

Message

From: Jeannette Briggs [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=148095610F7242F48A5A9DA24B1A8A87-JEANNETTE B]
Sent: 2017-08-01 9:47:32 AM
To: Anthony Martinello [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=3fb7d76317b34780b15d96309b995c31-Anthony Mar]; Hamlet Alexanian [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=d0fcff8aeea84848ba5a12380ec04460-Hamlet Alex]; Michael Boll [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4811917e15054407b665fe16d12ff415-Michael Bol]; Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
Subject: RE: EXTERNAL – RE: IESO Default Levies

No concerns from me.

However, I remain concerned that they are using the default levy as an indicator of future payment capability. The CEA has nothing to do with the IAM, and in the five years between now and introduction of CEA receipts, the LDC world could be a very different environment.

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](#) | LinkedIn: [IESO](#)
Conservation: www.saveONenergy.ca | Twitter: [saveONenergyOnt](#) | LinkedIn: [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 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: DREWNIAK 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

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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

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