

IESO Engagement

From: Brad Kyte
Sent: November 21, 2022 4:19 PM
To: IESO Engagement
Subject: Submission: CIB Financing for E-LT1 RFP/Contract

Atura Power has the following comments on the CIB financing proposal for the IESO E-LT1 and LT1 procurements:

- Proposed structure where CIB has first rank on revenue and project lenders have first rank on assets with CIB having a secondary claim on assets is problematic because most of the value in these types of assets is within the revenue contract. This structure effectively positions other lenders as subordinate to CIB and will increase the interest rate these other parties need to recover.
- The proposed private capital requirement of 50% non-recourse private debt to qualify for 50% CIB funding is not a marketable structure for debt, since the entity would be 100% debt funded. We suggest an alternative structure that will either reduce the non-recourse debt requirement, or provide flexibility around the structure to permit the use of proceeds financing that is without recourse to non-private entities.

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