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<tr><th>#</th><th>IESO Risk</th><th>Impact Assessment</th><th>Likelihood Assessment</th><th>Identified Impacts</th><th>IESO Actions Towards Mitigation</th></tr>
<tr><td>1</td><td>OPG financing entity does not purchase regulatory asset in whole or in part from IESO</td><td>Significant</td><td>Unlikely</td><td>- diminished IESO liquidity due to limited credit facilities

- if situation continues too long, IESO solvency risk

- IESO credit rating being downgraded

- adverse impact on sector / IESO reputation</td><td>IESO has a new formal commitment of a $2 billion line of credit from Province to support if this scenario occurs. This facility is expected to provide sufficient time (6 to 10 months) to modify/change the Fair Hydro Plan without impeding the IESO's solvency.

IESO to seek commercial arrangement with financing entity whereby financing entity will provide sufficient advance notice that it will not purchase regulatory asset.</td></tr>
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<tr><td>2</td><td>A change in government policy changes some or all of the terms of the Ontario Fair Hydro Plan</td><td>Moderate</td><td>Somewhat Likely</td><td>- unknown - depends on terms of changes</td><td>Proactively provide advice on consequences of any action taken to change terms of Fair Hydro Plan.</td></tr>
<tr><td>3</td><td>IESO is unable to provide the standard representations and warranties and legal opinions (valid sale, all necessary approvals, etc.) due to nature of asset and underlying legislation - i.e. opinion, and representations and warranties are qualified</td><td>Moderate</td><td>Somewhat Likely</td><td>- may result in higher cost for the overall plan due to higher financing costs with consequent concern to government</td><td>We are proactively communicating concerns with legal issues that may result in qualified opinions, and representations and warranties.

Legal due diligence was applied to inform comments on legislation, regulations and agreements.</td></tr>
<tr><td>4</td><td colspan="4">OFA and OEFC are unwilling or unable to expand the IESO’s credit limit or to enhance credit facilities to clarify continuity of funding</td><td><u>Risk Has Been Closed</u></td></tr>
<tr><td>5</td><td colspan="4">Inability to achieve appropriate terms for the Master Transfer and Servicing Agreement between IESO and financing entity</td><td><u>Risk Has Been Closed</u></td></tr>
<tr><td>6</td><td colspan="4">Ontario Securities Commission (OSC) rescinds transmission rights (TR) exemption due to IESO's role under the Ontario Fair Hydro Plan</td><td><u>Risk Has Been Closed</u></td></tr>
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7	The IESO is named a party of the US prospectus or required to be a signatory to underwriting agreement due to the IESO being the regulatory asset originator	Negligible	Unlikely	- financial risk - legal risk - reputational risk	IESO has received government indemnities for IESO Corporate, directors, officers and employees. Electricity Act, section 19 also provides protection for actions of directors, officers and employees of IESO for performance in good faith of powers or duties.
8	Legislation and regulations require the regulatory asset structure to use additional processes and systems, making implementation more challenging and less efficient	Negligible	Unlikely	- financial statement audit risk - increased workload in an environment where it is difficult to increase resources - increased operational cost	We are proactively advocating using existing systems and processes and not layering additional processes. We have successfully advocated leaving details of implementation to regulations, and/or commercial agreements.

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9	IESO is found to hold the investment asset or equity in financing entity; or other aspects of the transaction require recognition of liability by IESO				**<u>Risk Has Been Closed</u>**
10	Accounting treatment for Ontario Fair Hydro Plan is disputed with negative reputational impact on the IESO	Moderate	Very Likely	- use of rate - regulated accounting continues to be a point of contention - increased demands on IESO resources	Legislation and regulations are completed. The accounting for the creation of the regulatory asset is consistent with current accounting practices. IESO's Board of Directors to provide a response to the Auditor General's office.
11	The IESO provides security to the financing entity that it has priority over IESO receivables			-	
12	IESO is non-compliant with the terms of the Master Transfer Servicing Agreement			-	
13	IESO's role			-	

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	under the OFHP Act is misunderstood by affected parties (Financing entity, dealers, rating agencies, investors, LDCs etc.)				
14	Lending facilities for corporate and IESO administered markets are unwilling to update lending agreement due to security priority and Master Transfer and Service Agreement with the Financing Entity leading to increased costs or credit downgrade			-	
15	LDCs have challenges meeting the requirements under the OFHP program			-	

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	(legislation, regulation, MTSA) requiring the IESO to provide more guidance than originally anticipated (increased time and effort) and leads to criticism as a trusted advisor				