MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

March 16, 2017

The following management's discussion and analysis ("**MD&A**") for Crius Energy Trust (the "**Trust**") dated March 16, 2017 has been prepared with all information available up to and including March 16, 2017. This MD&A should be read in conjunction with the Trust's audited consolidated financial statements and accompanying notes as at and for the years ended December 31, 2016 and December 31, 2015. The Trust's financial statements and other disclosure documents, including the Trust's Annual Information Form for the year ended December 31, 2016, dated March 16, 2017, are available on www.sedar.com under the Trust's issuer profile and on the Trust's website at www.criusenergytrust.ca. The units of the Trust ("**Units**") are traded on the Toronto Stock Exchange ("**TSX**") under the symbol "**KWH.UN**".

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. The consolidated financial statements of the Trust are presented in United States dollars, and all figures in this MD&A are presented in United States dollars unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding.

Certain information contained in this MD&A constitutes non-IFRS financial measures or forward-looking statements. Investors should read the sections entitled *"Non-IFRS Financial Measures"* and *"Forward-Looking Statements"* at the end of this MD&A. Certain key terms and abbreviations used in this MD&A are defined in the section entitled *"Key Terms and Abbreviations"* below.

Overview of the Trust

The Trust is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012, for the purpose of providing investors with a distribution-producing investment through its indirect ownership interest in Crius Energy, LLC ("**Crius Energy**" or the "**Company**"). Following the completion of the initial public offering of the Trust in November 2012, the Trust held an approximate 26.8% indirect ownership interest in the Company. In July 2015, the Trust acquired additional LLC Units (as defined herein) in exchange for consideration comprised of cash (financed by way of a prospectus offering of Units), resulting in an increase of the Trust's indirect ownership interest in the Company from 26.8% to 43.1%. In June 2016, the Trust acquired the remaining LLC Units not already held, directly or indirectly, by the Trust in exchange for consideration comprised of Units and cash (financed by way of a prospectus offering of subscription receipts of the Trust), resulting in an increase in the Trust's indirect ownership in the Company from 43.1% to 100% (the "**Remaining LLC Acquisition**").

Throughout this MD&A, for purposes of convenience, references to (i) the "**Trust**" or "**our**" refer to Crius Energy Trust and its subsidiaries, (ii) the "**Company**" or "**Crius Energy**" refer to Crius Energy, LLC and (iii) "**Management**" refer to the management of the Trust and the Company, together, as all of the executive officers of the Trust are also executive officers of the Company.

Key Terms and Abbreviations

"**Adjusted EBITDA**" means EBITDA adjusted to exclude certain non-operating and non-cash items. See the section entitled *"Reconciliation of Net Income (Loss) and Total Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) and total comprehensive income (loss) as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**Customer**" refers to a RCE (see definition of RCE below).

"**Distributable Cash**" means the amount of cash available to the Trust to meet its distribution obligations. See the section entitled *"Distributable Cash and Distributions"* in this MD&A for a reconciliation of Distributable Cash to Cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**KWh**" means Kilowatt hour and is a measurement of volume of electricity.

"**LLC Units**" means the membership units in the Company.

"**MWh**" means Megawatt hour and is a measurement of volume of electricity.

"**MW**" means Megawatt and is a measurement of capacity of electricity.

"**MMBtu**" means one million British Thermal Units and is a measurement of volume of natural gas.

"**RCE**" means residential customer equivalents, which is an industry standard unit of measurement of consumption per annum equivalent to 10 MWh (or 10,000 KWh) in the case of the electricity and 100 MMBtu in the case of natural gas. We have estimated the number of RCEs in accordance with industry conventions based on information available regarding customers and their historical usage.

"**Unitholder**" means a holder of Units.

"**Units**" means the units of the Trust that are traded on the TSX under the symbol "KWH.UN".

Unless the context indicates otherwise, references in this MD&A to "volume", "usage" and "consumption" refer to MWh in the case of electricity and MMBtu in the case of natural gas.

Overview of Business

Crius Energy is a comprehensive energy solutions partner that provides electricity, natural gas and solar products to residential and commercial customers. Crius Energy connects with energy customers through an innovative family-of-brands strategy and multi-channel marketing approach. This unique combination creates multiple access points to a broad suite of energy products and services that make it easier for consumers to make informed decisions about their energy needs. Crius Energy currently sells energy products in 18 states and the District of Columbia in the United States with plans to continue expanding its geographic reach.

The Company's revenues are earned primarily from electricity and natural gas sales, and are recognized based on customer consumption. Seasonal variability of customer usage of electricity and natural gas may cause the Company's revenues and gross margins to fluctuate. In general, electricity consumption is highest during the summer months of July and August due to cooling demand and, to a lesser extent, during the winter months of January and February due to heating demand. Heating demand also influences natural gas consumption, which is typically highest between the months of November and March. The Company's revenues and gross margins may also fluctuate based on retail rates charged to customers, customer growth and customer attrition. The Company also receives various other customer fees that are not tied to customer consumption.

In addition, the Company receives revenues from marketing and installation of solar systems, primarily based on the generating capacity of the solar systems sold.

The Company procures its electricity, natural gas and hedging requirements in various wholesale energy markets, including physical and financial markets, using both short-term and long-term contracts. For electricity and natural gas, the Company procures its wholesale energy requirements at various utility load zones for electricity and city gates for natural gas, based on the energy usage and geographic location of our customers. The Company manages its exposure to short-term and long-term movements in wholesale energy prices by hedging using derivative instruments. These derivative instruments are principally physical forward contracts and financial fixed-for-floating swaps, whereby the Company agrees to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe, at a specified location. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by its customers and the forecasted quantities upon which such hedging instruments are based.

The Company's gross margin is derived from the difference between the revenues received from its electricity and natural gas customers and the cost of sales paid to its energy and non-energy suppliers, together with its revenues from the marketing and installation of solar systems. The Company also incurs selling expenses through a mixture of upfront and residual-based payments. All such costs are recognized as expenses in the period incurred, pursuant to the applicable contractual arrangements in place. In addition, the Company incurs general, administrative, financing and other expenses to operate its business.

2016 AND FOURTH QUARTER 2016 HIGHLIGHTS

Financial Highlights

2016

- Revenue of $743.8 million in 2016, representing an increase of 8.4% from $686.3 million in 2015
- Gross margin of 21.3% of total revenue, a decrease from the 23.9% of revenue achieved in 2015
- Adjusted EBITDA of $60.8 million during the year, a 15.4% increase from $52.6 million in 2015
- Distributable Cash of $38.9 million and total distributions of $22.6 million in 2016, resulted in a payout ratio of 58.1% for the year

Fourth Quarter 2016

- Revenue of $171.4 million in the fourth quarter of 2016, representing an increase of 16.2% from $147.5 million in the fourth quarter of 2015
- Gross margin of 21.9% of total revenue for the quarter, a decrease from the 24.0% of revenue achieved in the fourth quarter of 2015
- Adjusted EBITDA of $13.6 million during the fourth quarter of 2016, an increase of 62.7% from $8.4 million in the fourth quarter of 2015, with prior quarter results being adversely impacted by $4.8 million resulting from a change in the application of our accounting policy for the recognition of solar revenues. Removing the one-time impact of this accounting change, Adjusted EBITDA for the prior quarter was $13.2 million.
- Distributable Cash of $9.2 million and total distributions of $5.7 million in the fourth quarter of 2016, resulted in a payout ratio of 62.0%

Operational Highlights

- Achieved net customer growth of 2.1% in the fourth quarter of 2016, with 20,000 RCEs added to the customer portfolio of the Company. On an annual basis, net customer growth was 19.9% from the end of 2015, due to organic and acquisitive customer adds.
    - During the fourth quarter of 2016, gross customer adds of 91,000 were lower than the 99,000 average organic customer adds over the prior four quarters.
    - Gross customer drops in the fourth quarter of 2016 of 71,000 were lower than the 77,000 average customer drops over the prior four quarters due to, among other things, active customer retention and renewal programs.

- Continued expansion of geographic footprint
    - Launch of the network marketing sales channel in Australia with electricity and natural gas customer enrollments commenced in the fourth quarter of 2016 through a local retail energy partner.

Growth and Corporate Highlights

- Announced the fourth distribution increase since the beginning of 2016
  - In October 2016, the directors of Crius Energy Administrator Inc. (the "**Board**") approved an additional 2% increase to distributions paid on Units for the fourth quarter of 2016, representing an annualized increase of C$0.0149 per Unit and a total annualized distribution of C$0.7578 per Unit.
  - The Board is confident that it will be able to continue increasing distributions in 2017, and will re-evaluate further distribution increases beyond the end of the year.

- Expanded operational capabilities in the residential rooftop solar business through two strategic acquisitions
  - Completed the acquisition of the direct residential solar business of SunEdison Inc. ("**SunEdison**"), which included a proprietary technology platform, customer lead databases, marketing materials and human capital.
    - The assets acquired from SunEdison are expected to increase solar sales and enhance margin by enabling the Company to manage a solar customer from prospect to installation. The Company's expanded solar capability combines first-party and third-party lead generation, sales capability and installations combined with a third-party finance strategy.
    - The asset purchase agreement provided for a one-time payment to SunEdison of $1.5 million and closed on September 19, 2016.
  - Announced the intention to purchase certain residential solar installation assets from Verengo, Inc. ("**Verengo**").
    - On September 23, 2016, a special purpose vehicle, Crius Solar Fulfillment, LLC, was formed to serve as the debtor-in-possession lender and bidder for the purchase of certain residential solar installation assets of Verengo (the "**Verengo Assets**"), in a bankruptcy proceeding under chapter 11 of the United States Bankruptcy Code.
    - Crius Energy Corporation (64.5%) is the controlling member of Crius Solar Fulfillment, LLC, which also has three non-controlling members consisting of two prominent clean technology investment firms and a leading lender in the residential solar finance industry.
    - In addition to the involvement of Crius Solar Fulfillment, LLC as pre-petition and debtor-in-possession lender (for an amount of $4.8 million, which is to be used for the bankruptcy proceeding under chapter 11 of the United States Bankruptcy Code and payments to certain creditors of Verengo), Crius Solar Fulfillment, LLC entered into an asset purchase agreement dated September 23, 2016 (the "**Purchase Agreement**") with Verengo to acquire the Verengo Assets, including the residential solar installation platform of Verengo and certain contracts and human capital of Verengo; the Purchase Agreement sets forth the bid of Crius Solar Fulfillment, LLC for the Verengo Assets in the bankruptcy proceedings, and reflects a purchase price of approximately $11.9 million. The purchase price consists of the credit-bidding of the initial cash funding of Crius Solar Fulfillment, LLC (including the $2.3 million cash contribution from Crius Energy as well as the contribution of $2.5 million cash contributed from the non-controlling members and any further debtor-in possession advances made prior to the closing of the transaction) as well as the credit-bidding of certain secured notes contributed by the non-controlling members.
    - The closing of the transaction is subject to, among other things, the satisfaction of the conditions precedent in the Purchase Agreement, including all approvals required under Verengo's bankruptcy proceeding, and if the proposed bid is successful, is expected to occur within the next several months.

- Completed a C$72.5 million equity offering and the acquisition of remaining interest in the Company
  - In June 2016, the Trust successfully completed the Remaining LLC Acquisition and now holds a 100% interest in the Company.
  - The Remaining LLC Acquisition was funded through the issuance of Units and cash raised in a public offering of 8,581,300 Units issued at a price of C$8.45 per Unit.
  - The Remaining LLC Acquisition more than doubled the market capitalization of the Trust at the time of the transaction and simplified its organizational structure, and is believed to have enhanced the scale and capital markets profile of the Trust, improved trading liquidity and access to capital markets.

- Completed the acquisition of 75,000 customers from Iron Energy LLC d/b/a Kona Energy ("**Kona Energy**")
  - In February 2016, the Company successfully completed the acquisition of the customer contracts and associated assets for approximately 75,000 electricity customers for a total acquisition cost of approximately $7.0 million.

- The acquisition further increased the Company's scale and expanded the Company's customer base in Illinois, New York, Ohio, and Texas.

- Appointed Ravi Thuraisingham as an officer of the Trust
  - In November 2016, the Board approved the appointment of Ravi Thuraisingham, Executive Vice President of Mergers & Acquisitions, as an officer of the Trust.
  - Mr. Thuraisingham has more than 15 years of experience in the retail energy and solar industries with a successful track-record of originating and executing acquisition opportunities.
  - The appointment highlights the Company's commitment to grow the business through accretive acquisitions.

Highlights Subsequent to the end of 2016

- Announced the fifth distribution increase since the beginning of 2016
  - In January 2017, the Board approved an additional 2% increase to distributions paid on Units for the first quarter of 2017, representing an annualized increase of C$0.0152 per Unit and a total annualized distribution of C$0.7730 per Unit.
  - With a continued conservative payout ratio, the Board is confident that it will be able to continue increasing distributions in 2017, and will re-evaluate further distribution increases beyond the end of the year.

- Extended agreement for five years and expanded partnership with Comcast Corporation ("**Comcast**")
  - In February 2017, in order to continue to accelerate customer growth, improve retention and increase customer lifetime value, Crius Energy extended the current agreement with Comcast for a period of five years, and entered into a new five-year strategic agreement to jointly offer an Integrated Energy Platform to service providers across the United States.
  - The Integrated Energy Platform will leverage existing assets from both Comcast and Crius Energy, including technology and resources, and will enable other service providers to quickly offer a rich set of energy products in promising geographies. The platform will include, among other products, electricity, natural gas and solar solutions provided by Crius Energy. As with the Company's other exclusive partnerships, Crius Energy will work closely with Comcast and additional service providers to onboard their customers to the new platform. Crius Energy will continue to directly service all existing and future energy customer relationships.
  - In March 2017, Crius Energy entered into a three-year strategic agreement with Rise Broadband, a privately-held Internet and digital voice services provider, to offer energy products to Rise Broadband customers through the Crius Energy-Comcast Integrated Energy Platform, initially in Illinois, Indiana and Texas with plans to expand to new markets in the future.

2016 DISCUSSION

Crius Energy produced strong financial and operating performance in 2016, highlighted by healthy year-over-year growth in the customer base, up 19.9%, and Adjusted EBITDA, up 15.4%. The strong performance highlighted the Company's successful organic and acquisition growth strategy, scalable operating platform, robust risk management capability and strong balance sheet.

During 2016, as a result of the confidence that both Management and the Board have in the long-term outlook for the Company, strong operating cash flows and conservative balance sheet, the Board approved and implemented 2% distribution increases for each quarter during the year, which resulted in an 8.3% increase in distributions per Unit while continuing to maintain a conservative payout ratio under 60%.

Overall revenues increased 8.4% in 2016 to $743.8 million from $686.3 million for the year ended December 31, 2015. The increase was largely driven by increased volumes due to higher average electricity customer numbers resulting from organic and acquisitive growth. The increase was partially offset by lower average retail prices and lower average natural gas customer numbers.

After removing a one-time impact of $4.8 million resulting from a change in application of the revenue recognition accounting policy for solar revenues made in 2015, revenues from solar system sales were down from $6.3 million in 2015 to $2.3 million in 2016. The decrease in revenues is primarily the result of challenges following the transition to a new solar partner in September 2015.

In order to address the ongoing challenges with the existing solar partnership business model, the Company expanded its solar capabilities through the acquisition of solar assets from both SunEdison, which was completed by the end of 2016, and Verengo, which we expect to complete in the second quarter of 2017. These acquisitions provide the technology, team, and expertise for Crius Energy to transform the solar business from a reseller of solar products to a vertically integrated solar provider.

Gross margin for 2016 was in line with Management expectations at $158.5 million, down 3.2% from $163.7 million in 2015. As a percentage of total revenue, gross margin was 21.3% in 2016, down from 23.9% in the previous year. The decrease in gross margin and gross margin as a percentage of revenue was primarily a result of lower year-over-year unit gross margins due to the customer base shifting to a higher percentage of lower-margin commercial and municipal aggregation customers, and is consistent with recent trends and Management expectations. Commercial customers provide the benefit of diversification to the customer portfolio, higher retention profile than residential customers and lower cost-to-serve, although with lower average unit margins. The impact of the decrease in unit gross margins was not fully offset in 2016 by volumetric growth of the portfolio due to organic and acquisitive customer growth.

Adjusted EBITDA in 2016 was $60.8 million, a 15.4% increase over the $52.6 million achieved in 2015. The Company achieved Distributable Cash of $38.9 million in 2016, a 12.1% increase over the $34.7 million in 2015. Total distributions were $22.6 million in 2016 and $20.2 million in 2015, representing conservative year end payout ratios of 58.1% and 58.2% respectively. Growth in Distributable Cash resulted from strong operating cash flows, offset by higher total maintenance capital expenditures of $10.7 million during the year, which were elevated primarily due to the one-time costs associated with the Company moving its headquarters in late 2016.

As at December 31, 2016, Crius Energy was approaching the goal of one million customers with 982,000 customers, up from 819,000 at the end of 2015, representing strong net customer growth of 163,000 customers, or 19.9%. Net customer adds in the year benefited from strong sales activity in the direct marketing and commercial channels, lower customer attrition, and the acquisition of 75,000 customers from Kona Energy in the first quarter of 2016.

During 2016, excluding changes in operating assets and liabilities, the Company achieved operating cash flows of $61.6 million compared to $52.6 million in 2015.

At December 31, 2016, the Trust had total cash and cash availability of $49.9 million, consisting of $10.9 million of cash availability and $39.0 million available under the Company's credit facility with Macquarie Energy LLC ("**Macquarie Energy**"). This compares to the total cash and availability as at December 31, 2015 of $42.9 million, consisting of cash and cash equivalents of $11.2 million and $31.7 million available under the credit facility. The Trust continues to have a conservative balance sheet and sufficient resources to execute its growth strategy.

During the year, the Trust increased its ownership of Crius Energy to 100% through the completion of a bought deal equity offering with a syndicate of underwriters for 8,581,300 Units at a price of C$8.45 per Unit for total gross proceeds of C$72.5 million. The net proceeds were used to purchase the remaining LLC Units of Crius Energy not already owned by the Trust, thereby increasing the Trust's indirect ownership of Crius Energy to 100% from 43.1%. Management believes that the increased ownership of the operating company by the Trust has contributed to the enhancement of the scale and capital markets profile of the Trust, improved trading liquidity and access to capital markets.

OUTLOOK

Crius Energy is well-positioned to continue to grow cash flows and distributions to Unitholders as a result of continued growth and diversity in the core deregulated electricity and natural gas business combined with upside from the expanded relationship with Comcast, enhanced solar capabilities and opportunistic acquisitions.

In January 2017, the Board approved a 2% increase in distributions paid to Unitholders, following consecutive increases in each quarter of 2016. The increase was the result of the strong operating performance and the confidence that both Management and the Board have in delivering on the Company strategy. With a conservative payout ratio of under 60% in 2016, the Board has signaled that they will continue to increase distributions throughout 2017.

The deregulated electricity and natural gas business is expected to continue growing in 2017, consistent with historical trends. Management are confident about delivering growth in all three segments which include commercial, municipal aggregations and residential.

In the commercial segment, Management expect to grow both the mass market and large commercial customer bases in 2017. In the large commercial segment, Management successfully grew this customer segment by 18% in 2016 and expects to continue that momentum in 2017. The Company now has more than 800 broker relationships and is continuing to perform well compared to the market, and was recently recognized in the Energy Research Consulting Group (ERCG) survey as a Top 3 retailer for natural gas and Top 10 for electricity. In the mass market commercial segment, Management started this business in late 2015 and grew it to more than 10% of booked gross margin for the entire commercial segment in 2016. Management expect this segment to grow more rapidly in 2017 through the use of internal and external sales partners combined with technology enhancements rolled out in late 2016.

In the municipal aggregation segment, Management expect to build on the success achieved in 2016 as the Company was highly successful in this segment with a year-over-year growth rate in sales of 129% compared to 2015. Management believes it will continue to be successful in the municipal aggregation segment due to a strong track record with municipal aggregations, established and trusted relationships with municipalities and brokers, as well as an expanded geographical footprint.

In the residential segment, Management expect to continue to grow through direct marketing activities and exclusive third-party partnerships including our private label and network marketing relationships. The Company has relationships with more than 300 brokers who sell to residential customers and is in the process of expanding products offered to customers to increase value in the products offered as well as expanding the value of each relationship to the Company. The Private Label partnerships experienced strong year-over-year growth in 2016, up 222% compared to 2015. Management expect this channel to continue to perform well as a result of continued success with legacy partnerships with Cincinnati Bell and FairPoint Communications as well as the recent five-year extension of the exclusive partnership with Comcast to sell our electricity and natural gas products.

In addition to the five-year extension with Comcast, in the first quarter of this year, Comcast and Crius entered into a 5-year strategy agreement to jointly market an Integrated Energy Platform to domestic and international service providers interested in offering energy products to their customer base. The platform will leverage existing assets from both Comcast and Crius, providing a broad range of consumers and partners with a holistic home energy solution which will include, among other products, electricity, natural gas and solar provided by Crius Energy as well as technology and home efficiency products provided by Comcast. The Company will on-board Rise Broadband as the first service provider on the Integrated Energy Platform in the second quarter of this year.

In the solar business, with the recently completed acquisition of the direct residential solar assets from SunEdison and the forthcoming completion of the acquisition of Verengo, the Company has significantly expanded its solar capabilities and now has the technology, team, and expertise that transforms Crius Energy from a reseller of solar products to a vertically integrated solar business with a track record of more than 20,000 solar installations dating back to 2008. With these acquisitions, Crius Energy is well-positioned to capture market share in the fast-growing U.S. residential solar segment and management expects sales and earnings from the solar business to increase throughout 2017. Management expects to have substantially integrated the acquisitions through the first half of 2017, and has updated its previously estimated Adjusted EBITDA contribution of $5.0 million to $7.0 million to $3.0 million to $6.0 million, primarily due to the delay in the closing of the Verengo acquisition from December of last year to the second quarter of 2017.

Management believes that solar industry fundamentals remain attractive as the US solar industry is a large under-served market with less than 1% penetration. Industry experts predict that approximately 88 million households will be able to receive solar energy at a lower price than electricity from the local utility by 2020. The solar market will continue to benefit from the five-year extension of the bi-partisan supported Solar Investment Tax Credit, that provides business certainty for investment in solar through 2023.

From an economic perspective, the changes to the solar business allow for Crius Energy to better penetrate the U.S. residential solar market and are expected to have a positive impact on the economics of each solar system sold. The proprietary technology platform enables the Company to take a customer from lead through to installation, capturing each step of the value chain, which is expected to increase margin contribution from up to $0.25/Watt under the former reseller model to up to $1.00/Watt under the fully integrated operating model.

Management made transformative changes to the business in 2016 that have positioned the Company to leverage significant opportunities in both the deregulated energy and solar industries in 2017 and beyond. These changes are expected to yield growing cash flows and distributions to Unitholders in the coming years as the Company continues to build on the strong foundation in the deregulated energy business and benefit from the expanded contribution of Crius Energy's solar capabilities. Management believe the deregulated energy and solar industries are highly complementary and when combined will create opportunities and Unitholder value in excess of what either a pure-play energy retailer or solar company could achieve alone.

Selected Consolidated Financial and Operational Data

The following selected historical financial information has been derived from the audited consolidated financial statements of the Trust as at and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and the unaudited interim condensed consolidated financial statements of the Trust for the three months ended December 31, 2016 and December 31, 2015. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Income (Loss) Highlights
(in millions)

	Quarter ended December 31, 2016 (unaudited)	Quarter ended December 31, 2015 (unaudited)	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Revenue	$171.4	$147.5	$743.8	$686.3	$600.5
Cost of sales	133.9	112.0	585.3	522.6	471.6
Gross margin	37.5	35.5	158.5	163.7	128.9
Expenses					
Selling expenses	6.6	9.8	28.8	38.9	35.3
General and administrative	17.3	17.3	76.2	72.2	55.1
Goodwill impairment	—	—	—	—	77.1
Unit-based compensation	0.7	0.5	4.9	4.4	1.4
Depreciation and amortization	9.4	7.4	39.5	49.1	39.6
Operating income (loss)	3.5	0.5	9.1	(0.9)	(79.6)
Other (expenses) income					
Finance costs	(1.9)	(1.7)	(10.3)	(9.0)	(6.9)
Distributions to non-controlling interest	—	(3.8)	(5.7)	(14.9)	(18.3)
Change in fair value of derivative instruments	21.3	(1.6)	46.1	14.9	(58.9)
Change in fair value of warrants	0.1	0.2	0.3	(1.1)	(0.1)
Change in fair value of non-controlling interest	—	9.3	6.7	(62.8)	22.7
Income (loss) before income taxes	23.0	2.9	46.2	(73.8)	(141.1)
Provision for (benefit from) income taxes	2.4	(2.9)	1.8	1.1	(28.8)
Net income (loss) and total comprehensive income (loss)	**$20.6**	**$5.8**	**$44.4**	**$(74.9)**	**$(112.3)**
EBITDA[(1)]	34.3	12.0	96.0	(15.7)	(94.6)
Adjusted EBITDA[(1)]	**$13.6**	**$8.4**	**$60.8**	**$52.6**	**$38.5**

(1) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net loss or other data prepared in accordance with IFRS. See the section entitled *"Non -IFRS Financial Measures"* in this MD&A. The following table is a reconciliation of net income (loss) and total comprehensive income (loss) to EBITDA and Adjusted EBITDA for the periods indicated.

Reconciliation of Net Income (Loss) and Total Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA (in millions)

	Quarter ended December 31, 2016 (unaudited)	Quarter ended December 31, 2015 (unaudited)	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Net income (loss) and total comprehensive income (loss)	$20.6	$5.8	$44.4	$(74.9)	$(112.3)
Excluding the impacts of:					
Finance costs	1.9	1.7	10.3	9.0	6.9
Provision for (benefit from) income taxes	2.4	(2.9)	1.8	1.1	(28.8)
Depreciation and amortization	9.4	7.4	39.5	49.1	39.6
EBITDA	34.3	12.0	96.0	(15.7)	(94.6)
Excluding the impacts of:					
Goodwill impairment	—	—	—	—	77.1
Unit-based compensation	0.7	0.5	4.9	4.4	1.4
Distributions to non-controlling interest	—	3.8	5.7	14.9	18.3
Change in fair value of derivative instruments	(21.3)	1.6	(46.1)	(14.9)	58.9
Change in fair value of warrants	(0.1)	(0.2)	(0.3)	1.1	0.1
Change in fair value of non-controlling interest	—	(9.3)	(6.7)	62.8	(22.7)
Loss on sale of Viridian assets and related charges	—	—	7.3	—	—
Adjusted EBITDA	**$13.6**	**$8.4**	**$60.8**	**$52.6**	**$38.5**

Statement of Financial Position Highlights (in millions)

	As at December 31, 2016	As at December 31, 2015	As at December 31, 2014
Current assets	$126.3	$125.7	$104.6
Total assets	299.3	302.6	263.3
Current liabilities	146.9	176.0	132.6
Long-term liabilities	12.8	162.4	119.0
Unitholders' equity (deficit)	139.6	(35.8)	11.7

Statement of Cash Flows Highlights (in millions)

	Quarter ended December 31, 2016 (unaudited)	Quarter ended December 31, 2015 (unaudited)	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Cash flows provided by operating activities	$15.2	$3.8	$41.0	$37.3	$50.9
Cash flows used in investing activities	(1.5)	(2.2)	(20.5)	(20.4)	(9.6)
Cash flows used in financing activities	(13.4)	(3.9)	(20.8)	(20.0)	(42.3)
Cash and cash equivalents at beginning of period	10.6	13.5	11.2	14.3	15.3
Cash and cash equivalents at end of period	10.9	11.2	10.9	11.2	14.3

Operational Highlights

	Quarter ended December 31, 2016 (unaudited)	Quarter ended December 31, 2015 (unaudited)	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Electricity					
Volumes (MWh)	1,762,000	1,498,000	7,657,000	6,395,000	4,780,000
Revenue ($ million)	160.6	140.4	705.1	636.7	540.4
Gross margin ($ million)	32.3	34.3	138.4	140.5	106.0
Gross margin ($/MWh)	18.36	22.88	18.08	21.97	22.16
Gross margin as a % of revenue	20.1%	24.4%	19.6%	22.1%	19.6%
Natural gas					
Volumes (MMBtu)	1,880,000	1,478,000	5,788,000	5,959,000	6,601,000
Revenue ($ million)	9.1	8.7	28.2	41.5	50.3
Gross margin ($ million)	3.5	2.8	9.7	15.1	13.1
Gross margin ($/MMBtu)	1.85	1.90	1.67	2.54	1.99
Gross margin as a % of revenue	38.1%	32.3%	34.2%	36.4%	26.1%

Customer Aggregation

The following table summarizes the Company's gross additions and drops in electricity and natural gas customers over the trailing four quarters ended December 31, 2016.

Customer Aggregation
(in customers)

	Opening Customer Count	Customer Adds	Customer Drops	Net Change	Closing Customer Count
Electricity	749,000	163,000	(63,000)	100,000	849,000
Natural Gas	70,000	7,000	(10,000)	(3,000)	67,000
Quarter ended March 31, 2016	**819,000**	**170,000**	**(73,000)**	**97,000**	**916,000**
Net Change % of Opening Customer Count				***11.8%***	
Electricity	849,000	106,000	(77,000)	29,000	878,000
Natural Gas	67,000	4,000	(7,000)	(3,000)	64,000
Quarter ended June 30, 2016	**916,000**	**110,000**	**(84,000)**	**26,000**	**942,000**
Net Change % of Opening Customer Count				***2.8%***	
Electricity	878,000	88,000	(68,000)	20,000	898,000
Natural Gas	64,000	5,000	(5,000)	—	64,000
Quarter ended September 30, 2016	**942,000**	**93,000**	**(73,000)**	**20,000**	**962,000**
Net Change % of Opening Customer Count				***2.1%***	
Electricity	898,000	86,000	(65,000)	21,000	919,000
Natural Gas	64,000	5,000	(6,000)	(1,000)	63,000
Quarter ended December 31, 2016	**962,000**	**91,000**	**(71,000)**	**20,000**	**982,000**
Net Change % of Opening Customer Count				***2.1%***	

Solar Systems Installed

The following table summarizes the Company's solar sales in terms of solar systems installed for the years ended December 31, 2016 and December 31, 2015.

Solar Systems Installed
(in MW of generating capacity)

Systems Installed	2016	2015
Residential	1.7	1.8
Commercial	—	—
Quarter ended March 31	**1.7**	**1.8**
Residential	1.5	2.4
Commercial	—	—
Quarter ended June 30	**1.5**	**2.4**
Residential	0.7	2.4
Commercial	—	1.0
Quarter ended September 30	**0.7**	**3.4**
Residential	0.5	1.5
Commercial	—	—
Quarter ended December 31	**0.5**	**1.5**

Summary of Quarterly Results
Quarterly Results (unaudited)
(in millions)

	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015
Revenue	$171.4	$222.6	$169.0	$180.8	$147.5	$204.2	$166.3	$168.3
Cost of sales	133.9	174.8	135.9	140.6	112.0	156.1	126.4	128.1
Gross margin	37.5	47.8	33.1	40.2	35.5	48.1	39.9	40.2
Expenses								
Selling expenses	6.6	8.4	6.6	7.2	9.8	11.6	7.5	9.9
General and administrative	17.3	26.1	12.9	20.0	17.3	20.4	18.6	15.9
Unit-based compensation	0.7	1.5	1.1	1.6	0.5	1.7	1.4	0.8
Depreciation and amortization	9.4	10.6	10.1	9.4	7.4	17.6	14.0	10.1
Operating income (loss)	3.5	1.2	2.4	2.0	0.5	(3.2)	(1.6)	3.5
Other (expenses) income								
Finance costs	(1.9)	(3.1)	(2.6)	(2.8)	(1.7)	(2.5)	(3.0)	(1.8)
Distributions to non-controlling interest	—	—	(2.2)	(3.5)	(3.8)	(3.2)	(3.9)	(3.9)
Change in fair value of derivative instruments	21.3	(5.3)	37.4	(7.2)	(1.6)	11.0	3.8	1.6
Change in fair value of warrants	0.1	—	—	0.1	0.2	(0.6)	(0.2)	(0.5)
Change in fair value of non-controlling interest	—	—	7.7	(1.0)	9.3	(17.1)	(25.3)	(29.9)
Income (loss) before income taxes	23.0	(7.2)	42.7	(12.4)	2.9	(15.6)	(30.2)	(31.0)
Provision for (benefit from) income taxes	2.4	(1.6)	2.4	(1.3)	(2.9)	2.6	0.5	0.9
Net income (loss) and total comprehensive income (loss)	**$20.6**	**$(5.6)**	**$40.3**	**$(11.1)**	**$5.8**	**$(18.2)**	**$(30.7)**	**$(31.9)**

Reconciliation of Net Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA

	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015
Net income (loss) and total comprehensive income (loss)	$20.6	$(5.6)	$40.3	$(11.1)	$5.8	$(18.2)	$(30.7)	$(31.9)
Excluding the impacts of:								
Finance costs	1.9	3.1	2.6	2.8	1.7	2.5	3.0	1.8
Provision for income taxes	2.4	(1.6)	2.4	(1.3)	(2.9)	2.6	0.5	0.9
Depreciation and amortization	9.4	10.6	10.1	9.4	7.4	17.6	14.0	10.1
EBITDA	34.3	6.5	55.4	(0.2)	12.0	4.5	(13.2)	(19.1)
Excluding the impacts of:								
Unit-based compensation	0.7	1.5	1.1	1.6	0.5	1.7	1.4	0.8
Distributions to non-controlling interest	—	—	2.2	3.5	3.8	3.2	3.9	3.9
Change in fair value of derivative instruments	(21.3)	5.3	(37.4)	7.2	1.6	(11.0)	(3.8)	(1.6)
Change in fair value of warrants	(0.1)	—	—	(0.1)	(0.2)	0.6	0.2	0.5
Change in fair value of non-controlling interest	—	—	(7.7)	1.0	(9.3)	17.1	25.3	29.9
Loss on sale of Viridian assets and related charges	—	7.3	—	—	—	—	—	—
Adjusted EBITDA	**$13.6**	**$20.6**	**$13.6**	**$13.0**	**$8.4**	**$16.1**	**$13.8**	**$14.4**

Distributable Cash and Payout Ratio

	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015
Cash flows provided by operating activities	$15.2	$19.2	$7.1	$(0.6)	$3.8	$26.7	$(0.5)	$7.3
Changes in operating assets and liabilities	2.2	(1.2)	(6.7)	(14.9)	(9.4)	13.7	(14.6)	(5.1)
Cash flows from operating activities excluding changes in operating assets and liabilities	**13.0**	**20.4**	**13.8**	**14.3**	**13.2**	**13.0**	**14.1**	**12.4**
Finance costs included in financing activities	(2.3)	(3.1)	(2.5)	(2.5)	(2.0)	(3.1)	(2.1)	(1.7)
Maintenance capital expenditures[(1)]	(1.2)	(6.1)	(2.0)	(1.4)	(2.2)	(2.9)	(2.0)	(1.9)
Unit based compensation	(0.3)	(0.6)	—	(0.6)	—	—	—	—
Distributable Cash	**$9.2**	**$10.6**	**$9.3**	**$9.8**	**$9.0**	**$7.0**	**$10.0**	**$8.8**
Distributions to non-controlling interest	—	—	3.4	3.6	3.7	3.2	3.1	3.4
Distributions to Unitholders	5.7	5.6	2.2	2.1	2.2	1.9	1.4	1.4
Total distributions	**$5.7**	**$5.6**	**$5.6**	**$5.7**	**$5.9**	**$5.1**	**$4.5**	**$4.8**
Payout Ratio	**62.0%**	**52.8%**	**60.2%**	**58.2%**	**65.6%**	**72.9%**	**45.0%**	**54.5%**

(1) Maintenance capital expenditures consisted of capital expenditures included in cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude cash flows used in investing activities relating to acquisitions.

Discussion of Operations
For the years ended December 31, 2016 and December 31, 2015

Revenue

For the year ended December 31, 2016, revenue was $743.8 million, representing an increase of 8.4% from $686.3 million for the year ended December 31, 2015.

Electricity

Electricity revenue for the year ended December 31, 2016 was $705.1 million, representing an increase of 10.7% from $636.7 million for the year ended December 31, 2015, as a result of a 19.7% increase in volume, partially offset by a 7.5% lower average retail rate per unit, reflecting lower energy market prices. Electricity volumes for the year ended December 31, 2016 were 7,657,000 MWh representing an increase of 19.7% from 6,395,000 MWh for the year ended December 31, 2015, with the increase primarily due to higher average customer numbers resulting from organic and acquisitive growth.

Natural Gas

Natural gas revenue for the year ended December 31, 2016 was $28.2 million, representing a decrease of 31.9% from $41.5 million for the year ended December 31, 2015, as a result of a 2.9% decrease in volume and a 29.9% decrease in average retail rate per unit, reflecting lower energy market prices. Natural gas volumes for the year ended December 31, 2016 were 5,788,000 MMBtu, representing a decrease of 2.9% from 5,959,000 MMBtu for the year ended December 31, 2015, with the decrease primarily resulting from lower average natural gas customer numbers.

Solar Revenue

Solar revenue for the year ended December 31, 2016 was $2.3 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 4.4 MW. This represents an increase of 59.3% from revenues of $1.5 million and 9.1 MW for the year ended December 31, 2015. The increase in revenues was primarily attributable to a one-time $4.8 million impact resulting from a change in application of our revenue recognition accounting policy for solar revenues, made during the fourth quarter of 2015. Prior to the fourth quarter of 2015, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. In the fourth quarter of 2015, due to elevated cancellation rates and the transition to a new solar reseller partnership, the accounting change was made to more conservatively recognize revenue at the time of the installation of the solar system. This resulted in a one-time charge in the fourth quarter of 2015 to reduce revenues by $4.8 million for solar systems that had not yet been installed. Removing the one-time impact of this accounting policy change, solar revenue for 2015 would have been $6.3 million. The lower revenues in 2016 reflect market conditions in the solar industry which were challenging as a result of low utility prices in the northeast U.S. markets, increased rates for power purchase agreements and lease products offered by our solar partner which resulted in a less attractive customer value proposition, as well as the integration of the SunEdison acquisition.

Fee Revenue

Fee revenue, consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers, for the year ended December 31, 2016 was $8.1 million, representing an increase of 21.5% from $6.6 million for the year ended December 31, 2015, which was primarily attributable to increased customer fee revenues, partially offset by the elimination of fees received from independent contractors following the sale of certain assets held by Viridian during the year.

Gross Margin

For the year ended December 31, 2016, gross margin was $158.5 million, representing a decrease of 3.2% from $163.7 million for the year ended December 31, 2015. Gross margin for the year ended December 31, 2016 was 21.3% of total revenue, representing a decrease from 23.9% of total revenue for the year ended December 31, 2015 consistent with Management expectations. Gross margin benefited from increased average customer numbers due to organic and acquisitive customer growth, with the decrease in gross margin as a percentage of revenue in the current year primarily a result of lower year-over-year unit gross margins due to a change in the customer mix with a higher percentage of lower-margin commercial and municipal aggregation customers.

Electricity

Electricity gross margin for the year ended December 31, 2016 was $138.4 million, representing a decrease of 1.5% from $140.5 million for the year ended December 31, 2015. The relatively flat gross margins year-over-year are the result of higher revenues due to volumetric growth in the portfolio discussed above, offset by lower gross margins per unit. For the year ended December 31, 2016, electricity gross margin per unit was $18.08/MWh and electricity gross margin was 19.6% of electricity revenues, compared to $21.97/MWh and 22.1%, respectively, for the year ended December 31, 2015. Electricity gross margins per unit were primarily driven lower by the increasing lower-margin commercial customer base in the portfolio from organic and acquisitive growth over the period.

Natural Gas

Natural gas gross margin for the year ended December 31, 2016 was $9.7 million, representing a decrease of 36.0% from $15.1 million for the year ended December 31, 2015, primarily as a result of lower customer numbers and volumes as well as lower unit margins. For the year ended December 31, 2016, natural gas gross margin per unit was $1.67/MMBtu and natural gas gross margin was 34.2% of natural gas revenues representing a decrease from $2.54/MMBtu and 36.4%, respectively, for the year ended December 31, 2015. The decrease in unit margin and gross margin as a percentage of revenue in the current year is attributed to margin pressure as a result of the significant year-over-year decreases in the price of wholesale natural gas.

Other

Gross margin for the year ended December 31, 2016 included solar revenues of $2.3 million, and revenues from independent contractors in the network marketing channel and various fees received from customers of $8.1 million. For the year ended December 31, 2015, solar revenues were $1.5 million, and revenues from independent contractors in the network marketing channel and various fees received from customers were $6.6 million. These revenues do not have associated cost of sales.

Selling Expenses

Selling expenses consist of commissions due to our various sales channels including to independent contractors in our network marketing channel, and to Viridian International Management LLC ("**Viridian International**") following the sale of certain Viridian assets in July 2016, commercial and residential brokers, telemarketing and door-to-door vendors, partners in our strategic partnerships, employees both for customer consumption and enrolling new electricity, natural gas and solar customers, and vendors used in the Company's direct mail and other direct marketing campaigns. Selling expenses are expensed in the period during which they are earned by the independent contractors, strategic partners, employees or vendors, as applicable.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrollment of customers, and residual commissions, which are primarily based on customer consumption and receipt of customer payments. The commission structures utilized are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing (prior to the sale of certain Viridian assets in July 2016) were calculated according to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrollment and energy usage.

- Commissions due for customers acquired through our strategic partnerships, and through Viridian International (following the sale of certain Viridian assets in July 2016), are calculated primarily based on upfront commissions calculated per customer enrolled, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain time-frames and a residual-based commission based on a revenue or energy usage over a customer's term of service.

- Commissions due to independent contractors in our direct marketing channel are primarily comprised of upfront commissions, based on successful customer enrollments, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain time-frames, or paid under hourly contracts. Selling costs also include costs from various vendors used in direct mail and other direct marketing campaigns.

- Commissions due to brokers in our commercial broker channel are primarily residual commissions, which are based on energy usage over a customer's term of enrollment.

- Commissions due to employees in a sales team and third-party vendors focusing on solar sales are based on the size and pricing of the solar systems sold.

For the year ended December 31, 2016, selling expenses were $28.8 million, representing a decrease of 25.8% from $38.9 million for the year ended December 31, 2015. Selling expenses for the year ended December 31, 2016 amounted to 3.9% of revenue compared to 5.7% of revenue for the year ended December 31, 2015. Selling costs in 2016 were lower, primarily driven by lower upfront customer acquisition costs as a result of channel mix of new customer sales, with increased, lower cost, commercial customer growth in 2016, and additional commissions incentives of $6.2 million offered in the prior year in the network marketing channel during the transition to a new compensation plan structure. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the year ended December 31, 2016 of $8.3 million (amounting to $21 per customer acquired), representing a decrease from $12.9 million for the year ended December 31, 2015 (amounting to $34 per customer acquired). The decrease was primarily attributable to two factors. Firstly, costs in 2015 were impacted by the upfront component of the above-mentioned transitional commissions incentives offered in the network marketing channel of $2.1 million. Secondly, costs in 2016 were impacted by lower upfront costs per customer, due to increased commercial and municipal aggregation customer enrollments, with a predominantly residual-based commissioning structure, partially offset by higher organic customer enrollments compared to the prior comparable period in 2015.

(b) Residual-based electricity and natural gas commissions for the year ended December 31, 2016 of $17.2 million (amounting to 2.3% of revenues), representing a decrease from $21.3 million for the year ended December 31, 2015 (amounting to 3.1% of revenues). The prior year included the residual based component of the above-mentioned transitional commissions incentives offered in 2015 in the network marketing channel of $4.1 million. In addition, residual-based commissions in both years were impacted by the acquisition accounting for the TriEagle Energy and Kona Energy acquisitions: any residual-based commissions owed to brokers in relation to customers acquired as part of these two acquisitions are treated under acquisition accounting as an assumed liability and were included in the purchase price allocation for the acquisition, based on estimated customer usage and contracted commission rates. Thus, the ongoing payment of residual-based commissions associated with the customers acquired in these acquisitions relieves the liability on the consolidated statement of financial position rather than being expensed as a selling cost. This accounting treatment impacted residual-based commissions by $6.8 million in 2016, compared to $2.6 million in the 2015.

(c) Solar selling expenses for the year ended December 31, 2016 of $3.3 million, representing a decrease from $4.6 million for the year ended December 31, 2015. Solar selling expenses in 2016 were lower due to lower sales activity as a result of the challenging market conditions discussed above, and the integration of SunEdison acquisition.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2016 were $76.2 million, as set out in the table below. Excluding the non-recurring impacts related to the loss on the sale of Viridian assets of $7.3 million and solar operating expenses associated with the solar acquisitions in 2016 of $3.7 million, general and administrative expenses for the year would have been $65.2 million. This compared to $72.2 million for the year ended December 31, 2015.

General and Administrative Expenses
(in $ millions and % of revenue)

	Year ended December 31, 2016		Year ended December 31, 2015	
	$	%	$	%
POR fees / bad debt	$6.6	0.9%	$6.7	1.0%
Processing costs	4.7	0.6%	7.5	1.1%
Human resources	27.0	3.6%	29.5	4.3%
Gross receipts taxes and other taxes	7.9	1.1%	6.2	0.9%
Professional and consultant fees	3.1	0.4%	3.8	0.6%
Legal and regulatory	4.2	0.6%	2.9	0.4%
Solar operating expenses	3.7	0.5%	0.0	0.0%
Other	11.7	1.6%	15.6	2.3%
Non-recurring costs	7.3	1.0%	—	—%
Total	**$76.2**	**10.2%**	**$72.2**	**10.5%**

General and administrative expenses incurred during the year ended December 31, 2016 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the local distribution companies ("**LDCs**") pursuant to Purchase of Receivables ("**POR**") programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees/bad debt expense for the year ended December 31, 2016 was $6.6 million, representing 0.9% of revenue, compared to $6.7 million for the year ended December 31, 2015, representing 1.0% of revenue for that period. The slight decrease was impacted by a reduction in bad debt expense in the markets in which the Company is exposed to credit risk, partly due to the increase in the mix of commercial customers, which are generally associated with lower bad debt expense.

(b) Processing costs for the year ended December 31, 2016 of $4.7 million include various data processing and information technology costs incurred to service our customers and salesforce. This figure compares to $7.5 million for the year ended December 31, 2015, with the reduction attributable to efficiencies in information technology costs related to customer and salesforce data processing achieved over the last 12 months, including the impact of the Viridian sales channel restructuring.

(c) Human resource costs for the year ended December 31, 2016 of $27.0 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2015 of $29.5 million. The decrease was primarily the result of various workforce rationalizations implemented during 2016 as well as the impact of the Viridian sales channel restructuring, partially offset by higher performance-based incentive compensation to employees.

(d) Gross receipts taxes and other taxes for the year ended December 31, 2016 of $7.9 million represent operational taxes in various states and jurisdictions and are primarily driven by revenue. This compares to the $6.2 million incurred in the prior comparable period in 2015, with the increase primarily attributable to higher revenues in certain markets such as New York and Pennsylvania, where such taxes are applicable.

(e) Professional and consultant fees for the year ended December 31, 2016 of $3.1 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares to $3.8 million in the prior comparable period in 2015, with the prior period being impacted by $0.3 million of acquisition due diligence costs, including the TriEagle Energy acquisition.

(f) Legal and regulatory costs for the year ended December 31, 2016 of $4.2 million represent external legal fees incurred in the United States and Canada and compares to $2.9 million in the prior comparable period in 2015 with the increase primarily attributable to costs associated with increased legal and regulatory activity as well as acquisition related legal fees and fees associated with the Viridian sale transaction.

(g) Solar operating expenses for the year ended December 31, 2016 of $3.7 million represent costs associated with the acquisition of the solar assets from SunEdison and proposed purchase of certain residential solar installation assets from Verengo. The expenses included $1.6 million in non-recurring employee transition and milestone bonuses and other fees associated with the SunEdison purchase transaction and $2.1 million in one-time legal, tax, accounting and other start-up and integration costs associated with the acquisitions, prior to revenues being recognized. There was no prior year comparable period expense in 2015.

(h) Other costs for the year ended December 31, 2016 of $11.7 million represent the balance of corporate, operational and marketing related expenses incurred to operate the business. These costs compare to $15.6 million in the prior comparable period in 2015 with the decrease being primarily attributable to cost efficiencies achieved over the last twelve months including those resulting from the restructuring of the Viridian sales channel.

(i) As a result of the sale of the Viridian assets in July 2016 to Viridian International, the Company recognized a loss on sale and related charges of $7.3 million for the year ended December 31, 2016. These represent non-recurring charges including the difference between the consideration received from Viridian International and the net book value of the intangible assets related to the Viridian sales channel that were established in the initial public offering of the Trust in November 2012, as well as a charge to fully reserve for the amounts owed to Crius Energy by Viridian International under the transaction agreements.

Unit-Based Compensation

The unit-based compensation charge relates to the cumulative net issuance of Phantom Unit Rights to Management and other parties as well as of Deferred Trust Units to the Board. For the year ended December 31, 2016, unit-based compensation expense amounted to $4.9 million, representing an increase from $4.4 million for the year ended December 31, 2015. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization relate to the property and equipment, and intangibles used in the Company's operations. Depreciation and amortization for the year ended December 31, 2016 was $39.5 million, representing a decrease from $49.1 million for the year ended December 31, 2015. The decrease is primarily attributable to certain intangible assets established in the initial public offering of the Trust in November 2012, which have now been fully amortized, and is offset by incremental amortization associated with the acquisitions of TriEagle Energy and Kona Energy completed in 2015 and 2016, respectively, as well as the impact of changes in estimates of the useful lives of certain intangible assets.

Finance Costs

Finance costs for the year ended December 31, 2016 were $10.3 million, representing an increase from $9.0 million for the year ended December 31, 2015. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion in the section entitled *"Liquidity and Capital Resources"* in this MD&A, for a detailed description of this facility. The higher finance fees for the year ended December 31, 2016 as compared to the prior comparable period were impacted by higher usage of the working capital facility and increased volumetric energy fees as a result of increased volumes, partially offset by certain Macquarie facility pricing improvements put in place in conjunction with the acquisition of Kona Energy in the first quarter of 2016.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the year ended December 31, 2016 were $5.7 million, compared to $14.9 million for the year ended December 31, 2015. The decrease was primarily due to the reduction in the non-controlling interest ownership of the LLC Units as a result of the acquisitions of the remaining non-controlling interests by the Trust in July 2015 and in June 2016.

Due to certain provisions relating to redemption rights for the non-controlling interest in change of control circumstances that existed in the Trust's governance documents prior to the completion of the Remaining LLC Acquisition in June 2016, the non-controlling interest was classified as a long-term liability on the statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest were included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional derivative positions in the market if the derivative contracts were to be terminated at the respective period end (see the section entitled *"Financial Instruments and Risk Management"* in this MD&A).

For the year ended December 31, 2016, the changes in unrealized gains or losses associated with derivative contracts were net gains of $46.1 million compared to net gains of $14.9 million for the year ended December 31, 2015.

Change in Fair Value of Derivative Instruments
(in millions)

	Year ended December 31, 2016	Year ended December 31, 2015
Forward electricity positions	$39.3	$12.7
Forward natural gas positions	8.2	3.0
Weather derivative positions	(0.5)	0.2
Forward currency positions	(0.9)	(1.0)
Change in fair value of derivative instruments	**$46.1**	**$14.9**

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to hedge either the fixed price exposure of customers on fixed price contracts, the expected short-term exposure of variable priced customers, or the impacts of currency movements on the Trust's distributions, thus minimizing the impact of these unrealized mark-to-market gains and losses.

Change in Fair Value of Warrants

The change in fair value of warrant liability for the year ended December 31, 2016 represented a gain of $0.3 million compared to a loss of $1.1 million for the year ended December 31, 2015. This gain represents the mark-to-market valuation of the 750,000 Unit purchase warrants ("**Warrants**") issued to Macquarie Energy as consideration for the expansion of the Supplier Agreement (as defined in the section entitled *"Liquidity and Capital Resources"* in this MD&A) in February 2014. The valuation of the Warrants is based on an option valuation model, and accordingly the non-cash gains and losses are the result of changes in the Unit price, volatility and yield, the time to maturity and the risk-free rate over the period.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the year ended December 31, 2016 was a gain of $6.7 million compared to a loss of $62.8 million for the year ended December 31, 2015. These gains and losses represent the mark-to-market valuation of the non-controlling interest liability included on the Trust's statement of financial position related to the non-controlling members ownership of LLC Units prior to the completion of the Remaining LLC Acquisition in June 2016. The mark-to-market valuation gain and loss in the year ended December 31, 2016 and December 31, 2015 respectively, was primarily the result of changes in the trading price of Units, during the reporting periods.

In June 2016, the Trust completed the Remaining LLC Acquisition, following which the Trust no longer has a non-controlling interest liability relating to the non-controlling members of the Company. Accordingly, following the Remaining LLC Acquisition, the Company no longer has gains and losses representing the mark-to-market valuation of such non-controlling interest liability. However, due to certain provisions relating to redemption rights for the non-controlling interest in change of control circumstances that existed in the Trust's governance documents prior to the Remaining LLC Acquisition, the non-controlling interest was classified as a long-term liability on the statement of financial position. Accordingly, this non-controlling interest was measured at fair value at the end of each period with the gain or loss being recorded in the profit and loss. The fair value of the non-controlling interest was measured principally based on the trading price of Units on the TSX, with an adjustment for certain profit interest units of the Company that was calculated using an option pricing model.

Provision for Income Taxes

For the years ended December 31, 2016 and December 31, 2015, the Trust recorded a provision for income taxes of $1.8 million and $1.1 million respectively. The Trust was in a pre-tax income position for the year, and was in a net income position for the same period after adjusting for permanent differences, including the change in fair value of non-controlling interest, distributions to non-controlling interest and removing the profit or loss of the Company that is attributed directly to the non-controlling partners of the Company. The Trust's provision for income taxes relates to the Trust's U.S. subsidiaries. Deferred tax assets are recognized to the extent that the Trust believes that the likelihood of recognition is probable.

Net Income (Loss) and Total Comprehensive Income (Loss)

For the year ended December 31, 2016, net income and comprehensive income was $44.4 million, compared to net loss and comprehensive loss of $74.9 million for the year ended December 31, 2015, respectively, with the changes being attributable to the factors noted above. Net income (loss) and total comprehensive income (loss) is impacted by numerous non-cash items, some being a result of the structure of the Trust and its subsidiaries as well as the industry in which it operates. Accordingly, Management believes the additional non-IFRS financial measures of Adjusted EBITDA and Distributable Cash are useful metrics to be considered together with net income (loss) and comprehensive income (loss) for evaluating the Trust's financial and operating performance, as they are measures that Management uses internally to assess performance.

Liquidity and Capital Resources

The Trust expects to have sufficient liquidity to fund its planned operations for the foreseeable future. The following are the primary sources of funding for future expenditures that are expected by Management to be available: (i) internally generated cash flow from operations; (ii) existing cash and working capital; and (iii) borrowing capacity under the Company's supplier agreement (the "**Supplier Agreement**") with Macquarie Energy. Additionally, Management may seek to raise capital through different means, including: (iv) external debt financing; and (v) the issuance of additional Units.

Supplier Agreement

The Supplier Agreement provides for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each Independent System Operator. Further, the Company's customers as well as the LDCs serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "**Lockbox**"), and the funds in that account are used to pay Macquarie Energy for energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250.0 million subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and un-billed receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included as finance costs in the profit and loss. Effective February 1, 2016, the Company entered into an amended Supplier Agreement with Macquarie Energy, whereby the volumetric fees are temporarily reduced until the Company reaches an agreed upon savings. Upon reaching the targeted savings, the volumetric fees will revert to their previous rate.

The Supplier Agreement includes a working capital facility with a sub-limit of $60.0 million under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR, with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Under the Supplier Agreement, the Company and its operating subsidiaries are permitted to make monthly distributions provided that (i) no event of default, termination event or potential event of default under the Supplier Agreement has occurred, (ii) Macquarie Energy has been paid in full for all amounts owing under all then outstanding monthly invoices, (iii) Macquarie Energy has not received notice that any amount owed to any party is then currently past due, and (iv) the requested distribution would not result in a breach of any covenant under the Supplier Agreement. For a detailed description of the Supplier Agreement, refer to the section entitled *"Principal Agreement with Macquarie Energy"* in the Annual Information Form of the Trust for the year ended December 31, 2016, dated March 16, 2017, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca.

As at December 31, 2016, the Trust has no long-term debt and $9.5 million outstanding under its credit facility with Macquarie Energy, compared to no long-term debt and $4.0 million outstanding under its credit facility as at December 31, 2015. As at December 31, 2016, the Company was in compliance with all covenants under the Supplier Agreement.

Cash and Availability

As of December 31, 2016, the Trust had total cash and availability of $49.9 million consisting of cash and cash equivalents of $10.9 million and $39.0 million of availability under the credit facility with Macquarie Energy. This compares to the total cash and availability as at December 31, 2015 of $42.9 million, consisting of cash and cash equivalents of $11.2 million and $31.7 million of availability under the credit facility with Macquarie Energy.

Cash Flow from Operations

Cash flow from operations for the year ended December 31, 2016 amounted to $41.0 million and included net outflows of $20.6 million for changes in operating assets and liabilities, which compared to cash flow from operations for the year ended December 31, 2015 of $37.3 million and included net outflows of $15.3 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $61.6 million for the year ended December 31, 2016, compared to $52.6 million for the year ended December 31, 2015.

Cash flow from operations for the three month period ended December 31, 2016 amounted to $15.2 million and included net inflows of $2.2 million for changes in operating assets and liabilities, which compared to cash flow from operations for the three month period ended December 31, 2015 of $3.8 million and included net outflows of $9.4 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $13.0 million for the three month period ended December 31, 2016, compared to $13.2 million for the three month period ended December 31, 2015.

Changes in operating assets and liabilities primarily arise due to the time lag associated with the cash conversion cycle or the period between the time the Company pays for wholesale energy and the time it receives payments from customers for the energy sold, which is also impacted by the business' growth and seasonality. The credit facility in place with Macquarie Energy is a borrowing base facility and, as such, provides access to cash that is needed to fund changes in operating assets and liabilities associated with the build-up of customer accounts receivables and trade payables subject to a borrowing base.

Working Capital

As of December 31, 2016, the Trust had an Adjusted Working Capital balance of negative $13.4 million compared to negative $9.1 million as at December 31, 2015. The decrease of $4.3 million was the result of the various acquisitions funded from cash and availability during the year including $7.9 million for the acquisitions that closed in the first quarter of 2016, primarily Kona Energy, as well as the SunEdison acquisition purchase price of $1.5 million and the capitalization of Crius Solar Fulfillment LLC with $2.3 million related to the Verengo acquisition, and offset by strong Distributable Cash less total distributions paid during the year. As at December 31, 2016, the Adjusted Working Capital was impacted by the acquisition accounting treatment of residual commissions associated with acquired customers from the TriEagle Energy and Kona Energy acquisitions. The current portion of the assumed liabilities recognized on the balance sheet totaled $4.0 million for estimated residual-based broker commissions for both acquisitions, and therefore contributed to the negative working capital as at December 31, 2016. Crius Energy expects the Adjusted Working Capital deficiency to be remedied by excess Distributable Cash over total distributions over the coming quarters. Adjusted Working Capital is defined as current assets less current liabilities, excluding unrealized gains and losses on derivatives. The table below shows a reconciliation of adjusted working capital to the Trust's consolidated balance sheet as prepared under IFRS:

Adjusted working capital
(in millions)

	As at December 31, 2016	As at December 31, 2015
Current assets	$126.3	$125.7
Current liabilities	146.9	176.0
Working capital	**$(20.6)**	**$(50.3)**
Adjusted for the impact of:		
Other current financial assets	(2.1)	(1.9)
Other current financial liabilities	9.3	43.1
Adjusted working capital	**$(13.4)**	**$(9.1)**

Distributable Cash and Distributions

Distributable Cash for the year ended December 31, 2016 was $38.9 million and total distributions paid for the year were $22.6 million, which represented a payout ratio of 58.1% of Distributable Cash. This compares to Distributable Cash of $34.7 million, total distributions of $20.2 million and a payout ratio of 58.2% for the year ended December 31, 2015. Cash flows from operations grew year-over-year as a result of the strong operating results in 2016 and were partially offset by increased capital expenditures, which included $5.2 million in one-time charges related to the relocation of the Company's corporate offices to Norwalk, Connecticut. The Company received a tenant allowance of $1.8 million in the current year, to offset these capital expenditures, however, the tenant allowance is not reflected (i.e. is not netted) within the capital expenditures incurred in the year as the benefit is recognized over the term of the lease for financial reporting purposes. The payout ratio is consistent year-over-year due to the increase in Distributable Cash largely being offset by the 2% quarterly distribution increases throughout 2016.

The following table provides a reconciliation of Cash flows provided by operating activities to Distributable Cash and shows the payout ratio of total distributions as a percentage of Distributable Cash.

Distributable Cash and Payout Ratio (unaudited)
(in millions)

	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
Cash flows provided by operating activities	$15.2	$3.8	$41.0	$37.3
Changes in operating assets and liabilities	2.2	(9.4)	(20.6)	(15.3)
Cash flows from operating activities excluding changes in operating assets and liabilities	**13.0**	**13.2**	**61.6**	**52.6**
Finance costs - included in financing activities	(2.3)	(2.0)	(10.5)	(8.9)
Maintenance capital expenditures[1]	(1.2)	(2.2)	(10.7)	(9.0)
Unit-based compensation payments	(0.3)	—	(1.5)	—
Distributable Cash	**$9.2**	**$9.0**	**$38.9**	**$34.7**
Distributions to non-controlling interest	—	3.7	6.9	13.3
Distributions to Unitholders	5.7	2.2	15.7	6.9
Total distributions	**$5.7**	**$5.9**	**$22.6**	**$20.2**
Payout Ratio	**62.0%**	**65.6%**	**58.1%**	**58.2%**

(1) Maintenance capital expenditures consisted of capital expenditures included within cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude cash flows used in investing activities relating to acquisitions.

Contractual Obligations

In the normal course of business, the Company is obligated to make future payments under various non-cancellable contracts and other commitments. As at December 31, 2016, the payments due by period are set out in the following table:

Contractual Obligations (in millions)	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$163.9	$132.3	$31.6	$—
Operating leases	13.4	0.7	6.2	6.6
Financing leases	1.0	0.4	0.5	—
Credit facility	9.5	9.5	—	—
Distribution payable	1.9	1.9	—	—
Other non-current liabilities	1.9	—	1.9	—
	$191.6	**$144.8**	**$40.2**	**$6.6**

Outstanding Unit Data

At the date of this MD&A, the Trust had (i) 40,086,451 Units outstanding, and (ii) 750,000 Warrants outstanding, which were issued to Macquarie Energy in February 2014. Of the 750,000 Warrants outstanding, 687,500 Warrants are vested, with the remaining 62,500 Warrants due to vest on February 7, 2018. The Warrants have a strike price of C$6.23 per Unit and may be exercised at any time following vesting until February 6, 2019.

Financial Instruments and Risk Management

Overview

The Trust's operations are affected by a number of underlying risks, both internal and external to the Trust. The Trust's financial position, results of operations and cash distributions are directly impacted by these factors. A full listing of the operational and business risks is set out in the Trust's Annual Information Form for the year ended December 31, 2016, dated March 16, 2017, which is available on SEDAR under the issuer profile of the Trust at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The Trust's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities, including:

- market risk, including commodity risk, interest rate risk and foreign currency risk;
- credit risk, including customer credit risk and counterparty credit risk;
- liquidity risk; and
- supplier risk.

Information about the Trust's exposure to each of the above-noted risks, the Trust's objectives, policies and processes for measuring and managing such risks, and the Trust's management of capital are set out below. Further quantitative disclosures are included throughout the Trust's consolidated financial statements.

Market Risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity risk

The Company has entered into contracts with customers to provide electricity or natural gas at variable or fixed prices. Fixed-price contracts expose the Company to changes in market prices of electricity and natural gas, as the Company is obligated to purchase electricity and natural gas at floating wholesale market prices for delivery to its customers. The Trust is, therefore, exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with the Company's risk management policy (the "**Risk Management Policy**"). The Risk Management Policy prohibits speculative positions and sets out a variety of hedging limits, most importantly a target of maintaining a 100% hedged position, within certain tolerance bands, at all times for fixed-price contracts exposure in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including the accuracy of estimation of customer commodity requirements, commodity prices, and market volatility and liquidity.

Electricity and natural gas derivatives

To reduce its exposure to short-term and long-term movements in commodity prices, arising from the procurement of electricity and natural gas at floating prices, the Company uses derivative instruments. These derivative instruments are principally physical forward contracts and fixed-for-floating swaps, whereby the Company agrees with a counterparty, through the Supplier Agreement, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas, for a specified timeframe at a specified location. The cash flow from these instruments is expected to be effective in offsetting the Company's price exposure and serves to fix the Company's wholesale cost of electricity or natural gas to be delivered to the customer. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which the commodity hedging instruments are based.

Realized swap settlements under derivative instruments are included in cost of sales in the Trust's consolidated statements of comprehensive income (loss). Unrealized gains or losses resulting from changes in the fair value of the derivative instruments, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statements of comprehensive income (loss).

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of its derivative instruments using market-based, forward wholesale price curves wherever available.

As at December 31, 2016, the Company had electricity and natural gas derivative instruments outstanding with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($ millions)	Notional Value ($ millions)
Fixed-for-floating electricity swaps	1 – 25 MW	3,819,925 MWh	1 – 48	$21.30 to $74.24	($4.8)	$148.3
Fixed-for-floating natural gas swaps	(123) – 5,000 MMBtu	2,079,350 MMBtu	1 – 18	$2.75 to $4.24	$1.0	$7.7
Physical electric forward contracts	0 – 24 MW	1,927,484 MWh	1 – 50	$20.75 to $71.43	($5.0)	$68.1
Physical natural gas forward contracts	(1,380) – 5,427 MMBtu	892,245 MMBtu	1	$0.05 to $9.18	($0.1)	$4.5
Fixed-for-floating electricity basis swaps	(20) – 20 MW	– MWh	1 – 12	$(5.50) to $36.55	($0.2)	$10.2
Fixed-for-floating natural gas basis swaps	161 – 2,500 MMBtu	– MMBtu	1 – 6	$(0.90) to $4.86	$0.1	$0.7
Heat rate forward contracts	2 – 5 MW	53,627 MWh	1 – 18	$9.36 to $18.45	($0.4)	$2.2
Electricity capacity contracts	25,000 KWM	100,000 KWM	1 – 4	$1.25	$—	$0.1
Financial transmission rights	0.9 – 11.74 MW	707,003 MWh	1 – 17	$(5.65) to $10.50	$—	$0.9
Electricity derivative options	800 – 920 MW	2,600 MWh	1 – 3	$20.05	$—	$0.1
Gas derivative options	0 – 2,000 MMBtu	134,740 MMBtu	1 – 3	$0.55	$—	$0.1

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase / (decrease) in net income and total comprehensive income of $22.0 million in the consolidated statements of comprehensive income (loss), but would not impact Adjusted EBITDA or Distributable Cash.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement. As at December 31, 2016, the Trust had cash advances and letters of credit outstanding of $9.5 million and $11.5 million respectively under the Supplier Agreement and, therefore, is exposed to interest rate risk. The Trust is also exposed to interest rate risk on certain loans and other receivables totaling approximately $9.6 million, owed to it by other parties including Viridian International, Verengo and Big Sky Gas. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments, and the Trust does not currently believe that it is exposed to material interest rate risk. In the year ended December 31, 2016, the impact of a 1.0% increase (decrease) in the interest rate on these balances would not have had a material impact on Finance costs in the profit and loss.

Foreign currency risk

The Trust is exposed to currency rate risk because the Company's business operations are conducted in United States dollars, whereas distributions to Unitholders are denominated in Canadian dollars and the Units are traded on the TSX in Canadian dollars.

Currency derivatives

The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative products, including foreign currency options whereby the Company agrees with a counterparty to have the right to swap the floating price for a fixed price on a notional quantity of currency at or over a specified timeframe. The Trust maintains a rolling hedging program for this foreign currency exposure of at least 12 forward months, which may be extended on a quarterly basis.

As at December 31, 2016, the Trust hedged this currency exposure for a 24 month period ending December 31, 2018 with a floor exchange rate of C$1.34 per $1.00, in an amount based approximately on the current level of distributions over the hedged period.

As at December 31, 2016, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value (millions)	Maturity Date (months)	Fixed Price	Fair Value (millions)
Foreign exchange options	US$44.4 C$58.4	1-24	C$1.34 per $1.00	US$1.7

Realized settlements under derivative instruments are included in the relevant section of the consolidated statements of comprehensive income (loss) or consolidated balance sheet. Unrealized gains or losses resulting from changes in the fair value of the derivatives, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statements of comprehensive income (loss).

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based prices and option valuation methods.

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these hedge contracts. For example, assuming that all other variables remain constant, a market move of +/-10% would result in increase (decrease) in net income and total comprehensive income of $3.3 million and $(1.3) million, respectively, in the profit and loss, but would not impact Adjusted EBITDA.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

In certain markets in which the Company serves electricity and natural gas customers, LDCs provide collection services and assume the risk of any bad debts owing from the Company's customers for a fee, which is referred to as a POR fee. Management believes that the risk of the LDCs failing to deliver payment to the Company is minimal; however, there is no assurance that the LDCs that provide these services will continue to do so in the future.

In certain other markets in which the Company operates, the Company is exposed directly to customer credit risk. As a result, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer defaults. Customer credit risk exposure represents the risk related to the Company's accounts receivable from certain markets. If a significant number of customers in these markets were to default on their payments, it could have an adverse effect on the operations and cash flows of the Company.

As at December 31, 2016, the customer credit risk exposure was $7.8 million, compared to $5.9 million for the year ended December 31, 2015 and the accounts receivable aging for these markets are as follows:

	Total	Current	30-59 days	Over 60 days
Accounts receivable	$7.8	$6.8	$0.4	$0.6

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk related to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency and other derivatives amounted to $2.1 million as at December 31, 2016 compared to $1.9 million for the year ended December 31, 2015, representing the risk relating to the Company's derivative financial assets. The Trust is also exposed to counterparty credit risk on certain loans and other receivables totaling approximately $9.6 million, owed to it by other parties including Viridian International, Verengo and Big Sky Gas. The amounts due from Viridian International of $5.6 million are fully reserved for, based on the Company's current understanding and assessment of Viridian International's ability to pay. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring near-term and long-term cash flow forecasts to ensure adequate and efficient use of cash resources and credit facilities.

The table in the section entitled *"Contractual Obligations"* of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at December 31, 2016.

Supplier risk

The Company purchases the energy it delivers to its customers through contracts entered into with Macquarie Energy. This exposes the Company to supplier risk, as its ability to continue to deliver energy to its customers depends upon the ongoing operations of this supplier and its fulfillment of its contractual obligations.

Off-Balance Sheet Arrangements

Pursuant to the Supplier Agreement, the Company has issued letters of credit as at December 31, 2016 and December 31, 2015 totaling $11.5 million and $10.4 million respectively, to various counterparties, principally LDCs.

Pursuant to separate arrangements with various insurance companies, the Company has issued surety bonds to various counterparties, including U.S. states, regulatory bodies and LDCs in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain U.S. states or markets. Surety bonds issued as at December 31, 2016 and December 31, 2015 totaled $18.8 million and $20.4 million, respectively.

We do not reasonably expect any presently known trend or uncertainty to affect our ability to continue using these arrangements.

Transactions Between Related Parties

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including intercompany notes and administrative service fees between the Trust and its subsidiaries. These transactions are eliminated on consolidation and are not disclosed in the Trust's consolidated financial statements.

During the year ended December 31, 2016, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances of future distributions. The balance as at December 31, 2016 and December 31, 2015 was $- and $0.4 million, respectively, and was included in other current assets in the consolidated statement of financial position. These amounts were being repaid through future distribution disbursements. Due to the short-term nature for the repayment of these advances, no interest was charged.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

LLC Units Acquisition

On May 18, 2016, the Trust and Crius Energy Corporation, an indirect wholly-owned subsidiary of the Trust, initiated a tender offer, as amended on June 9, 2016 (the "**Tender Offer**"), to purchase all 19,458,942 LLC Units not already owned, directly or indirectly, by the Trust (referred to as the Remaining LLC Acquisition in this MD&A). All 19,458,942 LLC Units subject to the Tender Offer were validly tendered by the holders thereof (each, a "**Remaining LLC Seller**"), following which, on June 23, 2016, the Trust acquired, directly or indirectly, all such 19,458,942 LLC Units subject to the Tender Offer for aggregate consideration comprised of 14,760,000 Units and approximately $45.3 million in cash.

Each of Michael Fallquist, Roop Bhullar and Cami Boehme was a Remaining LLC Seller under the Tender Offer, and each (i) was an insider of the Trust, and (ii) received, in exchange for their LLC Units, a buy-out payment comprised of Units and cash as set forth below.

Name of Insider	Position of Insider	Number of LLC Units Held	Buy-Out Payment
Michael Fallquist	Chief Executive Officer	1,506,538	C$4.5 Million & 1,150,000 Units
Roop Bhullar	Chief Financial Officer	62,221	C$0.2 Million & 40,000 Units
Cami Boehme	Chief Strategy Officer	38,060	C$0.2 Million & 20,000 Units
Total		**1,606,819**	**C$4.9 Million & 1,210,000 Units**

For greater certainty, following the Remaining LLC Acquisition, the Trust holds, directly or indirectly, a 100% interest in the Company, and there are no LLC Units held by Michael Fallquist, Roop Bhullar and Cami Boehme. The Trust has no ongoing contractual or other commitments to the foregoing individuals resulting from the acquisition of the LLC Units of such Remaining LLC Sellers. Each of Michael Fallquist and Roop Bhullar continue to hold the above positions with the Trust as of the date hereof. Cami Boehme is no longer an officer of the Trust.

Discussion of Fourth Quarter 2016 Operations
For the three month period ended December 31, 2016 and December 31, 2015

Revenue

For the three month period ended December 31, 2016, revenue was $171.4 million, representing an increase of 16.2% from $147.5 million for the three month period ended December 31, 2015. In general, the period-over-period revenue comparisons were impacted by higher volumes as a result of organic and acquisitive growth in the customer base but partially offset by a lower retail energy price environment.

Electricity

Electricity revenue for the three month period ended December 31, 2016 was $160.6 million, representing an increase of 14.4% from $140.4 million for the three month period ended December 31, 2015, primarily as a result of a 17.6% increase in volume, partially offset by 2.8% lower average retail rates per unit, reflecting lower energy prices. Electricity volumes for the three month period ended December 31, 2016 were 1,762,000 MWh, representing an increase of 17.6% from 1,498,000 MWh for the three month period ended December 31, 2015, with the increase primarily resulting from higher average customer numbers resulting from organic and acquisitive customer additions.

Natural Gas

Natural gas revenue for the three month period ended December 31, 2016 was $9.1 million, representing an increase of 5.0% from $8.7 million for the three month period ended December 31, 2015, primarily as a result of a 27.2% increase in volume partially offset by a 17.5% decrease in the average retail rate per unit. Natural gas volumes for the three month period ended December 31, 2016 were 1,880,000 MMBtu, representing an increase of 27.2% from 1,478,000 MMBtu for the three month period ended December 31, 2015, with the increase resulting from higher average usage per customer as a result of seasonally colder winter temperatures experienced in our core markets, partially offset by lower average customer numbers.

Solar Revenue

Solar revenue for the three month period ended December 31, 2016 was $0.2 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 0.5 MW. This represents an increase in revenues from negative $3.6 million but a decrease in volumes from 1.2 MW in the prior comparable period. Revenue in the prior period was impacted by $4.8 million from the change in application of our revenue recognition accounting policy for solar revenues discussed above that was made during the fourth quarter of 2015. Removing the one-time impact of this accounting policy change, solar revenue for the fourth quarter of 2015 would have been $1.2 million, and the lower revenues and volumes in 2016 reflect the market conditions in the solar industry which continued to be challenging as discussed above as well as the impact of the integration of the SunEdison acquisition.

Fee Revenue

Fee revenue, consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers, for the three month period ended December 31, 2016 was $1.5 million, representing a decrease of 26.6% from $2.0 million for the three month period ended December 31, 2015, which was primarily attributable to the elimination of fee revenues from the network marketing channel after the sale of certain Viridian assets to Viridian International in July 2016.

Gross Margin

For the three month period ended December 31, 2016, gross margin was $37.5 million, representing an increase of 5.7% from $35.5 million for the three month period ended December 31, 2015. Gross margin for the three month period ended December 31, 2016 was 21.9% of total revenue representing a decrease from 24.0% for the three month period ended December 31, 2015, consistent with Management expectations. Gross margin as a percentage of revenue was lower in the fourth quarter of 2016 primarily as a result of the increased proportion of lower-margin commercial and municipal aggregation customers.

Electricity

Electricity gross margin for the three month period ended December 31, 2016 was $32.3 million, representing a decrease of 5.6% from $34.3 million for the three month period ended December 31, 2015. For the three month period ended December 31, 2016, electricity gross margin per unit was $18.36/MWh, and electricity gross margin accounted for 20.1% of electricity revenues, representing a decrease from $22.88/MWh and 24.4%, respectively, for the three month period ended December 31, 2015. Electricity gross margin per unit in the quarter reflects the increased concentration of lower-margin commercial and municipal aggregation customers, including those acquired as part of the Kona Energy acquisition in February 2016.

Natural Gas

Natural gas gross margin for the three month period ended December 31, 2016 was $3.5 million, representing a 24.0% increase from $2.8 million for the three month period ended December 31, 2015. For the three month period ended December 31, 2016, natural gas gross margin per unit was $1.85/MMBtu, and natural gas gross margin accounted for 38.1% of natural gas revenues, representing a decrease from $1.90/MMBtu and an increase from 32.3%, respectively, for the three month period ended December 31, 2015, with the slightly lower unit margins being driven by the lower energy price environment.

Other

Gross margin for the three month period ended December 31, 2016 also included solar revenues of $0.2 million and various fees received from customers of $1.5 million. For the three month period ended December 31, 2015, solar revenues were $(3.6) million and revenues from various fees received from customers and from independent contractors in the network marketing channel were $2.0 million. These revenues do not have associated cost of sales.

Selling Expenses

For the three month period ended December 31, 2016, selling expenses were $6.6 million, representing a decrease from $9.8 million for the three month period ended December 31, 2015. Selling expenses for the three month period ended December 31, 2016 amounted to 3.8% of revenue compared to 6.6% for the three month period ended December 31, 2015. Selling costs in 2016 were lower, primarily driven by lower upfront customer acquisition costs as a result of channel mix of new customer sales, with increased, lower cost, commercial and municipal aggregation customer growth in 2016, and additional commissions incentives of $3.0 million offered in the prior comparable quarter in the network marketing channel during the transition to a new compensation plan structure. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the three month period ended December 31, 2016 of $1.3 million (amounting to $14 per customer acquired), representing a decrease from $3.8 million for the three month period ended by December 31, 2015 (amounting to $38 per customer acquired). The decrease was primarily attributable to two factors. Firstly, costs in 2015 were impacted by the upfront component of the above-mentioned transitional commissions incentives offered in the network marketing channel of $1.2 million in the prior comparable period. Secondly, costs in 2016 were impacted by lower upfront costs per customer, due to increased commercial and municipal aggregation customer enrollments, with a predominantly residual-based commissioning structure.

(b) Residual-based electricity and natural gas commissions for the three month period ended December 31, 2016 of $4.3 million (amounting to 2.5% of revenues), representing a decrease from $5.3 million for the three month period ended December 31, 2015 (amounting to 3.5% of revenues). The prior comparable quarter included the residual based component of the above-mentioned transitional commissions incentives offered in 2015 in the network marketing channel of $1.8 million. In addition residual-based commissions in both years were impacted by the acquisition accounting for the TriEagle Energy and Kona Energy acquisitions as discussed above. This accounting treatment had the impact of reducing residual-based commissions by $1.6 million in 2016, compared to $0.9 million in the 2015.

(c) Solar selling expenses for the three month period ended December 31, 2016 of $1.0 million compared to $0.7 million for the three month period ended December 31, 2015. Solar selling expenses in 2016 included incremental selling expenses associated with the solar business acquired from SunEdison in the third quarter of 2016, prior to the recognition of revenues.

General and Administrative Expenses

General and administrative expenses for the three month period ended December 31, 2016 were $17.3 million, compared to $17.3 million for the three month period ended December 31, 2015, as set out in the tables below. Current period general and administrative expenses were impacted by $1.9 million of solar operating expenses related to the acquisition of solar assets from SunEdison and the proposed purchase of the Verengo Assets prior to the recognition of revenues.

General and Administrative Expenses
(in $ millions and % of revenue)

	Quarter ended December 31, 2016		Quarter ended December 31, 2015	
	$	%	$	%
POR fees / bad debt	$1.7	1.0%	$1.3	0.9%
Processing costs	1.1	0.6%	1.8	1.2%
Human resources	6.5	3.8%	7.4	5.0%
Gross receipts taxes and other taxes	1.9	1.1%	1.0	0.7%
Professional and consultant fees	0.7	0.4%	0.9	0.6%
Legal and regulatory	0.8	0.5%	0.8	0.5%
Solar operating expenses	1.9	1.1%	—	0.0%
Other	2.7	1.6%	4.1	2.8%
Total	**$17.3**	**10.1%**	**$17.3**	**11.7%**

General and administrative expenses incurred during the three month ended December 31, 2016 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the LDCs pursuant to POR programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees / bad debt costs for the three month period ended December 31, 2016 were $1.7 million, representing 1.0% of revenue, compared to $1.3 million for the three month period ended December 31, 2015, representing 0.9% of revenue for that period.

(b) Processing costs for the three month period ended December 31, 2016 of $1.1 million include various data processing and information technology costs incurred to service our customers and sales force. This figure compares to $1.8 million for the three month period ended December 31, 2015, with the reduction attributable to efficiencies in information technology costs related to customer and salesforce data processing achieved over the last 12 months, including the impact of the Viridian sales channel restructuring.

(c) Human resource costs for the three month period ended December 31, 2016 of $6.5 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2015 of $7.4 million. The decrease was primarily the result of various workforce rationalizations implemented during 2016 as well as the impact of the Viridian sales channel restructuring, partially offset by higher performance-based incentive compensation to employees.

(d) Gross receipts taxes and other taxes for the three month period ended December 31, 2016 of $1.9 million represent operational taxes in various U.S. states and jurisdictions and are primarily driven by revenue. This was higher than the $1.0 million incurred in the prior comparable period, with the increase primarily attributable to higher revenues in certain markets such as New York and Pennsylvania, where such taxes are applicable.

(e) Professional and consultant fees for the three month period ended December 31, 2016 of $0.7 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares to $0.9 million in prior comparable period in 2015.

(f) Legal and regulatory costs for the three month period ended December 31, 2016 of $0.8 million represent external legal fees incurred in the United States and Canada and compared to $0.8 million in the prior comparable period in 2015.

(g) Solar operating expenses for three month period ended December 31, 2016 of $1.9 million represent costs associated with the acquisition of the solar assets from SunEdison and proposed purchase of the Verengo Assets. The expenses included $0.6 million in non-recurring employee transition bonuses associated with the transaction, $1.3 million in one-time legal, tax, accounting and other start-up and integration costs associated with the acquisitions, prior to revenues being recognized. There was no prior year comparable period expense in 2015.

(h) Other costs for the three month period ended December 31, 2016 of $2.7 million represent the balance of corporate, operational and marketing related expenses incurred to operate the business. These costs compare to $4.1 million in the prior comparable period in 2015 with the decrease being primarily attributable to cost efficiencies achieved over the last twelve months including those resulting from the restructuring of the Viridian sales channel.

Unit-Based Compensation

For the three month period ended December 31, 2016, unit-based compensation expense amounted to $0.7 million representing an increase from $0.5 million for the three month period ended December 31, 2015. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization for the three month period ended December 31, 2016 was $9.4 million, representing an increase from $7.4 million for the three month period ended December 31, 2015. The increase was primarily attributable to the incremental amortization associated with intangible asset additions made during the period including the Kona Energy acquisition.

Finance Costs

Finance costs for the three month period ended December 31, 2016 were $1.9 million, representing an increase from $1.7 million for the three month period ended December 31, 2015. The higher finance fees for the three months ended December 31, 2016 as compared to the prior comparable period in 2015 was attributable to increased volumetric energy fees as a result of increased volumes but partially offset by certain Macquarie facility pricing improvements put in place in conjunction with the acquisition of Kona Energy in the first quarter of 2016.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the three month period ended December 31, 2016 were zero compared to $3.8 million for the three month period ended December 31, 2015. This period over period decrease was primarily due to the elimination of the non-controlling interest ownership of the LLC Units as a result of the Remaining LLC Acquisition in June 2016, being the acquisition by the Trust, directly or indirectly, of the remaining non-controlling interests in the Company, as discussed above.

Change in Fair Value of Derivative Instruments

For the three month period ended December 31, 2016, the changes in unrealized gains or losses associated with derivative contracts were net gains of $21.3 million compared to net losses of $1.6 million for the three month period ended December 31, 2015.

Change in Fair Value of Derivative Instruments
(in millions)

	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015
Forward electricity positions	$19.9	$(0.9)
Forward natural gas positions	2.2	(0.8)
Weather derivative positions	(0.1)	0.4
Forward currency positions	(0.7)	(0.3)
Change in fair value of derivative instruments	**$21.3**	**$(1.6)**

Change in Fair Value of Warrants

The change in fair value of warrant liability for the three month period ended December 31, 2016 was a gain of $0.1 million compared to a gain of $0.2 million for the three month period ended December 31, 2015. These gains and losses represent the mark-to-market valuation of the 750,000 Warrants issued to Macquarie Energy as consideration for the expansion of the Supplier Agreement in February 2014. The valuation of the Warrants is based on an option valuation model, and accordingly the non-cash loss is the result of changes in the Unit price, volatility and yield, the time to maturity and the risk-free rate over the period.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the three month period ended December 31, 2016 was zero compared to a gain of $9.3 million for the three month period ended December 31, 2015. In June 2016, the Trust acquired all of the remaining LLC Units not already owned by the Trust, following which the Trust no longer has a non-controlling interest liability relating to the non-controlling members of the Company. Accordingly, the Company no longer has gains and losses representing the mark-to-market valuation of this non-controlling interest liability included on consolidated statements of financial position. The prior comparable period gain represented the mark-to-market valuation of the non-controlling interest liability and was primarily the result of the change in the trading price of Units during the reporting period.

Provision for (Benefit from) Income Taxes

For the three month period ended December 31, 2016, the Trust recorded a provision for income taxes of $2.4 million and for the three month period ended December 31, 2015, the Trust recorded a benefit from income taxes of $2.9 million. The Trust was in a pre-tax income position for the quarter, and was in a net income position for the same period in the prior year after adjusting for permanent differences, including the change in fair value of non-controlling interest, distributions to non-controlling interest and removing the profit or loss of the Company that is attributed directly to the non-controlling partners of the Company. The Trust's provision for income taxes relates to the Trust's U.S. subsidiaries. Deferred tax assets are recognized to the extent that the Trust believes that the likelihood of recognition is probable.

Net Income (Loss) and Total Comprehensive Income (Loss)

For the three month period ended December 31, 2016, net income and comprehensive income was $20.6 million, compared to net income and comprehensive income of $5.8 million for the three month period ended December 31, 2015, with the changes being attributable to the factors noted above. Net income (loss) and comprehensive income (loss) is impacted by numerous non-cash items, some being a result of the structure of the Trust and its subsidiaries as well as the industry in which it operates. Accordingly, Management believes the additional non-IFRS financial measures of Adjusted EBITDA and Distributable Cash are useful metrics to be considered together with net income (loss) and total comprehensive income (loss) for evaluating the Trust's financial and operating performance, as they are measures that Management uses internally to assess performance.

Proposed Transactions

Acquisition of Verengo Assets

In September 2016, a special purpose vehicle, Crius Solar Fulfillment, LLC, was formed to serve as the debtor-in-possession lender and bidder for the purchase of Verengo Assets, in a bankruptcy proceeding under chapter 11 of the United States Bankruptcy Code. Crius Energy Corporation, through its 64.5% equity ownership interest, is the controlling member of Crius Solar Fulfillment, LLC, which also has three non-controlling members consisting of two prominent clean technology investment firms and a lender in the residential solar finance industry.

In addition to the involvement of Crius Solar Fulfillment, LLC as pre-petition and debtor-in-possession lender (for an initial amount of $4.8 million, which is to be used for the bankruptcy proceeding under chapter 11 of the United States Bankruptcy Code and payments to certain creditors of Verengo), Crius Solar Fulfillment, LLC entered into the Purchase Agreement with Verengo to acquire the Verengo Assets, including the residential solar installation platform of Verengo and certain contracts and human capital of Verengo. The Purchase Agreement sets forth the bid of Crius Solar Fulfillment, LLC for the Verengo Assets in the bankruptcy proceedings, and reflects a purchase price of approximately $11.9 million. The purchase price consists of the credit-bidding of the initial cash funding of Crius Solar Fulfillment, LLC (including the $2.3 million cash contribution from Crius Energy as well as the contribution of $2.5 million cash contributed from the non-controlling members and any further debtor-in-possession advances made prior to the closing of the transaction) as well as the credit-bidding of certain secured notes contributed by the non-controlling members. The closing of the transaction is subject to, among other things, the satisfaction of the conditions precedent in the Purchase Agreement, including all approvals required under Verengo's bankruptcy proceeding. The transaction is expected to close in the second quarter of 2017.

Connecticut Department of Economic and Community Development Loan

In January 2017, the Connecticut Department of Economic and Community Development advanced a loan to the Company in the amount of $8.0 million at an annual interest rate of 2%, with the principal and accrued interest repayable over a period of up to 10 years. The loan contains a provision for potential debt forgiveness where the Company achieves certain headcount targets agreed with the Connecticut Department of Economic and Community Development. In addition, the Connecticut Department of Economic and Community Development granted the Company $0.1 million to be used for employee training purposes.

Viridian International promissory note and related receivable

In March 2017, the Company entered into a letter agreement with VIM to amend certain terms of the original purchase agreement of the Company's former Viridian network marketing sales channel entered into in July 2016. The letter agreement provides for an amendment to the terms of the $4.0 million promissory note from the original purchase agreement, whereby the due date of the note has been extended until March 2019, with an 8% annual interest rate to be paid in kind, as well as the making available of a commissions advance facility of up to $3.0 million with a maturity date of March 2019, at an annual interest rate of 12%. All existing amounts owed by Viridian International to Crius Energy under the transitional arrangements (as at December 31, 2016, such amounts totaled $1.6 million), shall be rolled into the commissions advance facility.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, Management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by Management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Revenue recognition

Accounts receivable includes an un-billed receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Un-billed receivables are estimated by the Trust using usage data available, multiplied by the current customer average sales price per unit.

Through September 30, 2015, solar revenues were recognized net of expected cancellations, which were estimated based on Management judgment of historical cancellation rates. As of October 1, 2015, Management concluded that it could no longer estimate expected cancellations and therefore will recognize revenue upon installation of the solar system.

Allowance for doubtful accounts

The Trust reviews its accounts receivable at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by Management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience.

Fair value of financial instruments

Determining the fair value of financial instruments requires judgment and is based on market prices or Management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of intangible or non-financial assets

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Trust evaluates value in use and fair value less costs of disposal. In doing so, the Trust's market capitalization is considered, as well as recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible or other non-financial assets.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which Management expects the asset's future economic benefits to be consumed by the Trust, including customer attrition rates.

Acquisition accounting

Management uses judgment to determine whether an acquisition meets the criteria of an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in an asset acquisition or business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

Classification of Trust Units as equity

Trust Units issued by the Trust give the holder the right to put the Units back to the Trust in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust Units as equity because the Trust Units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

New Standards and Accounting Policies Adopted

The consolidated financial statements have been prepared following the same accounting policies as those that were followed in the preparation of the Trust's prior year consolidated financial statements, with the exception of the following new standards:

Amendments to IAS 1 *Presentation of Financial Statements* were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarification in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments did not have an impact on the consolidated financial statements of the Trust.

The Annual Improvements to IFRS 2012 – 2014 Cycle, which included amendments effective immediately and, thus, were effective for periods beginning January 1, 2016, however, they did not have an impact on the consolidated financial statements of the Trust.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Trust is accumulated and communicated to the Trust's Management as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer of the Trust are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**")

The Chief Executive Officer and Chief Financial Officer of the Trust have concluded that, as at December 31, 2016, the Trust's DC&P have been designed and operate effectively to provide reasonable assurance that (i) material information relating to the Trust is made known to them by others, particularly during the period in which the annual filings are being prepared, and (ii) information required to be disclosed by the Trust in its annual filings, interim filings or other reports filed or submitted by the Trust under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They have also concluded that the Trust's ICFR have been designed effectively to provide reasonable assurance regarding the reliability of the preparation and presentation of the financial statements for external purposes in accordance with IFRS, and were effective as at December 31, 2016.

It should be noted that, while the Chief Executive Officer and Chief Financial Officer of the Trust believe that the Trust's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes in line with IFRS. Management is responsible for establishing and maintaining appropriate ICFR in relation to the nature and size of the Trust. However, any system of ICFR has inherent limitations and can only provide reasonable assurance with respect to financial statement preparation and presentation.

The Trust's ICFR has been designed based on the control framework established in *Internal Control - Integrated Framework* published in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission. There were no changes to the Trust's ICFR that occurred during the year ended December 31, 2016 that materially affected, or are reasonably likely to affect, the Trust's ICFR.

Limitation on Scope of Design

The Chief Executive Officer and Chief Financial Officer of the Trust have limited the scope of design of DC&P and ICFR to exclude controls, policies and procedures of any business acquired by the Trust during the year ended December 31, 2016, including in connection with the Kona Energy acquisition (which closed in February 2016) and the SunEdison acquisition (which closed in September 2016). This limitation on scope is in accordance with section 3.3(1)(b) of NI 52-109, which allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

Non-IFRS Financial Measures

Statements throughout this MD&A make reference to EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio, which are non-IFRS financial measures commonly used by financial analysts in evaluating the financial performance of companies, including companies in the energy industry. Accordingly, Management believes EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio may be useful metrics for evaluating the Trust's financial performance as they are measures that Management uses internally to assess performance, in addition to IFRS measures. As there is no generally accepted method of calculating EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio, these terms as used herein are not necessarily comparable to similarly titled measures of other companies. EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income (loss) or other data prepared in accordance with IFRS. EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted to exclude certain non-operating and non-cash items. The items excluded from EBITDA and Adjusted EBITDA are significant in assessing the Trust's operating results and liquidity. See the section entitled *"Reconciliation of Net Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) and comprehensive income (loss) as calculated under

IFRS for the relevant periods, the most directly comparable measure in the Trust's consolidated financial statements. See the section entitled "*Distributable Cash and Payout Ratio*" in this MD&A for a reconciliation of Distributable Cash to cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed in the section entitled *"Financial Instruments and Risk Management"* in this MD&A and in the sections entitled *"Risk Factors"* and *"Forward-Looking Statements"* in the annual information form of the Trust for the fiscal year ended December 31, 2016, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca. A statement may be considered a forward-looking statement when it uses what the Trust knows or expects today to make a statement about the future. Forward-looking statements may be identified by words such as anticipate, assume, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target, will or other similar expressions. Statements that are not historical facts may be considered forward-looking statements and may involve estimates, assumptions and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. Forward-looking statements in this MD&A include, without limitation, statements pertaining to EBITDA, Adjusted EBITDA, Distributable Cash, payout ratio, annualized distribution figures, confidence of Management and the Board in the long-term outlook of the Company, continued year-over-year growth in the customer base, future payments owed to the Company by Viridian International, the outlook of the solar industry generally, increased solar sales (including as a result of the technology platform acquired from SunEdison or proposed to be acquired from Verengo), that changes to the solar business will allow Crius Energy to better penetrate the U.S. residential solar market and have a positive economic impact on each solar system sold, higher margin contribution from each solar system sold, confidence of Management and the Board in the positive impacts of the Company's growth strategy (including in the deregulated energy and solar businesses), confidence in increasing distributions in 2017, growth of cash flows and distributions generally, treatment under governmental regulatory regimes (including statements pertaining to the Trust's objectives and status as a mutual fund trust and not a "specified investment flow-through trust", as defined in subsection 122.1(1) of the *Tax Act* (Canada), as amended from time to time, the anticipated benefits of the Remaining LLC Acquisition (market capitalization, simplified structure, increased liquidity), the timing and ability of the Company to complete the acquisition of the Verengo Assets, the Viridian network marketing channel in Australia, the anticipated benefits of the acquisition of the Verengo Assets, the ability of the Company to evaluate and execute opportunities to enter markets that have recently deregulated or are in the process or deregulating, the growth strategy of the Company through acquisitions, continued growth of the customer portfolio in 2017, the success of the partnership with Viridian International, commercial customers, the ability of the Company to grow the commercial segment in other U.S. deregulated energy markets, hedging strategies, risk management, market risk, credit risk, off-balance sheet arrangements, transactions between related parties, liquidity and capital resources, critical accounting estimates, ICFR, derivative instruments, potential transactions, results of operations, financial position or cash flows, customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, expenses and distributions to Unitholders. Investors are cautioned that important factors could cause the Trust's actual results to differ materially from those contained in forward-looking statements. No assurance can be given that the expectations set-forth in this MD&A will ultimately prove to be accurate and, accordingly, such forward-looking statements should not be unduly relied upon. It is not possible for Management to predict new factors that may emerge from time to time, or to assess in advance the impact of each such factor on the Trust's business, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in forward-looking statements. These forward-looking statements are given only as of the date of this MD&A and the Trust does not assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances, except as may be expressly required by applicable securities laws.

CRIUS ENERGY TRUST

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

CRIUS ENERGY TRUST

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2016 and 2015

INDEX TO FINANCIAL STATEMENTS

Building a better
working world

Independent Auditors' Report

Unit Holders and Directors of Crius Energy Administrator Inc., as administrator of Crius Energy Trust

We have audited the accompanying consolidated financial statements of Crius Energy Trust (the "Trust"), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the consolidated related statements of comprehensive income (loss), statements of changes in equity (deficit) and statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crius Energy Trust as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Hartford, Connecticut
March 16, 2017

/s/ Ernst & Young LLP

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars)

	Notes	As at December 31, 2016	As at December 31, 2015
ASSETS			
Current			
Cash and cash equivalents		$10,894	$11,245
Collateral deposits		1,070	1,215
Accounts receivable	8	91,289	80,346
Inventory	3,9	16,059	22,471
Income tax receivable		1,892	5,511
Other current financial assets	15	2,067	1,850
Other current assets		3,075	3,059
		126,346	**125,697**
Non-current			
Property and equipment	10	6,034	1,685
Intangible assets	11	40,907	55,318
Deferred tax assets	16	2,166	2,320
Goodwill	14	119,597	117,105
Other non-current assets		4,264	519
		$299,314	**$302,644**
LIABILITIES AND UNITHOLDERS' EQUITY (DEFICIT)			
Current			
Trade and other payables		$121,644	$125,161
Credit facility	13	9,500	4,000
Income tax payable		834	—
Distribution payable	17	1,918	698
Unit-based compensation	20	3,667	3,105
Other current financial liabilities	15	9,335	43,069
		146,898	**176,033**
Non-current			
Warrant liability	15	1,323	1,576
Unit-based compensation	20	4,619	6,166
Non-controlling interest	15	2,086	149,619
Other non-current liabilities	12,15	4,765	5,069
		159,691	**338,463**
Commitments and contingencies	25		
Unitholders' Equity (Deficit)			
Trust capital	17	272,485	124,523
Accumulated deficit		(91,385)	(135,751)
Accumulated distributions	17	(41,477)	(24,591)
Total unitholders' equity (deficit)		**139,623**	**(35,819)**
		$299,314	**$302,644**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands of U.S. dollars)

	Notes	Year ended December 31, 2016	Year ended December 31, 2015
Revenue		$743,795	$686,320
Cost of sales		585,280	522,623
Gross margin		158,515	163,697
Expenses			
Selling expenses		28,812	38,824
General and administrative expenses		76,236	72,218
Unit-based compensation		4,875	4,425
Depreciation and amortization	10,11	39,448	49,086
Operating income (loss)		9,144	(856)
Other (expenses) income			
Finance costs		(10,348)	(9,031)
Distributions to non-controlling interest		(5,658)	(14,911)
Change in fair value of derivative instruments	15	46,130	14,918
Change in fair value of warrants	15	253	(1,106)
Change in fair value of non-controlling interest	15	6,679	(62,843)
Income (loss) before income taxes		46,200	(73,829)
Provision for income taxes	16	1,834	1,082
Net income (loss) and total comprehensive income (loss)		**$44,366**	**($74,911)**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
For the years ended December 31, 2016 and 2015
(in thousands of U.S. dollars, except unit amounts)

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings (Deficit)	Accumulated Distributions	Total
Balance at December 31, 2014		9,940,021	$90,058	($60,840)	($17,487)	$11,731
Distribution to unitholders	17	—	—	—	(7,104)	(7,104)
Issuance of trust Units	17,20	6,805,130	37,512	—	—	37,512
Trust Units issuance cost	17	—	(3,047)	—	—	(3,047)
Net loss and total comprehensive loss		—	—	(74,911)	—	(74,911)
Balance at December 31, 2015		**16,745,151**	**$124,523**	**($135,751)**	**($24,591)**	**($35,819)**

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings (Deficit)	Accumulated Distributions	Total
Balance at December 31, 2015		16,745,151	$124,523	($135,751)	($24,591)	($35,819)
Distribution to unitholders	17	—	—	—	(16,886)	(16,886)
Issuance of trust Units	17,20	23,341,300	154,036	—	—	154,036
Trust Units issuance cost	17	—	(6,074)	—	—	(6,074)
Net income and total comprehensive income		—	—	44,366	—	44,366
Balance at December 31, 2016		**40,086,451**	**$272,485**	**($91,385)**	**($41,477)**	**$139,623**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)

	Notes	Year ended December 31, 2016	Year ended December 31, 2015
Net inflow (outflow) of cash related to the following activities:			
Operating Activities			
Net income (loss) and total comprehensive income (loss)		$44,366	($74,911)
Add net loss items related to financing activities:			
Finance costs		10,348	9,031
Distributions to non-controlling interest		5,658	14,911
Add (deduct) items not affecting cash			
Depreciation of property and equipment	10	1,520	1,145
Amortization of intangible assets	11	37,928	47,941
Change in fair value of derivative instruments	15	(46,130)	(14,918)
Change in fair value of non-controlling interest	15	(6,679)	62,843
Change in fair value of warrants	15	(253)	1,106
Unit-based compensation	20	4,875	4,425
Bad debt expense	15	7,632	1,408
Non-cash interest		(62)	(253)
Loss on disposal of assets		—	182
Loss on sale of assets		2,246	—
Provision for income taxes	16	154	(338)
		61,603	52,572
Net change in operating assets and liabilities	19	(20,590)	(15,290)
Cash flows provided by operating activities		**41,013**	**37,282**
Investing Activities			
Purchases of intangible assets	11	(94)	(123)
Acquisitions	7	(8,813)	(11,145)
Software development expenditures	11	(4,813)	(8,274)
Purchase of property and equipment	10	(5,840)	(854)
Issuance of loans	7	(3,021)	—
Proceeds from sale of assets	7	2,074	—
Cash flows used in investing activities		**(20,507)**	**(20,396)**
Financing Activities			
Credit facility advances	13	91,000	52,000
Credit facility repayments	13	(85,500)	(48,000)
Repayment of finance leases		(373)	(289)
Units issued	17	56,390	34,362
Unit issuance costs	17	(6,074)	—
Issuance of non-controlling interest	17	2,086	—
Acquisition of non-controlling interest	17	(45,294)	(28,794)
Finance costs		(10,514)	(8,928)
Distributions to non-controlling interest		(6,912)	(13,338)
Distributions to unitholders		(15,666)	(6,922)
Cash flows used in financing activities		**(20,857)**	**(19,909)**
Net cash outflow		(351)	(3,023)
Cash and cash equivalents, beginning of year		11,245	14,268
Cash and cash equivalents, end of year		**$10,894**	**$11,245**
Supplemental cash flow information			
Interest paid		$10,514	$8,928
Income taxes paid		$334	$4,726

See accompanying notes to the consolidated financial statements.

1. NATURE AND ORGANIZATION

Crius Energy Trust (the "**Trust**") is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust was established to provide investors with a distribution producing investment through its ownership interest in Crius Energy, LLC (the "**Company**"), a Delaware limited liability company, by its indirect wholly-owned subsidiary, Crius Energy Corporation.

The Trust is administered by Crius Energy Administrator (the "**Administrator**"), pursuant to the Administration Agreement dated September 7, 2012 between Computershare Trust Company, as Trustee of the Trust, and the Administrator. The Board of Directors of the Administrator therefore performs the majority of the oversight and governance role for the Trust. The Trust is domiciled at: 3400, One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada M5X 1A4.

The following is a summary of the entities directly or indirectly wholly-owned by the Trust:

- Crius Energy Holdings Inc. was incorporated under the *Business Corporations Act* (Ontario) on October 23, 2012. The Trust is the sole shareholder of Crius Energy Holdings Inc. Crius Energy Holdings Inc. holds all of the issued and outstanding shares in Crius Energy Corporation and Crius Energy Australia, Pty Ltd., which was formed for the purpose of conducting business in Australia.

- Crius Energy Corporation was incorporated under the Delaware General Corporation Law on October 26, 2012. Crius Energy Corporation was incorporated for the purpose of acquiring a controlling interest in the Company. 100% ownership of the Company was achieved in June 2016. Crius Energy Corporation holds a 65% controlling interest in Crius Solar Fulfillment, LLC, which was formed to acquire, own and exercise rights in certain solar energy assets. Crius Solar, LLC was formed to acquire solar energy capabilities.

- Crius Energy Commercial Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario on November 7, 2012. Crius Energy Commercial Trust was established for the purpose of acquiring and holding the debt of the Trust's indirect, wholly-owned subsidiary, Crius Energy Corporation.

- Crius Energy, ULC was incorporated under the Business Corporations Act (British Columbia) on May 19, 2016. Crius Energy, ULC was incorporated for the purpose of acquiring and holding the preferred shares of Crius Energy Corporation.

The Company's wholly-owned subsidiaries include: Cincinnati Bell Energy, LLC; Crius Energy Management, LLC; Crius Energy Management 2, LLC; Crius Solar Holdings, LLC; Energy Solutions Group, LLC; Everyday Energy, LLC; Everyday Energy NJ, LLC; FairPoint Energy, LLC; People's Choice Energy, LLC; Public Power Energy, LLC; Public Power, LLC (a Connecticut limited liability company); Public Power, LLC (a Pennsylvania limited liability company, entity number 3911142); Public Power, LLC (a Pennsylvania limited liability company, entity number 3933152); Public Power & Utility of Maryland, LLC; Regional Energy Holdings, Inc.; TriEagle 1, LLC; TriEagle 2, LLC; TriEagle Energy LP; Viridian Energy, LLC; Viridian Energy NY, LLC; Viridian Energy PA LLC; and Viridian Network, LLC.

2. OPERATIONS

The Company's business primarily involves the sale of electricity and natural gas to residential and commercial customers under variable price and fixed price contracts. The Company, through its subsidiaries, principally markets electricity and natural gas, and derives its gross margin from the difference between the price at which it sells the commodities to its customers and the price at which it purchases the associated volumes from its supplier. The Company, through its subsidiaries, also markets solar products to its existing customers as well as to new prospects.

Through its licensed operating subsidiaries, the Company (i) provides retail electricity to its customers in the Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Texas markets; (ii) provides retail natural gas to its customers in the California, District of Columbia, Illinois, Indiana, Maryland, New Jersey, New York, Ohio, Pennsylvania and Virginia markets; and (iii) markets solar energy products in the California, Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Jersey, New Mexico, New York, Rhode Island and Vermont markets.

3. BASIS OF PRESENTATION

Basis of presentation

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**").

The consolidated financial statements are presented in U.S. dollars, the functional currency of the Trust and all the Trust's subsidiaries, and all values are rounded to the nearest thousands. The consolidated financial statements are prepared on a going concern basis under the historical cost convention except as disclosed in the accounting policies below.

Principles of consolidation

The consolidated financial statements include the financial statements of the Trust and entities controlled by the Trust and the Administrator, including subsidiaries, as at December 31, 2016 and 2015, respectively, and include all the subsidiaries and entities over which the Trust has power to govern the financial and operating policies for and are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. All intercompany balances, income, and expenses are eliminated on consolidation.

Adjustments of prior period balances

Commencing at June 30, 2016, the Company recorded its purchased and unretired renewable energy certificates ("**RECs**") as inventory in the consolidated statements of financial position. At December 31, 2015, the purchased and unretired RECs were recorded net in trade and other payables, whereas such amounts should have been recorded as inventory. These purchased and unretired RECs amounted to $15,514 and $21,874 as at December 31, 2016 and December 31, 2015, respectively. As such, 2015 amounts have been adjusted to properly present their balances. The adjustment has no impact on the consolidated statements of comprehensive income (loss), consolidated statements of cash flow and income (loss) per unit.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash with financial institutions and includes highly liquid investments with original maturities of three months or less. At any time, cash in banks may exceed federally insured limits.

Collateral deposits

Collateral deposits represent cash which is posted with State regulatory entities, independent system operators ("**ISOs**"), local distribution companies ("**LDCs**"), or other counterparties as collateral for assurance bonds, required collateral in order to operate in certain markets or for other financial assurance programs and are classified as current based on the duration and nature of the deposit requirements.

Accounts receivable

The Trust delivers electricity and natural gas to its customers through LDCs, many of which guarantee amounts due from customers for consumed electricity and natural gas. Accounts receivable primarily represent amounts due for electricity and natural gas consumed by customers net of an allowance for estimated amounts that will not be collected from customers.

Inventory

Natural Gas

Natural gas delivered to and held in storage by certain LDCs in Illinois, Maryland, New York, Ohio and Pennsylvania is included in inventory. The balance will fluctuate as natural gas is injected or withdrawn from storage. Natural gas in storage is valued at the lower of cost or net realizable value with cost being determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business. As at December 31, 2016 and December 31, 2015, natural gas inventory balances are $545 and $597, respectively.

Renewable Energy Certificates

Purchased and unretired RECs are included in inventory and are carried at the lower of cost or net realizable value with cost being determined on a weighted average basis. As at December 31, 2016 and December 31, 2015, REC balances are $15,514 and $21,874, respectively.

Credit risk and allowance for doubtful accounts

The Trust operates in certain LDC markets which have purchase of receivables ("**POR**") programs in place under which the LDCs assume the credit risk associated with the customer billings. Consequently, in these markets, the Trust's exposure to credit risk concentration is limited primarily to those LDCs that collect and remit receivables to the Trust. The Trust's customers are individually insignificant and geographically dispersed. The Trust regularly monitors the financial condition of each such LDC and currently believes that its susceptibility to an individually significant write-off as a result of concentrations of customer accounts receivable with those LDCs is remote.

In other markets, the Trust operates under either limited recourse POR or non-POR programs. In these markets, certain receivables are billed and collected by the Trust. In non-POR markets, we manage customer credit risk through formal credit reviews or screenings, deposits and disconnection for non-payment. The Trust bears the credit risk on these accounts and records an appropriate allowance for doubtful accounts to reflect any expected losses due to non-payment by customers. The Trust maintains an allowance for doubtful accounts, which represents management's estimates of losses inherent in the accounts receivable balance based on known troubled accounts, historical experience, account aging and other current available information. Based on the factors above, the Trust will write-off balances when it believes that amounts are no longer collectible and when it has exhausted all means to collect these receivables.

Property and equipment

Property and equipment are recognized at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset to bring the asset to a working condition for its intended use. The commencement date for capitalization of costs occurs when the Trust first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Depreciation commences when the assets are available for their intended use and is recognized on a straight-line basis to depreciate the cost of these assets over their estimated useful lives. Maintenance and repairs are charged to expense as incurred. When significant parts of an item included in fixed assets have different useful lives, they are accounted for as separate components of the asset and depreciated over their estimated useful life on a straight-line basis.

Estimated useful lives are as follows:

Asset category	Depreciation method	Useful life
Computer hardware	Straight line	3 years
Office furniture and equipment	Straight line	3-5 years
Leasehold improvements................	Straight line	Shorter of the life of the lease or the life of the asset

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in operating results in the period the item is derecognized.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Trust, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Trust will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognized as an expense in the consolidated statements of comprehensive income (loss) on a straight-line basis over the minimum lease term.

Goodwill

Goodwill is measured as the excess of the cost of the acquired business over the net fair value of the identifiable assets acquired and liabilities assumed including non-controlling interest. Any negative difference is recognized as a gain directly in profit and loss in the period in which they occur. If the fair values of the assets, liabilities and non-controlling interest can only be calculated on a provisional basis, the business combination is recognized using provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition.

Goodwill is considered to have an indefinite useful life and is not amortized, but rather is tested annually for impairment. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

Intangible assets

Intangible assets acquired outside of a business combination are measured at cost on initial recognition. The Company capitalizes internally developed software costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended. Intangible assets acquired in a business combination are recorded at fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and/or accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least once annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates and recorded on a prospective basis. The amortization expense related to intangible assets with finite lives is recognized in the consolidated statements of comprehensive income (loss) in depreciation and amortization expense.

Intangible assets primarily consist of purchased customer relationships, computer software and sales network.

Gains and losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statements of comprehensive income (loss) when the asset is derecognized.

Intangible asset category	Amortization method	Useful life
Computer software	Straight line	3 years
Customer relationships	Straight line	Up to 4 years
Non-compete agreement	Straight line	2 years
Sales network	Straight line	3 years
Other intangibles	Straight line	3 years

Impairment of non-financial assets

At each statement of financial position date, the Trust reviews the carrying amounts of its finite lived non-financial assets, including property and equipment and intangibles to determine whether there is any indication of impairment.

For the purposes of reviewing finite lived non-financial assets for impairment, asset groups are reviewed at their lowest level for which identifiable cash inflows are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("**CGU**"). If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs is tested for impairment.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an individual asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit and loss in the period in which they occur.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Provisions

Provisions are recognized to the extent that it is probable that the Trust will be required to settle a present obligation (legal or constructive) and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Finance costs

Finance costs are primarily incurred on the Trust's supplier agreement and are expensed in the period in which they are incurred (Note 13).

Contingent liability

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. When the economic obligation becomes virtually certain, the liability is no longer contingent and is recognized accordingly.

Unit-based compensation

The Trust has a Phantom Unit Rights Plan ("**PURP**") and a Deferred Trust Unit Plan ("**DTUP**"), both as described in Note 20. The Trust uses the fair value method of valuing compensation expense associated with the PURP and DTUP. The units issued pursuant the PURP, the Phantom Unit Rights ("**PURs**"), and the units issued pursuant to the DTUP, the Deferred Trust Units ("**DTUs**"), are not considered equity settled unit-based compensation since the IAS 32 "puttable instrument exemption" does not extend to unit-based payments made by a trust. Therefore, PURs and DTUs issued subject to the plans are recognized as a liability at fair value at the end of each reporting period and the corresponding change to fair value being recognized in the consolidated statements of comprehensive income (loss). Compensation expense is recognized over the vesting period of the PUR and DTU grants. The fair value of the PURs or DTUs is estimated and recorded based on the Trust Unit price at the end of the period. If a cash payment is made to settle vested units, the difference between the estimated liability and the actual settlement cost will be recognized in the consolidated statements of comprehensive income (loss).

Income taxes

The Trust follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the effect of any temporary difference between the carrying amount of an asset or liability reported in the consolidated financial statements and its respective tax basis, using substantively enacted income tax rates. Deferred income tax balances are adjusted to reflect changes in substantively enacted income tax rates expected to apply when assets are realized or liabilities are settled, with adjustments being recognized in the period in which the change occurs. Deferred income tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Trust intends to settle on a net basis.

The Trust is a taxable entity under the *Income Tax Act* (Canada) ("**Tax Act**") and is currently taxable only on income that is not distributed or distributable to the unitholders. The Trust distributes all of its income to its unitholders and expects to continue to distribute all of its income to unitholders. The Trust will at no time be a specified investment flow-through entity ("**SIFT**") as defined in the Tax Act. Investment restrictions contained in the formation documents provide that the Trust and its subsidiaries will only invest in entities that qualify as a "portfolio investment entity" and will not hold any "non-portfolio property" or "taxable Canadian property", each as defined in the Tax Act. It also qualifies as a "mutual fund trust" within the meaning of the Tax Act and will not be subject to the limit on non-resident ownership in the Tax Act as it will not own any "taxable Canadian property" as defined in the Tax Act.

Energy sales

Revenue is recognized based on consumption of natural gas and electricity by customers. Sales of energy are billed based upon information received from the LDCs. The billing cycles for customers do not coincide with the accounting periods used for financial reporting purposes. Energy that has been consumed by a customer, but not yet billed to that customer, is estimated on an accrual basis and included in revenue during the period in which it was consumed. Such estimates are refined in subsequent periods upon obtaining customer billing information from the utilities. Changes in these estimates are reflected in revenue in the period they are refined. As at December 31, 2016 and December 31, 2015, unbilled revenues were $40,975 and $32,910, respectively.

The Trust's operations are seasonal. Electricity consumption is typically highest during the summer months of July and August due to cooling demand and the winter months of January and February due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand.

Solar revenue

Solar revenue consists of fees earned in connection with the marketing of solar systems. Through September 30, 2015, solar revenue was recognized upon execution of the contracts with customers, net of expected cancellations. Effective October 1, 2015, solar revenue is recognized upon installation of the solar system. For the years ended December 31, 2016 and December 31, 2015, solar revenue was $2,336 and $1,467, respectively.

Fee revenue

Fee revenue consists of various fees received from customers, in addition to sign-up fees and other monthly fees received from independent contractors in the Company's former network marketing channel, which was sold on July 15, 2016. The sign-up fees component of fee revenue is deferred and recognized on a straight-line basis over the one year term of the agreement with the individual contractor and the monthly fees are recognized on a monthly basis. For the years ended December 31, 2016 and December 31, 2015, fee revenue was $8,079 and $6,649, respectively.

Cost of sales

Direct energy costs are recognized concurrently with the related energy sales. Direct energy costs include the commodity cost of purchased electricity or natural gas, costs associated with energy delivery, fees incurred from various energy related service providers, the cost of renewable energy certificates and fees and charges from ISOs and LDCs. The Trust estimates and accrues for these fees based on invoices, activity levels, preliminary settlements and other available information. Final determination and settlements of these charges may take several months following the month of delivery and are adjusted as information becomes available.

Collection of sales tax

Sales tax is added to customer bills in certain markets served by the Trust. Sales tax collected from customers on behalf of governmental entities is recorded on a net basis. Such amounts are excluded from the Trust's revenue and are recorded on the consolidated statements of financial position in accounts receivable until payment is received and are recorded in trade and other payables until they are remitted to the appropriate governmental entities.

Financial instruments

Financial assets and liabilities are recognized when the Trust becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire, or if the Trust transfers the control or substantially all the risks and rewards of ownership of the financial asset to another party. Financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled.

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss", "loans and receivables", "available-for-sale", "held-to-maturity" or "financial liabilities measured at amortized cost".

Financial assets and financial liabilities classified as fair value through profit or loss are either classified as held for trading or financial liabilities measured at fair value with changes in those fair values recognized in profit or loss. All derivative instruments are classified as held for trading.

Financial assets classified as loans and receivables, financial assets and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method of amortization.
The Trust's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Derivative instruments..	Held for trading	Fair value through profit and loss
Accounts receivable...	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Collateral deposits..	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Contingent consideration liability..............................	Other financial liabilities	Fair value through profit and loss
Distribution payable...	Other financial liabilities	Amortized cost
Unit-based compensation...	Other financial liabilities	Fair value through profit and loss
Non-controlling interest...	Other financial liabilities	Fair value through profit and loss
Other liabilities	Other financial liabilities	Amortized cost

The Trust has not classified any financial assets as available-for-sale or held to maturity.

Fair values are determined based on the quoted market values where available from active markets. If the financial asset is not traded in an active market, the Trust establishes the fair value through valuation techniques taking into account external market inputs where possible.

Gains and losses on fair value of derivative instruments are recognized in profit and loss in the period in which they are incurred.

Transaction costs are capitalized to the carrying amount of the instrument and amortized using the effective interest method, other than those related to financial instruments measured at fair value through profit and loss, which are expensed as incurred.

Impairment of financial instruments

Financial assets, other than those classified as fair value through profit or loss, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Comprehensive income (loss)

The Trust is required to report comprehensive income (loss) and its components in the consolidated financial statements. The Trust has no items impacting other comprehensive income (loss) and, accordingly, the Trust's net income (loss) equals comprehensive income (loss).

New standards and accounting policies adopted

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Trust's prior year consolidated financial statements, except for the adoption of new standards and interpretations effective as of January 1, 2016. The Trust applied, for the first time, certain standards and amendments on January 1, 2016.

Amendments to IAS 1 *Presentation of Financial Statements* were issued to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Specific clarification in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments did not have an impact on the consolidated financial statements of the Trust.

The Annual Improvements to IFRS 2012 – 2014 Cycle, which included amendments effective immediately and, thus, were effective for periods beginning January 1, 2016, however, they did not have an impact on the consolidated financial statements of the Trust.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Revenue recognition

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust using usage data available, multiplied by the current customer average sales price per unit. As at December 31, 2016 and December 31, 2015, unbilled revenues were $40,975 and $32,910, respectively.

Through September 30, 2015, solar revenues were recognized net of expected cancellations, which were estimated based on management judgment of historical cancellation rates. As of October 1, 2015, Management concluded that it could no longer estimate expected cancellations and therefore recognizes revenue upon installation of the solar system.

Allowance for doubtful accounts

The Trust reviews its accounts receivable at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience.

Fair value of financial instruments

Determining the fair value of financial instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of intangible or non-financial assets

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Trust evaluates value in use and fair value less costs of disposal. In doing so, the Trust's market capitalization is considered, as well as recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible or other non-financial assets. The key assumptions used are further explained at Note 14.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Trust, including customer attrition rates.

Acquisition accounting

Management uses judgment to determine whether an acquisition meets the criteria of an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in an asset acquisition or business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

Classification of Trust Units as equity

Trust Units issued by the Trust give the holder the right to put the Units back to the Trust in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust Units as equity because the Trust Units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

6. FUTURE ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that are issued but not yet effective up to the date of issuance of the Trust's consolidated financial statements are listed below.

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, bringing together the classification and measurement, impairment, and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: *Recognition and Measurement*. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018, with early adoption permitted. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of the initial application is before February 1, 2015. The Trust elected not to adopt the standard early and has not yet fully assessed the impact of this standard on the consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers* was released in May 2014 which focuses on a principles based five–step model which is required to be applied to all contracts with customers. The guidance amongst other things provides for (i) whether revenue should be recognized at a point in time or over time, which replaces the previous distinction between goods and services, (ii) identifies distinct performance obligations, accounting for contract modifications and accounting for the time value of money and (iii) new, increased requirements for disclosure of revenue in the financial statements. Furthermore, the standard specifies how to account for incremental costs of obtaining a contract and the costs directly associated with fulfilling a contract. Provided these costs are expected to be recovered, such costs will be capitalized, subsequently amortized over the useful life of customers and tested for impairment. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018, with early adoption permitted. The Trust will transition either using a full retrospective approach or a modified retrospective approach. While the Trust is currently evaluating the method of adoption and the impact of the new revenue standard, as amended, on its Consolidated Financial Statements and related disclosures, the Trust believes the adoption of the new standard will primarily impact its accounting for direct incremental costs of obtaining and fulfilling its customer contracts (for example, one-time commissions and fees paid for new customer origination) because the new standard requires deferral and amortization of certain direct incremental costs which are currently being expensed as incurred.

The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The Trust elected not to adopt the amendments early. Application of the amendments will result in additional disclosures provided by the Trust.

The amendments to IAS 12 *Income Taxes* clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. The amendments are not expected to have a material impact on the consolidated financial statements of the Trust.

The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Trust has not yet assessed the impact of this standard on the consolidated financial statements.

IFRS 16 *Leases* was issued by the IASB in January 2016. This guidance brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Furthermore, per the standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17 *Leases* and related interpretations, and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. The Trust has not yet assessed the impact of this standard on the consolidated financial statements.

7. ACQUISITIONS AND DISPOSALS

Business Combinations

SunEdison Inc.

On September 19, 2016, the Company purchased a proprietary residential solar lead-generation platform, customer lead databases, marketing materials and hired certain employees from SunEdison Inc. ("**SunEdison**"). The Company acquired the assets and employees from SunEdison to significantly expand its capabilities in the solar energy segment.

The acquisition was accounted for using the acquisition method of accounting. The consolidated financial statements include the results of the SunEdison transaction from the acquisition date. The Company allocated the cash purchase price of $1,500, which was paid upon closing, to the identifiable net assets based on their fair values as at the date of acquisition. There was no goodwill recognized as part of this transaction.

The following table shows the fair value of identifiable net assets acquired:

	As at December 31, 2016
Computer software	$1,438
Computer hardware	50
Other current assets	12
Total purchase price	**$1,500**

Acquisition-related costs of $126 have been recognized as general and administrative expenses in the consolidated statements of comprehensive income (loss) for the year ended December 31, 2016.

Commercial Energy Broker

On February 25, 2016, the Company obtained control of a Florida-based broker ("**Broker**") of electricity and natural gas by purchasing certain seller agreements, business licenses, all intellectual property, call center equipment and hiring a majority of the former employees of the Broker. The Company acquired the Broker to expand its internal salesforce to focus primarily on the commercial customer market.

The acquisition was accounted for using the acquisition method of accounting. The consolidated financial statements include the results of the Broker from the acquisition date. The Company allocated the purchase price of $1,200 to the identifiable net assets based on their fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets acquired:

	As at December 31, 2016
Customer relationships	$910
Goodwill	290
Total purchase price	**$1,200**

The purchase price for the acquisition of $1,200 was settled in cash of $600, with subsequent payments totaling $600 to be paid within the next twelve months. As at December 31, 2016, the $600 subsequent purchase price payment is still outstanding, and is included in trade and other payables on the consolidated statements of financial position.

Goodwill recognized on the acquisition largely relates to benefits such as the value of synergies that are expected from combining the operations of the Company and the Broker that do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. This goodwill has been allocated to the Company's existing single segment. Goodwill that is deductible for tax purposes is $290.

There were no material acquisition-related costs recognized as part of this acquisition.

TriEagle Energy, LP

On April 1, 2015, the Company obtained control of TriEagle Energy, LP ("**TEE**") by acquiring 100% of TEE's partners' capital. TEE is a competitive retail energy provider of electricity to commercial and residential customers. The Company acquired TEE because it increases both its customer portfolio as well as its presence in new and existing markets.

The acquisition was accounted for using the acquisition method of accounting. The consolidated financial statements include the results of TEE from the acquisition date. The Company allocated the purchase price of $19,304 to the identifiable assets and liabilities based on their fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets acquired:

	Preliminary	Adjustments	Final
Cash and cash equivalents	$4,723	$—	$4,723
Accounts receivable	18,661	1,166	19,827
Trade and other payables	(32,476)	(2,686)	(35,162)
Other current financial liabilities	(20,332)	—	(20,332)
Other net assets	1,018	—	1,018
Customer relationships	40,744	—	40,744
Sales network	852	—	852
Broker commission liability	(10,308)	—	(10,308)
Computer software	1,591	—	1,591
Other intangible assets	789	—	789
Goodwill	14,042	1,520	15,562
Total purchase price	**$19,304**	**$—**	**$19,304**

The purchase price for the acquisition of $19,304 was settled in cash of $15,869 and by issuing 623,217 PURs in the Trust which were to be settled in cash based on the future trading prices of units of the Trust ("**Units**") on the Toronto Stock Exchange on the first and second anniversary of the acquisition date with an acquisition date fair value of $3,435. Details on the PURs issued are included in Note 20. The fair value of the PURs was based on the closing price of the Trust Units as of the acquisition date. The purchase price was subject to a customary post-closing working capital adjustment for the twenty-four months following the acquisition date.

The fair values of identifiable intangible assets amounted to $43,976. The fair value of the trade and other receivables acquired as part of the business combination amounted to $19,827, with a gross contractual amount of $20,661. As of the acquisition date, the Company's best estimate of the contractual cash flow not expected to be collected amounted to $834. Goodwill recognized on the acquisition largely relates to benefits such as the value of the assembled workforce and synergies and economies of scale that are expected from combining the operations of the Company and TEE that do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. This goodwill has been allocated to the Company's existing single CGU and reportable segment. Goodwill that is deductible for tax purposes is $3,183.

TEE contributed $152,524 and $(4,434) to the Company's revenues and net loss and total comprehensive loss, respectively, from the acquisition date to December 31, 2015. Had the acquisition occurred on January 1, 2015, the Company's revenue for the period to December 31, 2015 would have been $731,265 and the Company's net income (loss) and total comprehensive income (loss) for the period would have been $(85,213). These pro forma amounts have been determined by applying the Company's accounting policies and are unaudited.

The post-closing working capital adjustment was finalized through the execution of a settlement agreement. Pursuant to the settlement agreement, all 623,217 PURs, along with their accrued distributions, were cancelled and the former owners of TEE agreed to a final payout from the Company of $2,571, which includes a contingent liability of $946, to be paid out over a maximum of 24 months. As at December 31, 2016, the contingent liability amounted to $946. Additionally, as part of the settlement agreement, the non-compete granted with the purchase of TEE was terminated. As a result of the settlement agreement, the Company recorded a reduction in general and administrative expenses of $1,815, which is included in the consolidated statements of comprehensive income (loss).

Acquisition-related costs of $90 and $331 have been recognized as general and administrative expenses in the consolidated statements of comprehensive income (loss) for the years ended December 31, 2016 and 2015, respectively.

Asset Acquisitions

On February 1, 2016, the Company purchased the customer contracts and associated assets of approximately 75,000 electric residential customer equivalents in Illinois, New York, Ohio, and Texas from Iron Energy LLC d/b/a Kona Energy ("**Kona**"), a Texas-based energy retailer. The Company acquired Kona because it increases its geographic footprint in selected states, as well as adding to the Company's existing portfolio of commercial accounts. Additionally, the Company assumed broker commission liabilities and liabilities related to assumed electricity and natural gas derivative contracts. The acquisition was funded by cash and availability under the Company's credit facility with Macquarie Energy. This transaction is treated as an asset acquisition and the Company allocated the cash purchase price of $6,713 to the identifiable net assets and liabilities based on their relative fair values as at the date of acquisition.

The following table shows the fair value of identifiable net assets and liabilities acquired:

	As at December 31, 2016
Customer relationships	$25,430
Derivative liability	(14,193)
Broker commission liability	(4,524)
Total purchase price	**$6,713**

Disposals

On July 15, 2016, the Company sold certain assets, including intangible assets with a net book value of $9,167, relating to the Viridian network marketing sales channel of the Company to Viridian International Management LLC ("**VIM**") for $2,074 in cash, and a 10% ownership interest in VIM. Additional non-cash consideration consisted of a $4,000 promissory note, due in July 2017; contingent consideration due of up to $10,000 due over five years, which may be abated if specified sales targets are achieved; and $943 of deferred fee revenue was retained by the Company.

The 10% ownership interest in VIM was not recorded in the consolidated statements of financial position, as it has zero fair value due to the underlying shares not being quoted in active markets and the terms and conditions of the LLC agreement not providing a transaction price. As such, they are not reliably measurable. The $4,000 promissory note was recorded as a note receivable in other current assets on the consolidated statements of financial position, however, the amount was fully reserved in other current assets in the consolidated statements of financial position, based on Management's assessment of VIM's ability to pay this note. The $10,000 contingent consideration due was not recorded, due to the contingent nature of the performance based sales targets, as well as the probability of collection being not virtually certain. The Company recorded a loss on sale of assets of $2,246 as a result of the sale, which is recorded in general and administrative expenses in the consolidated statements of comprehensive income (loss).

8. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	As at December 31, 2016	As at December 31, 2015
Accounts receivable	$92,820	$81,311
Less: allowance for doubtful accounts	(1,531)	(965)
	$91,289	**$80,346**

9. INVENTORY

As at December 31, 2016 and 2015, inventory consisted of natural gas in storage and our purchased and unretired RECs totaling $16,059 and $22,471, respectively. The amount of inventory recognized as an expense during the years ended December 31, 2016 and 2015 was $1,263 and $740, respectively.

10. PROPERTY AND EQUIPMENT

2016	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at December 31, 2015	$2,316	$1,041	$571	$3,928
Additions from acquisitions	50	—	—	50
Additions	1,017	507	4,316	5,840
Disposals	(188)	(606)	(565)	(1,359)
Balance as at December 31, 2016	**3,195**	**942**	**4,322**	**8,459**
Accumulated depreciation				
Balance as at December 31, 2015	(1,365)	(459)	(419)	(2,243)
Depreciation	(783)	(429)	(308)	(1,520)
Disposals	168	606	564	1,338
Balance as at December 31, 2016	(1,980)	(282)	(163)	(2,425)
Net book value - December 31, 2016	**$1,215**	**$660**	**$4,159**	**$6,034**

2015	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at December 31, 2014	$1,860	$762	$428	$3,050
Additions from acquisitions	22	19	9	50
Additions	434	260	134	828
Balance as at December 31, 2015	**2,316**	**1,041**	**571**	**3,928**
Accumulated depreciation				
Balance as at December 31, 2014	(628)	(262)	(233)	(1,123)
Depreciation	(762)	(197)	(186)	(1,145)
Disposals	25	—	—	25
Balance as at December 31, 2015	(1,365)	(459)	(419)	(2,243)
Net book value - December 31, 2015	**$951**	**$582**	**$152**	**$1,685**

The gross carrying amount of fully depreciated property and equipment still in use as at December 31, 2016 was $1,833.

Finance leases

The carrying value of property and equipment held under finance leases was $970 and $613 as at December 31, 2016 and 2015, respectively. These amounts are included within property and equipment on the consolidated statements of financial position. Leased assets are pledged as security for the related finance lease.

Finance leases are measured at amortized cost using the effective interest rate method and are initially measured at the inception date fair value or, if lower, at the present value of the minimum lease payments. The effective interest expense is included in finance costs in the consolidated statements of comprehensive income (loss).

11. INTANGIBLE ASSETS

2016	Computer software	Customer relationships	Non-compete agreements	Sales network	Other intangibles	Total
Cost						
Balance as at December 31, 2015	$15,588	$121,326	$1,637	$20,152	$675	$159,378
Additions from acquisitions	94	25,430	—	—	—	25,524
Additions from business combinations	1,438	910	—	—	—	2,348
Internally developed software	4,813	—	—	—	—	4,813
Reclasses	—	(35)	35	—	—	—
Disposals	(3,569)	(2,968)	(169)	(19,300)	—	(26,006)
Balance as at December 31, 2016	**18,364**	**144,663**	**1,503**	**852**	**675**	**166,057**
Accumulated amortization						
Balance as at December 31, 2015	(3,811)	(89,615)	(1,574)	(8,854)	(206)	(104,060)
Amortization	(6,412)	(29,368)	(98)	(1,776)	(274)	(37,928)
Disposals	3,569	2,968	169	10,132	—	16,838
Balance as at December 31, 2016	(6,654)	(116,015)	(1,503)	(498)	(480)	(125,150)
Net book value - December 31, 2016	**$11,710**	**$28,648**	**$—**	**$354**	**$195**	**$40,907**

During 2016, the Trust reviewed the useful life of its intangible assets, and after considering customer retention and other key factors, it was determined that the useful lives of certain customer relationships decreased from its historical rate of 36 months to 27 months. As such, the Trust adjusted the amortization periods for these intangibles. The effect of this change on amortization expense is as follows:

	Year ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2018
Increase (decrease) in amortization expense	$6,792	($3,396)	($3,396)

During 2015, the Trust reviewed the useful life of its intangible assets, and after considering customer retention and other key factors, it was determined that the useful lives of certain customer relationships decreased from its historical rate of 36 months to a range between 19 to 29 months. As such, the Trust adjusted the amortization periods for these intangibles. The effect of this change on amortization expense is as follows:

	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2017
Increase (decrease) in amortization expense	$1,130	($544)	($586)

As at December 31, 2016, the remaining amortization period for all intangible assets is less than 1 year to 3 years.

2015	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Other intangibles	Total
Cost							
Balance as at December 31, 2014	$6,198	$80,535	$1,523	$19,300	$24,947	$—	$132,503
Additions	76	244	—	—	—	—	320
Additions from business combinations	1,591	40,744	114	852	—	675	43,976
Internally developed software	8,274	—	—	—	—	—	8,274
Asset acquisition adjustment	—	(197)	—	—	—	—	(197)
Disposals	(551)	—	—	—	—	—	(551)
Balance as at December 31, 2015	**15,588**	**121,326**	**1,637**	**20,152**	**24,947**	**675**	**184,325**
Accumulated amortization							
Balance as at December 31, 2014	(1,113)	(55,210)	(1,486)	(5,884)	(17,741)	—	(81,434)
Amortization	(3,066)	(34,405)	(88)	(2,970)	(7,206)	(206)	(47,941)
Disposals	368	—	—	—	—	—	368
Balance as at December 31, 2015	(3,811)	(89,615)	(1,574)	(8,854)	(24,947)	(206)	(129,007)
Net book value - December 31, 2015	**$11,777**	**$31,711**	**$63**	**$11,298**	**$—**	**$469**	**$55,318**

12. LOAN RECEIVABLE

In October 2015, the Company entered into a loan agreement with Big Sky Gas Holdings, LLC ("**Big Sky Gas**"), whereby the Company has made available a credit facility of $800. Upon closing, the Company issued a 36 month convertible term loan in the amount of $500, with an annual interest rate of LIBOR + 10%. Interest will be paid on the convertible loan maturity date, and as such, accrues interest monthly and increases the balance of the loan. During 2016, Big Sky Gas borrowed an additional $300 under the revolving portion of the credit facility, with an annual interest rate of LIBOR + 15%. Principal and interest on the balances are due on October 29, 2018. As at December 31, 2016 and 2015, the loan receivable balances of $912 and $509, respectively, are included in other non-current assets on the consolidated statements of financial position.

In September 2016, Crius Solar Fulfillment, LLC was formed in order to acquire, own and exercise rights with respect to certain solar assets to be purchased from Verengo Inc. ("**Verengo**"), who is currently in Chapter 11 bankruptcy. Crius Solar Fulfillment, LLC purchased an existing loan, originated by Bridge Bank NA and issued to Verengo, for $1,000 and subsequently advanced a further $1,272 under this loan. The loan carries an interest rate of the greater of the prime rate (3.75% as at December 31, 2016) or 3.5%, plus an additional 6.5% and is expected to be settled by May 2, 2017. Additionally, Crius Solar has extended a revolving credit facility of up to $2,000, serving as debtor in possession ("**DIP**") financing, available to Verengo to meet its liquidity needs during their bankruptcy process. The loan carries an interest rate of 12% per year and matures upon closing of the Verengo sale. As at December 31, 2016, the amount drawn on this facility was $749. As at December 31, 2016, the loan receivable balance of $3,125 is included in other non-current assets on the consolidated statements of financial position, as it is expected to be non-cash settled as part of the purchase price, upon closing of the transaction.

13. FINANCING

Macquarie Energy Supplier Agreement

The Company and its operating subsidiaries entered into several agreements (the "**Supplier Agreement**") with Macquarie Energy LLC ("**Macquarie Energy**") to provide for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each ISO. Further, the Company's customers and the LDCs serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "**Lockbox**"), and the funds in that account are used to pay Macquarie Energy for energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in the Trust's finance costs in the consolidated statements of comprehensive income (loss). Effective February 1, 2016, the Company entered into an amended Supplier Agreement with Macquarie Energy, whereby the volumetric fees are temporarily reduced until the Company reaches an agreed upon savings. Upon reaching the targeted savings, the volumetric fees will revert to their previous rate.

The Supplier Agreement includes a working capital facility with a sub-limit of $60,000 under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR (0.77% and 0.43% as at December 31, 2016 and 2015, respectively), with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Macquarie Energy has extended trade credit to the Company totaling $45,569 and $33,933 under this Supplier Agreement as at December 31, 2016 and 2015, respectively. There were letters of credit issued totaling $11,536 and $10,446, and cash advances drawn totaling $9,500 and $4,000 under the working capital facility as at December 31, 2016 and 2015, respectively. Total energy purchases totaled $492,313 and $453,383 and interest expense under the Supplier Agreement totaled $11,294 and $7,900, during the years ended December 31, 2016 and 2015, respectively. The availability under the credit facility was $38,964 and $31,739 as at December 31, 2016 and December 31, 2015, respectively. As at December 31, 2016, the Company was in compliance with all covenants.

In June 2016, the Company entered into a sale and repurchase agreement to sell certain RECs included in inventory for $5,100 and repurchase them between August 2016 and March 2017 for $5,295. These RECs are not derecognised from the consolidated statements of financial position, as the Company retains substantially all the risks and rewards of ownership. As at December 31, 2016, the Company has $757 of RECs remaining to be repurchased pursuant to this transaction.

14. GOODWILL

The following schedule provides the continuity of Goodwill:

Goodwill	**Year ended December 31, 2016**	**Year ended December 31, 2015**
Balance at the beginning of the period	$254,741	$241,381
Goodwill recognized related to acquisitions	2,492	13,360
Balance at the end of the period	**$257,233**	**$254,741**

Accumulated impairment	**Year ended December 31, 2016**	**Year ended December 31, 2015**
Balance at the beginning of the period	($137,636)	($137,636)
Goodwill impairment	—	—
Balance at the end of the period	**($137,636)**	**($137,636)**
Net book value at the end of the period	**$119,597**	**$117,105**

Goodwill acquired through a business combination relates to a single CGU, as the Trust operates under a single segment.

The Trust performed a review of impairment indicators as at December 31, 2016 including a review of the relationship between its market capitalization and carrying value of the equity, among other factors and concluded no impairment indicator was present. The principal sensitivity of the fair value less cost of disposal calculation is the Unit price. Reductions in the Unit price may result in impairment of goodwill in subsequent reporting periods.

15. FINANCIAL INSTRUMENTS

Fair value

Fair value is the estimated amount that the Trust would pay or receive to dispose of financial instruments in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Management has estimated the fair value of financial instruments using a method that employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile thus leading to volatility in the mark-to-market with no impact to cash flows. To the extent the Trust has derivative instruments that are either not traded directly on an exchange or there is no published market data available, management uses a valuation based on actual historical data on certain spreads to adjust forward published market prices to arrive at a forward curve. The fair value of the non-controlling interest related to Crius Solar Fulfillment LLC units is measured based on the contributions made by the non-controlling interest holders. The principal sensitivity of the fair value of non-controlling interest is the Unit price. The fair value of the warrant liability is based on an option pricing model. The cash flows projections were discounted using the estimated weighted average cost of capital of a market participant. The fair value of the financial transmission rights was determined based on an internally developed model that was based on certain auction pricing results. The fair value of the weather derivative was determined based on an internally developed model that was based on certain historical temperature and electricity pricing data together with the contractual terms of the derivative.

The Trust's activities expose it to a variety of market risks, principally from fluctuating commodity and currency prices. The Trust has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. The Trust's risk management activities include the use of derivative instruments such as options, swaps, forward contracts, weather derivatives, financial transmission rights and transmission congestion contracts. The Trust maintains commodity and currency price risk management strategies that use derivative instruments, within approved risk tolerances to minimize significant, unanticipated fluctuations in earnings or distributions caused by market price volatility.

The following table illustrates changes in fair value of derivative instruments related to financial instruments classified as held-for-trading and recorded in the consolidated statements of comprehensive income (loss):

	Year ended December 31, 2016	Year ended December 31, 2015
Foreign exchange options	($889)	($975)
Fixed-for-floating electricity swaps	19,634	11,850
Fixed-for-floating natural gas swaps	7,663	(4,360)
Physical electric forward contracts	20,379	122
Physical natural gas forward contracts	218	7,115
Physical electric basis forward contracts	(33)	33
Fixed-for-floating electricity basis swaps	(49)	68
Fixed-for-floating natural gas basis swaps	249	269
Heat rate forward contracts	(142)	(307)
Electricity capacity contracts	45	—
Financial transmission rights	(443)	936
Weather derivatives	(528)	167
Electricity derivative options	4	—
Gas derivative options	22	—
Change in fair value of derivative instruments	**$46,130**	**$14,918**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded in the consolidated statements of financial position as at December 31, 2016 and 2015:

	Other current financial assets		Other current financial liabilities	
	2016	**2015**	**2016**	**2015**
Foreign exchange options	$1,687	$530	$—	$—
Fixed-for-floating electricity swaps	—	—	4,768	22,567
Fixed-for-floating natural gas swaps	—	—	(961)	6,702
Physical electric forward contracts	—	—	4,957	12,976
Physical natural gas forward contracts	—	—	96	315
Physical electric basis forward contracts	—	—	—	(33)
Fixed-for-floating electricity basis swaps	—	—	181	132
Fixed-for-floating natural gas basis swaps	—	—	(76)	173
Heat rate forward contracts	—	—	378	237
Electricity capacity contracts	—	—	(45)	—
Financial transmission rights	—	412	31	—
Weather derivatives	380	908	—	—
Electricity derivative options	—	—	(4)	—
Gas derivative options	—	—	10	—
	$2,067	$1,850	$9,335	$43,069

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at December 31, 2016 and 2015:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
December 31, 2016						
Fixed-for-floating electricity swaps	1 – 25 MW	3,819,925 MWh	1 – 48	$21.30 to $74.24	($4,768)	$148,271
Fixed-for-floating natural gas swaps	(123) – 5,000 MMBtu	2,079,350 MMBtu	1 – 18	$2.75 to $4.24	$961	$7,668
Physical electric forward contracts	0 – 24 MW	1,927,484 MWh	1 – 50	$20.75 to $71.43	($4,957)	$68,107
Physical natural gas forward contracts	(1,380) – 5,427 MMBtu	892,245 MMBtu	1	$0.05 to $9.18	($96)	$4,465
Fixed-for-floating electricity basis swaps	(20) – 20 MW	– MWh	1 – 12	$(5.50) to $36.55	($181)	$10,192
Fixed-for-floating natural gas basis swaps	161 – 2,500 MMBtu	– MMBtu	1 – 6	$(0.90) to $4.86	$76	$744
Heat rate forward contracts	2 – 5 MW	53,627 MWh	1 – 18	$9.36 to $18.45	($378)	$2,176
Electricity capacity contracts	25,000 KWM	100,000 KWM	1 – 4	$1.25	$45	$125
Financial transmission rights	0.9 – 11.74 MW	707,003 MWh	1 – 17	$(5.65) to $10.50	($31)	$855
Electricity derivative options	800 – 920 MW	2,600 MWh	1 – 3	$20.05	$4	$52
Gas derivative options	0 – 2,000 MMBtu	134,740 MMBtu	1 – 3	$0.55	$(10)	$74

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
December 31, 2015						
Fixed-for-floating electricity swaps	1 – 50 MW	3,730,457 MWh	1 - 36	$20.25 to $79.50	($22,567)	$173,658
Fixed-for-floating natural gas swaps	(2,000) – 2,500 MMBtu	5,772,900 MMBtu	1 – 30	$2.02 to $4.44	($6,702)	$28,089
Physical electric forward contracts	(35) – 20 MW	1,841,907 MWh	1 – 52	$17.75 to $76.80	($12,976)	$70,888
Physical natural gas forward contracts	(270) – 5,566 MMBtu	763,008 MMBtu	1 – 3	$0.30 to $5.67	($315)	$1,984
Physical electric basis forward contracts	(20) – 20 MW	– MWh	2	$23.50 to $24.94	$33	$635
Fixed-for-floating electricity basis swaps	(25) – 25 MW	– MWh	1 – 12	$26.80 to $42.55	($132)	$25,516
Fixed-for-floating natural gas basis swaps	(2,500) – 600 MMBtu	– MMBtu	1 – 15	$(0.93) to $2.75	($173)	$920
Heat rate forward contracts	1 – 20 MW	180,828 MWh	3 – 12	$22.20 to $47.81	($237)	$4,810
Financial transmission rights	0.1 – 31.7 MW	770,865 MWh	1 – 29	$(4.06) to $9.81	$412	$645

	Notional Value	Total Remaining Volume	Maturity Date (months)	Fixed Price	Fair Value
December 31, 2016					
Foreign exchange options	US$44,392 C$58,398	US$44,392 C$58,398	1 - 24	C$1.34 per US$1	US$1,687
December 31, 2015					
Foreign exchange options	US$17,084 C$23,405	US$17,084 C$23,405	1 - 24	C$1.37 per US$1	US$530

The Company has entered into weather derivatives, specifically, a temperature contingent, financially settled, electricity strangle option which, as at December 31, 2016, matures in three months and gives the Company the right to purchase or sell electricity at predetermined fixed prices in quantities that are dependent on average daily temperatures at certain agreed weather locations. There is no quoted price in an active market for this type of weather derivative as of either the initial recognition date or December 31, 2016. The Company marks to market the fair value of the weather derivative and has included that value as other current financial assets on the consolidated statements of financial position. Changes in the fair value of the weather derivatives are recorded through the consolidated statements of comprehensive income (loss) as a change in fair value of derivative instruments.

To satisfy the renewable portion of the Company's energy products, RECs are purchased directly from generators or in the secondary market from REC brokers. Generally, the Company purchases these credits in arrears after the period in which it delivers load to customers. The fair value of the liability related to these RECs is included in trade and other payables in the consolidated statements of financial position. As at December 31, 2016 and 2015, the carrying amount of these liabilities is $13,218 and $26,492, respectively.

The following table summarizes the financial assets and liabilities that are subject to offsets and related arrangements and the effect of offsets and arrangements on the amounts recorded in the consolidated statements of financial position:

	Gross Assets	Gross Liabilities	Offset	Net Amount
December 31, 2016				
Commodity contracts offset to liabilities	$21,048	($30,605)	$21,048	($9,557)
December 31, 2015				
Commodity contracts offset to assets	$715	$(303)	$(303)	$412
Commodity contracts offset to liabilities	$5,561	$(48,630)	$5,561	$(43,069)

In August 2015, the Company entered into an agreement (the "**Reseller Agreement**") with Sungevity Inc. ("**Sungevity**") for the exclusive marketing of Sungevity's solar products for a term ending in September 2018. In consideration for entering into the Reseller Agreement, a one-time grant of 120,000,000 warrants to purchase Series C Preferred Shares of Sungevity at a strike price of $0.09 per share was made to the Company. These warrants vest at the latter of the one year anniversary of the Reseller Agreement or once certain performance criteria have been met and are exercisable for a period of five years. As at December 31, 2016, the warrants were not yet vested, and as such, none are exercisable. The warrants were not recorded in the consolidated statements of financial position, as they have zero fair value due to the underlying shares not being quoted in active markets and the terms and conditions of the Reseller Agreement not providing a transaction price. As such, they are not reliably measurable. In subsequent periods, the fair value of the warrants will remain at zero until they can be reliably measured.

Fair value ("FV") hierarchy

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted, unadjusted market prices.

Level 2

Fair value measurements that require inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be substantially observable in the market. Derivative assets and liabilities included in Level 2 are valued using multiple prices quoted by market participants other than exchanges, industry pooling, volatility and other inputs that are derived principally from, or collaboratively by, observable market data.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs, such as internally developed assumptions used in pricing an asset or a liability, for example, an estimate of cash flows used in internally developed present value of future cash flows are classified as Level 3 in the FV hierarchy. The Trust's policy is to recognize transfers in and out as at the end of the reporting period.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measure in its entirety.

The Trust’s accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. In the years ended December 31, 2016 and December 31, 2015, there were no transfers into or out of Level 1, Level 2 or Level 3.

Assuming that all other variables remain constant, a market move of +/-10% in the unobservable inputs of the weather derivative and financial transmission rights would result in an immaterial increase (decrease) in net income (loss) and total comprehensive income (loss) for the year ended December 31, 2016.

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2016:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$—	$1,978	$89	**$2,067**
Financial liabilities				
Other current financial liabilities	$—	($9,304)	($31)	**($9,335)**
TEE contingent consideration liability	—	—	(946)	**(946)**
Warrant liability	—	(1,323)	—	**(1,323)**
Non-controlling interest	—	—	(2,086)	**(2,086)**

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2015:

Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Other current financial assets	$—	$803	$1,047	**$1,850**
Financial liabilities				
Other current financial liabilities	$—	($42,865)	($204)	**($43,069)**
Contingent consideration liability	—	—	(69)	**(69)**
Warrant liability	—	(1,576)	—	**(1,576)**
Non-controlling interest	—	—	(149,619)	**(149,619)**

The following tables illustrate the changes in net fair value of financial assets and liabilities classified as Level 3 in the FV hierarchy:

Contingent consideration liability	Year ended December 31, 2016	Year ended December 31, 2015
Liability at the beginning of period	$69	$260
Additions	946	—
Write-offs	(69)	—
Changes in fair value of contingent consideration liability	—	(191)
Liability at the end of period	**$946**	**$69**

Non-controlling interest	Year ended December 31, 2016	Year ended December 31, 2015
Liability at the beginning of period	$149,619	$115,570
Addition of non-controlling interest	2,086	—
Acquisition of non-controlling interest	(142,940)	(28,794)
Changes in fair value of non-controlling interest	(6,679)	62,843
Liability at the end of period	**$2,086**	**$149,619**

Commodity contracts	Year ended December 31, 2016	Year ended December 31, 2015
Net balance at the beginning of period	$843	$1,547
Total loss	(3,545)	(4,841)
Purchases	1,651	2,762
Settlements	1,109	1,501
Transfer out of Level 3	—	(126)
Net balance at the end of period	**$58**	**$843**

Classification of financial assets and liabilities

As at December 31, 2016 and 2015, respectively, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, contingent consideration liability, warrant liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, contingent consideration liability, warrant liability and non-controlling interest are recorded at fair value.

Management of risks arising from financial instruments

The risks associated with the Trust's financial instruments are as follows:

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity price risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments including but not limited to commodity forwards, swaps, options and weather derivatives in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of the forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase/(decrease) net income (loss) and total comprehensive income (loss) of $22,048 in the consolidated statements of comprehensive income (loss).

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. As at December 31, 2016 and 2015, the Trust has aggregate letters of credit outstanding of $11,536 and $10,446, respectively, and cash advances of $9,500 and $4,000, respectively, outstanding under this facility, and therefore is exposed to interest rate risk. The Trust is also exposed to interest rate risk on its $4,000 promissory note due from VIM, its $3,125 in loans receivable from Verengo and its $912 in loans receivable from Big Sky Gas. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. In the year ended December 31, 2016, the impact of a 1% increase (decrease) in the interest rate on these balances would not have had a material impact on finance costs in the consolidated statements of comprehensive income (loss).

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in U.S. dollars; however, its distributions and publicly listed Units are denominated in Canadian dollars. The Trust's policy is to mitigate its economic exposure to currency rate movements by entering into currency derivative products including options and swaps.

Period to period changes in forward currency prices could cause significant changes in the mark to market valuation of these contracts. For example, assuming that all other variables remain constant, a market move of +/-10% would result in increase/(decrease) in net income (loss) and total comprehensive income (loss) of $3,344 and ($1,320), respectively, for the year ended December 31, 2016.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. The Trust has customer credit risk exposure relating to all or certain electricity and natural gas accounts receivable in the states of California, Delaware, District of Columbia, Illinois, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas and Virginia ("**Non-POR markets**"). If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust. In Texas, certain customers are required to provide a deposit when they open an account with the Company, which can be used in the event of default on a customer account, thereby reducing customer credit risk in this market. As at December 31, 2016 and 2015 these customer deposits total $544 and $764, respectively, and are included within other current liabilities on the consolidated statements of financial position.

For the remaining markets, the LDCs provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at December 31, 2016 and 2015, the customer credit risk exposure from Non-POR markets amounts to $7,829 and $5,947, respectively. The accounts receivable aging for these markets are as follows:

Accounts Receivable at	Total	Current	30-59 days	Over 60 days
December 31, 2016	$7,829	$6,760	$442	$627
December 31, 2015	$5,947	$5,149	$314	$484

Changes in the allowance for doubtful accounts were as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Balance, beginning of year..	$965	$1,519
Bad debt expense related to trade receivables...	1,987	1,408
Bad debts written off..	(1,421)	(1,962)
Balance, end of year..	**$1,531**	**$965**

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk related to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency and other derivatives amounted to $2,067 and $1,850 as at December 31, 2016 and 2015, respectively, representing the risk relating to its derivative financial assets. The Trust is also exposed to counterparty credit risk on its promissory note and amounts due under the transition services agreement with VIM, in addition to its loans receivable from Verengo and Big Sky Gas. The $4,000 promissory note and $1,645 amount due under the transition services agreement from VIM are fully reserved for, based on the Company's current understanding and assessment of VIM's ability to pay. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring near-term and long-term cash flow forecasts to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2016:

	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$163,893	$132,314	$31,579	$—
Operating leases	13,425	654	6,175	6,596
Financing leases	970	428	542	—
Credit facility	9,500	9,500	—	—
Distribution payable	1,918	1,918	—	—
Other non-current liabilities	1,857	—	1,857	—
	$191,563	$144,814	$40,153	$6,596

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2015:

	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$156,799	$121,049	$35,750	$—
Operating leases	1,389	824	565	—
Financing leases	657	325	332	—
Credit facility	4,000	4,000	—	—
Distribution payable	698	698	—	—
Other non-current liabilities	4,668	—	4,668	—
	$168,211	$126,896	$41,315	$—

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

16. INCOME TAXES

The major components of the provision for income taxes, which relates to the Trust's U.S. subsidiaries, for the years ended December 31, 2016 and December 31, 2015 are:

	Year ended December 31, 2016	Year ended December 31, 2015
Current income tax:		
Current income tax charge	$1,680	$1,420
Deferred income tax:		
Origination and reversal of temporary differences	154	(338)
Provision for income taxes	**$1,834**	**$1,082**

Reconciliation of the effective tax rate

The provision for income taxes represents an effective tax rate different than the combined U.S. federal and state statutory tax rate as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Income (loss) before income taxes	$46,200	($73,829)
Federal income tax (at 34.0%)	15,708	(25,102)
State income tax, net of federal benefit	1,078	(178)
Impact of permanent differences		
Fair value of non-controlling interest	(2,271)	21,367
Non-taxable distribution	(5,344)	1,183
Foreign income taxed at lower rate	(2,458)	—
Transfer pricing	1,091	—
Other permanent items	115	—
Unrecognized deferred tax	(6,085)	3,812
Total provision for income taxes	**$1,834**	**$1,082**

Recognized deferred tax assets and liabilities

Recognized deferred tax assets are attributed to the following:

	As at December 31,	
	2016	**2015**
Deferred tax assets:		
Fair value of derivative instruments	$—	$5,276
Allowance for doubtful accounts	176	107
Depreciation and amortization	5	—
Accrued renewable energy certificates	18	1,017
Accrued expenses	1,927	—
Reserve	653	—
Other	84	122
Total deferred tax assets	**2,863**	**6,522**
Deferred tax liabilities:		
Intangible assets	—	(4,105)
Fair value of derivative instruments	(569)	—
Depreciation and amortization	—	(97)
Other	(128)	—
Total deferred tax liabilities	(697)	(4,202)
Total net deferred tax assets	**$2,166**	**$2,320**

Significant components of unrecognized deferred tax assets

	As at December 31,	
	2016	**2015**
Net operating losses – Federal and State	$—	$555
Goodwill	4,516	4,978
Renewable energy certificate	—	709
Intangible assets	14,760	—
Fair value of derivative instruments	—	8,156
Depreciation and amortization	7,193	—
Reserve	1,921	—
Total unrecognized deferred tax assets	**$28,390**	**$14,398**

Movement in deferred tax balances

	As at December 31,	
	2016	**2015**
Opening balance	$2,320	$1,982
Tax (loss) income during the period	(154)	338
Closing balance	**$2,166**	**$2,320**

There is an increase in unrecognized deferred tax assets for the year ended December 31, 2016, as compared to the year ended December 31, 2015, pursuant to the buyout of the non-controlling interest of the Company. The Company recognizes deferred tax assets to the extent that the Company believes that the likelihood of recognition is probable. In making such a determination, the Company considers reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and the results of recent operations. During 2016, the Company determined that we would not be able to realize all of our deferred tax assets in the future that are in excess of $2,166.

As at December 31, 2016 and December 31, 2015, the Trust has tax-effected federal net operating losses ("**NOLs**") of approximately $- and $485 respectively, and state NOLs of approximately $- and $70, respectively.

17. TRUST CAPITAL

Authorized

The beneficial interests in the Trust are represented and constituted by one class of Units. An unlimited number of common voting trust units may be issued pursuant to the Trust Indenture. Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust, and all Units rank equally and ratably with all other Units. Each Unit entitles the holder to one vote at all meetings of unitholders. Unitholders are entitled to receive non-cumulative distributions from the Trust if, as, and when declared by the Trust. Trust Units have no par value.

Trust Units are redeemable at any time or from time to time on demand by the unitholders thereof. Upon delivery to the Trust, the holder is entitled to receive a price per unit (the "**Redemption Price**") equal to the lesser of: (i) 90% of the volume-weighted average trading price of a Unit during the last 10 consecutive trading days; and (ii) 100% of the volume-weighted average trading price of a Unit on the redemption date. The aggregate Redemption Price payable by the Trust in respect of any Units tendered for redemption during any month shall be satisfied by cheque drawn on a Canadian chartered bank or trust in lawful money of Canada payable to the unitholders who exercised the right of redemption, on or before the end of the calendar month following the calendar month in which the Units were tendered for redemption; provided that unitholders shall not be entitled to receive cash upon the redemption of their Units if the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same month exceeds $100,000. If a unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in the immediately preceding paragraph, then the Redemption Price for each Unit tendered for redemption shall be equal to the fair market value of a Unit as determined by the Trustee, in its discretion, and shall, subject to all necessary regulatory approvals, be paid and satisfied by way of a distribution *in specie* of trust property, other than certain specified Trust assets as determined by the Trustee in its discretion. To the extent that the Trust does not hold trust property, other than the above mentioned specified Trust assets, having a sufficient amount outstanding to effect payment in full of the *in specie* Redemption Price, the Trust may affect such payment by issuing redemption notes, being unsecured subordinated promissory notes of the Trust. It is anticipated that the redemption right will not be the primary mechanism for unitholders to dispose of their units.

Issuance of Trust Units

On June 23, 2016, the Trust closed a public equity offering of 8,581,300 subscription receipts at a price of C$8.45 per Unit, which included 1,119,300 subscription receipts issued pursuant to the exercise in full of the over-allotment option by the underwriters, for total gross proceeds of C$72,512 (or US$56,390) (the "**2016 Offering**").

Concurrent with the closing of the 2016 Offering, the Trust used the proceeds to primarily make an additional indirect investment in Crius Energy Corporation through a combination of capital contributions and a loan to enable Crius Energy Corporation to purchase the remaining 19,458,942 membership units ("**LLC Units**") of the Company that were not already owned by Crius Energy Corporation from the existing holders of LLC Units (the "**LLC Units Acquisition**"), representing an additional 56.9% ownership interest in the Company, such that the Trust holds a 100% ownership interest in the Company immediately following the transaction. Such LLC Units Acquisition was completed pursuant to an offer to purchase (the "**Offer**") from Crius Energy Corporation and Crius Energy Trust dated May 18, 2016 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation and Crius Energy Trust offered to purchase LLC Units from such registered holders of LLC Units. The redemption payment to each seller of LLC Units (an "**LLC Unit Seller**") was (i) 0.766 Trust Units per LLC Unit and (ii) C$2.93 (the "**Purchase Price**"). Upon the terms and subject to the conditions of the Offer, LLC Unit Sellers received an aggregate purchase price of 14,760,000 Trust Units and $45,294. The remaining net proceeds after transaction costs of $6,074 are available for general corporate purposes.

On July 2, 2015, the Trust closed a public equity offering of 6,785,000 Units at a price of C$6.80 (US$5.51) per Unit, which included 885,000 Units issued pursuant to the exercise in full of the over-allotment option by the underwriters, for total gross proceeds of C$46,138 (US$37,409) (the "**2015 Offering**"). Concurrent with the closing of the 2015 Offering, the Trust used the proceeds to primarily make an additional indirect investment in Crius Energy Corporation through a capital contribution to enable Crius Energy Corporation to purchase 5,557,542 LLC Units of the Corporation from certain existing holders, representing an additional 16.3% indirect ownership interest in the Company such that the Trust holds a 43.1% indirect ownership interest in the Company immediately following the transaction. Such LLC Units Acquisition was completed pursuant to an Offer to purchase from Crius Energy Corporation dated June 4, 2015 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation offered to purchase LLC Units from such registered LLC Unit Sellers. The purchase price payable to each seller of LLC Unit Seller; per LLC Unit was C$6.39 (US$5.18). Upon the terms and subject to the conditions of the Offer, Crius Energy Corporation accepted LLC Units for purchase pursuant to the Offer and paid an aggregate Purchase Price of $28,794 to the LLC Unit Sellers. The remaining net proceeds after $3,047 of transaction costs were available for general corporate purposes.

Warrants issued to Macquarie Energy, LLC

In consideration for entering into an amendment to the Supplier Agreement, the Trust issued Macquarie Energy 750,000 warrants to purchase Trust Units with a strike price of C$6.23 per Unit and a term of five years, with the warrants being exercisable over a four-year period which were fair valued using an option pricing model. The fair value of the warrants issued is being amortized over the life of the extended Supplier Agreement.

Distributions paid and proposed

For the year ended December 31, 2016, monthly distributions of C$0.0595 per Unit were declared by the Trust for January through March 2016, C$0.0607 per Unit were declared for April through June 2016, C$0.0619 per Unit were declared from July through September 2016 and C$0.0632 per Unit were declared from October through December 2016, which together amounted to $16,886. For the year ended December 31, 2015, distributions of C$0.0583 per Unit were declared by the Trust for January through December, which together amounted to $7,104. These distributions were approved throughout the periods by the Board of Directors of the Trust and all amounts were paid by January 16, 2017.

Declared dividends subsequent to year-end

On January 11, 2017, the Board of Directors of the Trust declared a monthly distribution for the first quarter in the amount of C$0.0644 per Unit per month. The January 2017 distribution was paid on February 15, 2017, to unitholders of record at the close of business on January 31, 2017. The February 2017 distribution was paid on March 15, 2017, to unitholders of record at the close of business on February 28, 2017. The March 2017 distribution will be paid on April 17, 2017 to unitholders of record at the close of business on March 31, 2017.

Non-controlling interest

On September 12, 2016, Crius Energy Corporation, along with two prominent clean technology investment firms and a leading lender in the residential solar finance industry formed an LLC, Crius Solar Fulfillment, LLC in order to acquire, own and exercise rights with respect to certain solar assets to be purchased from Verengo, who is currently in Chapter 11 bankruptcy. The Company contributed cash of $2,250 and has a 65% controlling interest in Crius Solar, while the other three LLC members contributed $2,086 and hold the remaining 35% non-controlling interest.

As at December 31, 2016, due to the provision for equity exchange rights for the non-controlling interest holders in Crius Solar Fulfillment arising from its LLC agreement, the non-controlling interest is classified as a non-current liability on the consolidated statements of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statements of comprehensive income (loss).

As at December 31, 2015, due to the redeemable nature of the non-controlling interest in the Company arising from the Trust Change of Control provisions, the non-controlling interest was classified as a non-current liability on the consolidated statements of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statements of comprehensive income (loss).

18. INCOME (LOSS) PER UNIT

	Year ended December 31, 2016	Year ended December 31, 2015
Net income (loss) and total comprehensive income (loss)	$44,366	($74,911)
Weighted average number of Units outstanding	28,989,767	13,353,673
Basic income (loss) per Unit	**$1.53**	**($5.61)**
Net income (loss) and total comprehensive income (loss)	**$44,366**	**($74,911)**
Weighted average number of Units outstanding	28,989,767	13,353,673
Weighted average number of dilutive DTUs outstanding	14,321	—
Weighted average number of dilutive warrants outstanding	199,896	—
Diluted weighted average number of Units outstanding	29,203,984	13,353,673
Diluted income (loss) per Unit	**$1.52**	**($5.61)**

For the year ended December 31, 2015, 750,000 warrants were anti-dilutive to loss per unit and there were no DTUs outstanding, therefore, they were excluded from the determination of dilutive per unit amounts.

19. CONSOLIDATED STATEMENT OF CASH FLOWS

The (outflows) inflows of net change in operating assets and liabilities, are as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Collateral deposits	$145	($207)
Accounts receivable	(12,966)	18,274
Inventory	6,411	544
Income tax receivable	3,620	(3,120)
Other current financial assets	(2,014)	(176)
Other current assets	22	(453)
Other non-current assets	(3,746)	(511)
Trade and other payables	(11,170)	(28,218)
Income tax payable	834	—
Distributions payable	1,221	209
Other current liabilities	—	(5,544)
Other non-current liabilities	(2,947)	3,912
	($20,590)	**($15,290)**

20. UNIT BASED COMPENSATION

Restricted Trust and Phantom Unit Plans

Under the RTUP, restricted trust units may be granted by the Board of the Administrator, or an appointed committee thereof (the "**RTUP Administrator**") to directors, officers, employees or direct or indirect service providers ("**Participants**") of the Trust. The number of Units reserved for issuance pursuant to the redemption of RTUs granted under the RTUP and pursuant to all other security based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTUP. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTUP. The vesting of RTUs is determined by the RTUP Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 20th of the third calendar year following the service year in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "**Grant Date**"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date. As at December 31, 2016, there were no outstanding or vested RTUs.

At the determination of the RTUP Administrator, on a date on or before the date which is three calendar years following the end of the service year in respect of which the RTUs were granted, the holder will receive, subject to applicable withholding taxes, for each RTU held either (i) the cash equivalent of one Unit; or (ii) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the TSX. The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSX for the last five trading days prior to the date of calculation. Participant's RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the Participant if the RTUs in the Participant's account were outstanding Units during the relevant period ("**accrued distributions**"). A Participant shall not have the right or be entitled to exercise any voting rights, receive distributions or have or be entitled to any other rights as a unitholder of the Trust in respect of any RTUs.

The following schedule provides the continuity of the RTUs:

	Number of Units
As at December 31, 2014	—
RTUs issued	19,535
RTUs accrued distributions	595
RTUs vested into Units	(20,130)
As at December 31, 2015	—

During 2015, the Board of the Directors of the Administrator reviewed the RTUP and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, has determined that the RTUP is no longer the most appropriate long-term incentive plan for the Trust. As such, the RTUP expired on November 2, 2015.

The Company adopted a cash settled PURP for the benefit of directors, officers or employees or direct or indirect service providers of the Company residing in the United States ("**U.S. Participants**"). In December 2014, the PURP was renamed under Crius Energy Management, LLC. The purpose of the PURP is to provide incentive bonus compensation based on the appreciation in value of the Trust Units and distributions payable in respect of these units, thereby providing additional incentive for continued efforts in promoting the growth and success of the Trust and in attracting and retaining management personnel in the United States. The grants issued under the PURP are also based upon three year cumulative Company performance targets set by the Board of Directors each year. Upon vesting, the members of the Board of Directors will review actual Company performance compared to set targets and adjust the cash settlements accordingly. The PURP mirrors the material terms of the RTUP with the exception that PURs may only be settled with cash payments by Crius Energy Management, LLC. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. The PURs will vest between January 2017 and August 2019 and are being expensed ratably over this period. As at December 31, 2016, the number of PURs available for future issuance is 2,130,555.

The following schedule provides the continuity of the PURs:

	Number of Units
As at December 31, 2014	755,414
PURs issued	1,338,001
PURs accrued distributions	169,209
PURs settled	—
Forfeitures	(56,534)
As at December 31, 2015	**2,206,090**
PURs issued	461,014
PURs accrued distributions	173,492
PURs settled	(225,929)
Forfeitures	(736,577)
As at December 31, 2016	**1,878,090**

Included in the table above are PURs and accrued PUR distributions of 623,217 and 54,932, respectively relating to the acquisition of TEE. In June 2016, these PURs and accrued PUR distributions were cancelled in conjunction with the final TEE working capital settlement.

During the year ended December 31, 2016, the Board of Directors approved the grant of 461,014 PURs. The number of PURs settled were 225,929 and -, for the years ended December 31, 2016 and 2015, respectively. Except for the PURs that were settled, there are no vested PURs as at December 31, 2016. For the years ended December 31, 2016 and 2015, unit based compensation of $4,875 and $4,425 was included in the consolidated statements of comprehensive income (loss).

On March 16, 2017, the Board of Directors approved the grant of 435,746 PURs.

Deferred Trust Unit Plan

In January 2016, the Trust established the Deferred Trust Unit Plan ("**DTUP**") for non-executive Administrator Directors to enhance our ability to attract and retain high quality individuals to serve as members of our Board of Directors and to promote a greater alignment of interests between our outside Administrator Directors and our unitholders.

A Deferred Trust Unit ("**DTU**") is a security, equivalent in value to a trust Unit, credited by means of a bookkeeping entry in our books, to an account in the name of the Administrator Director. Under the DTUP, non-executive Administrator Directors may receive a percentage of their annual fee in the form of DTUs. The number of DTUs to be credited to an Administrator Director's account in each year is calculated by dividing (a) the amount of the annual fee that the Administrator Director will receive in the form of DTUs, by (b) the market value of a Unit using the five-day trailing volume-weighted average price prior to January 1st of any given grant year. As at December 31, 2016, there are 33,390 DTUs issued. On March 16, 2017, the Board of Directors approved the issuance of 34,863 DTUs for 2017. The aggregate number of DTUs that may be granted to non-executive Administrator Directors shall not exceed 1,674,515 DTUs. As at December 31, 2016, the number of DTUs available for future issuance under this compensation plan is 1,638,116.

The following schedule provides the continuity of the DTUs:

	Number of Units
As at December 31, 2015	—
DTUs issued	33,390
DTUs accrued distributions	3,009
DTUs settled	—
Forfeitures	—
As at December 31, 2016	**36,399**

21. GUARANTEES

Officer and Directors

Corporate indemnities have been provided by the Trust to all Directors and Officers for various items including, but not limited to, all costs to settle suits, or actions due to their association with the Trust, subject to certain restrictions. The Trust has purchased directors' and officers' liability insurance to mitigate the costs of any potential lawsuits or actions taken against the Trust. Each indemnity, subject to certain exceptions, applies for so long as the indemnified person is a Director or Officer of the Trust. The maximum amount of any potential future payment cannot be reasonably estimated.

22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial or operating decisions. The definition includes subsidiaries and other persons.

Subsidiaries

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including primarily intercompany notes and administrative service fees amongst its subsidiaries. These transactions are eliminated on consolidation and are not disclosed in these consolidated financial statements.

Key management personnel

The Trust's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Trust.

Compensation of key management personnel that is directly attributable to the Trust is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Wages, salaries and employee benefits	$5,033	$3,710
Directors fees	560	389
Termination benefits	—	138
Share-based compensation	1,080	2,518
Post-employment benefits	75	48
	$6,748	**$6,803**

As part of the LLC Units Acquisition in June 2016, certain key management personnel received, in aggregate, buyout payments of $3,838 and 1,210,000 Trust Units, in exchange for their LLC Units.

Other related party transactions

During the years ended December 31, 2016 and 2015, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances. The balance as at December 31, 2016 and December 31, 2015, was $- and $448, respectively, and is included in other current assets in the consolidated statements of financial position. These amounts were repaid through future distribution disbursements. Due to the short-term nature for the repayment of these advances, no interest was charged.

23. CAPITAL DISCLOSURES

For capital management purposes, the Trust considers its capital structure to include unitholders' equity and availability under the Supplier Agreement. The Trust's principal objectives in managing capital are:

- ensure sufficient liquidity to adequately fund the ongoing operations of the business;
- provide flexibility to take advantage of growth opportunities that are expected to provide satisfactory returns to unitholders;
- maintain a strong capital base so as to maintain investor, creditor and market confidence;
- provide returns and generate predicable cash flow for distributions to unitholders;
- comply with financial covenants required under its financing arrangements.

The Trust manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management. The Trust is not subject to externally imposed capital requirements other than standard covenants in the Supplier Agreement (Note 13). As at December 31, 2016 all these covenants have been met.

24. REPORTABLE BUSINESS SEGMENTS

Operating segments

For the fiscal years ended December 31, 2016 and 2015, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment.

Products

The following table summarizes the revenue by product recorded in the consolidated statements of comprehensive income (loss):

	Year ended December 31, 2016	Year ended December 31, 2015
Electricity	$705,131	$636,719
Natural gas	28,249	41,485
Fee revenue	8,079	6,649
Solar	2,336	1,467
Total revenue	**$743,795**	**$686,320**

Geographic information

All of the Trust's revenues from external customers are from the United States of America. The Trust's assets are primarily located in the United States of America, with an immaterial amount located in Canada. The Trust does not have any key customers. For the year ended December 31, 2016, the Trust operated in six states (Connecticut, Massachusetts, New Jersey, New York, Pennsylvania and Texas), each of which contributed more than 10% of total revenues. These six states in total comprised 80.5%, of revenue. For the year ended December 31, 2015, the Trust operated in five states (Connecticut, Massachusetts, New Jersey, New York and Texas), each of which contributed more than 10% of total revenues. These five states in total comprised 74.7% of revenue.

25. COMMITMENTS AND CONTINGENCIES

Surety bonds

As at December 31, 2016 and 2015, the Trust had surety bonds issued of $18,772 and $20,357, respectively, to the various state regulatory commissions and LDCs.

Contingent consideration liability

As at December 31, 2016, the Company had a contingent consideration payable related to a settlement agreement with a former owner of TEE in the amount of $946. The amount of contingent consideration payable is based on an agreed upon percentage of gross margin relating to new/renewal business brought in over a two year period commencing on June 21, 2016.

As at December 31, 2015, the Trust had contingent consideration payable related to the acquisition of a technology platform in the amount of $69. The amount of contingent consideration payable is based on an agreed percentage of the cash flows generated by use of the technology platform over a four year period commencing in 2015. This payable is included within other non-current liabilities in the consolidated statements of financial position.

Operating leases

The Trust has entered into non-cancelable lease contracts for its office facilities. These leases have a leasing period of between two to ten years. If applicable, the Trust takes into account escalation clauses when determining the amount of future minimum lease payments. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the years ended December 31, 2016 and 2015, rent expense under its operating leases of $1,670 and $877, respectively, was incurred. These amounts are included in the consolidated statements of comprehensive income (loss). The deferred rent liability associated with the operating lease is included within other non-current liabilities in the consolidated statements of financial position.

Financing leases

The Trust leases certain property and equipment under non-cancelable financing leases. These leases are measured at amortized cost using the effective interest rate method and are initially measured at fair value. A purchase option is provided at the end of the lease term and ranges in value from $1 to fair market value. For the years ended December 31, 2016 and 2015, depreciation expense under its financing leases of $409 and $294, respectively, was incurred by the Trust. These amounts were included in the consolidated statements of comprehensive income (loss). The related lease liability is included within trade and other payables and other non-current liabilities on the consolidated statements of financial position.

Employee defined contribution plan

The Trust has a 401(k) retirement plan in which substantially all full-time employees may participate. The Trust matches employee contributions up to a maximum of 4% of each participant's annual salary. During the years ended December 31, 2016 and 2015, employer contributions totaled $358 and $256, respectively.

Renewable Energy Credits

The Company must obtain a certain percentage or amount of its power supply from renewable energy sources in order to meet the requirements of renewable portfolio standards in the states in which it operates. This requirement may be met by obtaining RECs that provide evidence that electricity has been generated by a qualifying renewable facility or resource. As at December 31, 2016, the Company had commitments to purchase RECs of $42,677.

Regulatory proceedings

The Company is an independent energy marketer of retail electricity and natural gas to residential and commercial customers across numerous states. Market rules and regulations locally, regionally and state to state change periodically. These changes will likely have an impact on the Company's business. Some changes may lead to new or enhanced business opportunities, while other changes may result in a negative impact on the Company's business. As such, there is no way to measure an exact effect through a cost benefit analysis, because there are many variables. The regulatory process does allow for some participation, and the Company engages in that participation, however, such participation provides no assurance as to the outcome of such proceedings. In addition, retail energy providers have been named as defendants in consumer protection regulatory reviews and proceedings. In recent years, the Company has been named in several such regulatory proceedings. The Company regularly defends such proceedings and has successfully closed a number of such actions. At this time, the Company does not have enough information to be in a position to estimate a range of possible resulting liabilities or a minimum that could result from the conclusion of these reviews and proceedings. However, the Trust does not expect proceedings to have a material adverse effect on the Trust's financial condition or results of operations.

Litigation and other claims

The Company is involved in various disputes and litigation arising in the ordinary course of business from time to time. In the opinion of management, the resolution of these disputes against the Company will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

In recent years, retail energy providers have been named as defendants in industry-wide class action lawsuits stemming from the price increases experienced by customers as a result of the polar vortex in 2014. The Company, has been named as a defendant in several of such class actions lawsuits. The Company is vigorously defending these actions, and has successfully defeated a number of such actions. At this time, the Company does not have enough information to be in a position to estimate a range of possible resulting liabilities or a minimum that could result from the conclusion of these actions.

26. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue on March 16, 2017 by the Board of Directors of the Administrator**.**

27. SUBSEQUENT EVENTS

In January 2017, the Connecticut Department of Economic and Community Development advanced a loan to the Company in the amount of $8,000 at an annual interest rate of 2%, with the principal and accrued interest repayable over a period of up to 10 years. The loan contains a provision for potential debt forgiveness where the Company achieves certain headcount targets agreed with the Connecticut Department of Economic and Community Development. In addition, the Connecticut Department of Economic and Community Development granted the Company $100 to be used for employee training purposes.

In March 2017, the Company entered into a letter agreement with VIM to amend certain terms of the original purchase agreement of the Company's former Viridian network marketing sales channel entered into in July 2016. The letter agreement provides for an amendment to the terms of the $4,000 promissory note from the original purchase agreement, whereby the due date of the note has been extended until March 2019, with an 8% annual interest rate to be paid in kind, as well as the making available of a commissions advance facility of up to $3,000 with a maturity date of March 2019, at an annual interest rate of 12%. All existing amounts owed by VIM to the Company under the transitional arrangements (as at December 31, 2016, such amounts totaled $1,645), shall be rolled into the commissions advance facility.