

Euler Hermes Energy

# ISO ON-DEMAND PAYMENT BONDS

Euler Hermes Energy offers On-Demand Payment (ODP) bonds to satisfy collateral requirements in the Energy industry. Enhance your working capital to increase liquidity and accelerate your growth.

## ON-DEMAND PAYMENT BONDS: A BETTER FORM OF COLLATERAL

On-Demand Payment (ODP) bonds are accepted assurance methods for Independent System Operators\* offering several key advantages:

- 100% risk cover
- Maximizes working capital by reducing the capital constrained by posting requirements
- Bond is unsecured and 'callable' at any time during the coverage period
- Bond pays out within the same time frame as other instruments
- Priced competitively
- Premium paid by Principal
- Expanded collateral optionality

\*For accepting ISOs

## HOW DOES IT WORK?

ODPs are used to provide collateral for:

**ISO Standard Operating Agreement** – ODPs work for all obligations under standard ISO operating agreements. The ISO member utilizes the bond as a principal when they are required to post collateral. The Operator becomes the bondholder ("obligee") and accepts the bond in lieu of other required collateral postings.

**ISO/Assurance Auctions** – ODPs accepted as collateral obligations related to ISO auctions. An ISO member can build a bonding facility with Euler Hermes to support its bidding strategies for these auctions. ISO members utilize the bond as a principal when the shipper is required to post collateral. The Operator becomes the obligee and accepts the bond in lieu of or in addition to other required collateral postings for auctions.

For more information, please visit [www.eulerhermes.ca](http://www.eulerhermes.ca).

## FINANCIAL RATINGS

**AA** by Standard & Poor's

**A+** by A.M. Best Company

## OPPORTUNITIES FOR:



INDEPENDENT  
SYSTEM  
OPERATORS (ISO)



REGIONAL  
TRANSMISSION  
ORGANIZATIONS  
(RTO)



AUCTION  
PARTICIPANTS

A company of **Allianz** 

**Euler Hermes**  
**ENERGY**  
The future of counterparty credit