs (vendors, interest) into IESO portal;
 - Month 1 5th bus day, IESO informs OPG (via email, formal fax or notice?, this is outside of IESO settlement process) the amount of RA that will be invoiced to OPG this month;
 - Month 1 5th to 12th bus day, OPG prepares their funding to ensure enough is paid to IESO;
 - Month 1 10th bus day, IESO issues invoice to OPG for full RA, and issues another OPG invoice for OPG's reimbursement costs
 - Month 1 by 12th bus day, OPG pays IESO for RA,
 - Month 1, 14th bus day, IESO pays OPG for reimbursement costs;
- Cycle Repeats

Proposed #2 new workflow - preferred more efficient flow (utilizes more flexibility and has many manual steps)

- If Proposed #1 new workflow is too tight, the above in Proposed #1 new workflow can be smoothed-out within Month #1, but this would make many of the steps/processes to be outside of the IESO settlement processes (i.e.

virtually all will be manual touchpoints which may likely increase/add to the IESO resources stresses and increased risk over controls / audit qualifications, settlements audit etc.).

- Month 1 by 4th bus day, OPG informs the IESO of any reimbursement costs (vendors, interest) - manual;
 - Month 1 6th bus day, IESO informs OPG (via email, formal fax or notice?, this is outside of IESO settlement process) the amount of RA that will be invoiced to OPG this month - manual;
 - Month 1 6th to 18th bus day, OPG prepares their funding to ensure enough is paid to IESO;
 - Month 1 19th to 20th bus day of month , IESO issues invoice to OPG for full RA, and issues another OPG invoice for OPG's reimbursement costs
 - Month 1 last bus day of month, OPG pays IESO for RA, and IESO pays OPG for reimbursement costs; Cycle repeats
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- We may use the IESO's process to pay Killeavy's contract payments on 20th and last bus day, but I understand that the IESO's goal is to move these contract payments into the same process as we currently settle the electricity market (mid-month, 10th to 14th bus days) – therefore I will ignore.

Regards.