

**Ministry of Energy**

Office of the Minister

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**Ministère de l'Énergie**

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DEC 08 2016

Mr. Bruce Campbell  
President and CEO  
Independent Electricity System Operator  
1600–120 Adelaide Street West  
Toronto ON M5H 1T1

Dear Mr. Campbell:

Thank you for submitting the Independent Electricity System Operator's (IESO) proposed 2017-19 Business Plan (the Plan) on September 2, 2016 for my review.

The Ministry of Energy has reviewed the Plan, and while we are satisfied with its overall strategic direction, we would like to refer the Plan back to you for further consideration and refinement.

We appreciate your continued commitment to managing costs and your efforts to maximize existing resources, including achieving the expected merger synergy savings of \$5.3M in 2015 and progressing well towards the same savings target in 2016. However, the ministry asks that you resubmit the Plan to include resourcing for the Market Renewal project that the IESO is currently undertaking.

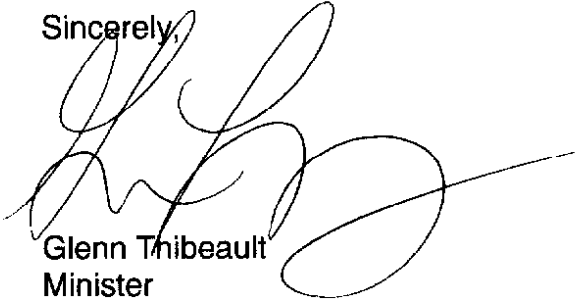
In particular, the ministry would like to ensure that the Plan outlines any resourcing requirements needed to deliver the emerging priority to drive further efficiency in the energy markets. Market renewal is a pressing need and the IESO has already begun the important work of consulting with stakeholders on the work plan to renew Ontario's electricity market design. Please ensure that the IESO's business plan includes appropriate resources needed for this important initiative.

The pace of change in the energy sector is fast. The government is embarking on the development of the Long-term Energy Plan 2017 (LTEP) that is expected to set a renewed direction for the energy sector. The passage of the *Energy Statute Law Amendment Act, 2016* solidifies the important role of the IESO in the province's long-term energy planning. I will continue to look to the IESO to play an important role in the development and implementation of the LTEP.

.../cont'd

I look forward to working with IESO on the opportunities that lie ahead. Please submit a revised 2017-2019 Business Plan by February 1, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Thibeault', with a long horizontal flourish extending to the right.

Glenn Thibeault  
Minister

- c: Tim O'Neill, Chair, IESO
- c: Serge Imbrogno, Deputy Minister
- c: Michael Reid, ADM, Strategic Network & Agency Policy, Ministry of Energy