

# Corporate Performance Measures Update and Next Steps

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# Measurement Objective and Themes

## Objective:

- Corporate performance measures (CPMs) are developed to help drive the organizational performance of the IESO towards achieving its strategic objectives.

## Themes:

Measures are intended to reflect areas of progress for the IESO to achieve including ability to:

- Provide public value within the IESO's mandate such as operating a reliable, efficient and sustainable system and marketplace in a cost effective manner
- Garner the respect, trust and support of the government, stakeholders and customers towards achieving collectively acceptable outcomes for Ontario's energy future
- Strengthen and develop the operational capabilities and build corporate resilience in order to meet the needs of the sector

# SAC Feedback Helpful in Development of 2016 CPMs

| Theme  | IESO Response  |
|--|--|
| Corporate Performance Measures (CPM) need to be more forward looking   | Defined performance objectives   |
| Remote communities need to be brought to the forefront   | Target pertaining to remote communities was added  |
| Business parameters and minimum targets would be helpful in determining the success to meet the FIT and MicroFIT targets | Included the words “cost efficient” and “transparent, consistent and efficient processes” to convey that price to the ratepayer and robust processes together play |
| Further clarification requested in determining the 80% target for priority projects                                      | 10 projects identified as priority projects for 2016   |

# Progress being made on 2016 Targets

The IESO is currently on track to achieve the 2016 targets by year end.

Key highlights of progress thus far on 2016 targets include:

| Target  | Q1 Update  |
|---|--|
| The IESO is able to self-certify, consistent with North American Electricity Reliability Corporation (NERC) requirements (including audit requirements), its compliance with all ~450 NERC high VRF reliability standards. Examples include Interconnection Reliability Operating Limits, system operating limits, voltage and reactive control and load shedding plans | Reported compliance with all NERC High VRF standards |

# Progress being made on 2016 Targets

| Target   | Q1 Update  |
|--|--|
| <ul style="list-style-type: none"><li>• Ontario's conservation portfolio is delivered within 4¢/kWh while achieving energy savings from LDCs (800 GWh) and direct-connect customer programs (524 GWh)</li><li>• IESO-supported and funded pilots and programs are implemented to support cost-effective achievement of local distribution company (LDC) energy-saving targets</li><li>• LDCs and gas utilities collaborate to maximize efficiencies and reduce costs</li></ul> | <ul style="list-style-type: none"><li>• 28 LDC pilot programs approved by IESO as of Mar. 31, 2016</li><li>• 6 local LDC programs approved by IESO as of Mar. 31, 2016</li></ul> |

# Progress being made on 2016 Targets

| Target   | Q1 Update   |
|--|---|
| <ul style="list-style-type: none"><li>• Regional plans are completed in accordance with required regulatory timelines</li><li>• For the eight Integrated Regional Resource Plans (includes one interim plan), the timelines established in 2015 for progress in 2016 on 30 key recommendations are met</li><li>• Progress and work with remote communities on six priority bulk transmission projects from provincial plan(s) (the 2013 Long Term Energy Plan) are tracked, along with associated milestones with timelines in 2016 (Note: timelines may be amended based on periodic updates to planning assumptions)</li></ul> | <p>The 30 key recommendations for the eight Integrated Regional Resources Plans and the milestones for the six bulk transmission priority projects are on track, as planned</p> |

# Progress being made on 2016 Targets

| Target   | Q1 Update  |
|--|--|
| <ul style="list-style-type: none"><li>At least 80 percent of the 10 priority capital projects are completed or are progressing on time and budget, and meet those business objectives that can be measured in 2016</li></ul> | Progress is being made on all 10 priority capital projects |

# 2017 CPM Development

The IESO is in the process of developing a new set of performance measures for 2017 to align with:

- SAC priorities
- Strategic themes and objectives of the IESO
- 2017-19 IESO Business Plan



# Discussion Questions

- Given the IESO's response to SAC feedback in October 2015, is the SAC satisfied with the current level of detail in the 2016 CPMs? Is there any additional level of detail that the SAC would like to see?
- Generally, what areas should the IESO focus on (e.g. specific initiatives, human capital, finance/governance, internal/external facing) to adequately support the execution of the IESO's mandate?

# CPM Development Timelines

| Deliverables   | 2016 Dates |
|--|------------|
| SAC advice provided on 2017 CPMs development                                   | May        |
| Develop draft 2017 measures and targets  | May        |
| Present draft 2017 CPMs to IESO Audit Committee/Board for feedback and comment | June 14    |
| Incorporate draft CPMs into 2017-19 Business Plan                              | July       |
| Consult SAC on draft 2017–19 Business Plan; including 2017 CPMs                | Aug 17     |
| Incorporate SAC feedback into 2017 – 2019 Business Plan                        | Aug 22     |
| Submit to IESO Board for review of 2017–19 Business Plan; including 2017 CPMs  | Aug 31     |
| Submit 2017–19 Business Plan to Minister                                       | Sept 2     |