Message

Sent: 2017-11-21 2:45:59 PM
To: Reena Goyal [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6d1f0afed717401ca4d972ddddda3217-Reena Goyal]
CC: Kim Marshall [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b63a22b42bf14587870d93119a054d88-Kim Marshal]
Subject: RE: President's Report for December Board meeting

Reena, I'm struggling with how to write this update. By December 6 a number of facts will hopefully have changed. Namely we hope all agreements will be final, that a rating has been obtained for the first debt offering, that OPG is marketing the debt to the market and that we will be working toward closing the first transfer of the regulatory asset. If Peter and the Board were open to it, I might suggest providing a real time update that is current as of the meeting date.

However, attached is a potential update that could be used.

From: Reena Goyal
Sent: November 21, 2017 9:28 AM
To: Michael Boll
Subject: Re: President's Report for December Board meeting

Thanks so much Michael, much appreciated.

Reena

From: Michael.Boll@ieso.ca
Sent: November 21, 2017 9:26 AM
To: reena.goyal@ieso.ca
Subject: RE: President's Report for December Board meeting

That should be doable.

From: Reena Goyal
Sent: November 21, 2017 9:26 AM
To: Michael Boll
Subject: Re: President's Report for December Board meeting

Ok. Can you get it to me by 4pm at all?

Reena

From: Michael.Boll@ieso.ca
Sent: November 21, 2017 9:14 AM
To: reena.goyal@ieso.ca
Subject: RE: President's Report for December Board meeting

Can I get this to you this afternoon?

From: Michael Boll
Sent: November 20, 2017 8:57 AM
To: Reena Goyal
Subject: RE: President's Report for December Board meeting

I should be able to do that. We have the special board meeting on Wednesday, so this note will largely just be repeating what is already being conveyed.

From: Reena Goyal
Sent: November 20, 2017 7:53 AM
To: Michael Boll
Subject: Re: President's Report for December Board meeting

Thanks Michael - is tomorrow morning unrealistic for you?

Reena

From: Michael.Boll@ieso.ca
Sent: November 20, 2017 7:17 AM
To: reena.goyal@ieso.ca
Cc: Kim.Marshall@ieso.ca
Subject: Re: President's Report for December Board meeting

Sure, when do you need it?

Sent from my iPhone

On Nov 19, 2017, at 4:06 PM, Reena Goyal <reena.goyal@ieso.ca> wrote:

> Hi Michael –
>
> Is it possible to please provide an update on the FHP for Peter's December President's Report? For your ease of reference, attached is what was provided for the October President's Report:
>
> ***Fair Hydro Plan***[RG1]
>
> The Ministry of Energy appeared before the Standing Committee on Estimates on October 4, 2017. At the request of the Ministry, the IESO also appeared and answered questions on changes to IESO accounting policies. The IESO supported the Ministry through preparatory materials on accounting policies and responded to questions as called upon by the Committee. It is expected that the Ministry of Energy will be required to appear again on October 17 and 18, 2017.
>
> Timing of the first transfer is uncertain but is dependent on a number of factors including finalizing the Master Transfer and Servicing Agreement, OPG obtaining credit ratings for the financing entity, OPG obtaining a Provincial Support Agreement etc. There is a risk that a first transfer may not occur prior to December 31, 2017.
>
> The IESO's role as "servicer" (i.e. role in recovering clean energy adjustment from consumers) is still being discussed with OPG. OPG has asked IESO to play a role in following up with LDCs regarding payment delinquencies. This is beyond the IESO's role contemplated in Fair Hydro Act and regulations, but IESO is awaiting further details from OPG following which OPG's request will be considered.
>
> OPG also requested that IESO agree to provide a letter of credit following the clean energy adjustment moratorium period. The letter of credit is security for defaults by non-credit rated LDCs. IESO has agreed to provide a letter of credit in principle, but requires details from OPG.

IESO, OPG and Ministry are collaborating to solve how the financing entity can recover its costs during the period that a clean energy adjustment cannot be charged to consumers. Draft regulations have been circulated by the Ministry which would require the IESO to fund the financing entity's carrying costs during this period.

On September 18, 2017, OPG requested IESO to provide security for these payments in order to provide credit enhancement of IESO's payment obligation to support OPG's efforts in obtaining a AAA credit rating. IESO is considering the request but we are still uncertain as to whether the security would achieve the objective. The request is for first priority security over all IESO receivables.

Many thanks,
Reena

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[RG1]Update?