

IESO Corporate Performance Quarterly Results

To the end of March 31, 2010

A. RELIABILITY <i>"To sustain excellence in delivering reliable electricity service conditioned by costs and environmental performance."</i>				
Objective	Measure	Target	Q1 Results	Status
A1 The IESO-controlled grid provides reliable electricity service.	A1.1 Ontario's annual unsupplied energy is within acceptable limits.	Ontario's annual system unsupplied energy meets the published Ontario benchmark and the IESO agrees to a mitigation plan with relevant external parties designed to improve performance for any local area with unsupplied energy above threshold.	Ontario's annual system unsupplied energy is tracking well below the published Ontario benchmark. No mitigation plans were required since there were no red/yellow-flagged local areas identified in Q1.	On Track
A2 The IESO's actions support reliable operation of the IESO-controlled grid.	A2.1 Compliance by the IESO and market participants with applicable reliability operating standards, market rules and regulatory requirements.	• The IESO reports full compliance with NERC high violation risk factor (VRF) requirements that are within the IESO's control and no violations of NPCC sanctionable criteria that are greater than Level 2 and that are within IESO's control; and • 90% of market participants reported full compliance with NERC high VRF requirements and no violation of NPCC sanctionable criteria greater than Level 2; and • NPCC audits find the IESO compliant with all high VRF requirements included in the audited NERC standards.	• The IESO reports full compliance with NERC high VRF and no violations of NPCC sanctionable criteria that are greater than Level 2. • 100% market participant compliance with high VRF and no violation of NPCC sanctionable criteria greater than level 2 reported. • No audits were conducted in Q1.	On Track

A. RELIABILITY

"To sustain excellence in delivering reliable electricity service conditioned by costs and environmental performance."

Objective	Measure	Target	Q1 Results	Status
A3 The IESO-controlled grid is equipped to provide reliable electricity service going forward.	A3.1 Percentage of the installed reserve requirement available.	The IESO anticipates a strong availability of reserves from a provincial adequacy perspective independent of any special actions undertaken by the IESO. Accordingly, this specific measure is not a meaningful measure of 2010 corporate performance. The IESO continues to make certain that local conditions or operational issues are adequately assessed in providing reliable electricity service.		

B. CUSTOMERS AND STAKEHOLDERS

"To continue to operate and adapt the IESO-administered electricity markets to the benefit of all Ontarians."

Objective	Measure	Target	Q1 Results	Status
B1 Suppliers and consumers are responsive to the price of electricity.	B1.1 Market responsiveness of suppliers and consumers.	The following targets shall be met: - The capacity, over which the IESO can demonstrate some degree of influence, to shift suppliers towards price responsive behaviour at year-end, 2010 will be 50%; and Time-of-use (TOU) rollout: - The IESO is proactive in engaging LDCs to move forward with their TOU plans; - Neither the IESO nor its services offer any barriers to LDC plans; and	Price responsiveness of capacity: - The IESO contributed a proposal towards a possible global adjustment (GA) allocation mechanism. - The IESO is part of a working group with MEI, OPA, and OEFC/OFA to discuss the transition of the non-utility generator (NUGS) contracts from the OEFC to a possible OPA contract once the OEFC contract has expired. Based on these discussions, there is a general agreement with sector agencies that NUG contracts should promote price responsive behaviour. Time-of-use (TOU) rollout: - The IESO continues to be proactive in engaging and assisting LDCs with their preparations through communications, training and awareness sessions. - Sent two IESO Smart Metering entity newsletters, entitled "Toward Time-of-Use", to the LDCs and IESO/SME stakeholders. The IESO received subscription requests from a broad base of its stakeholders. - Issued an update letter to LDC and smart metering contacts (over 300 recipients) on February 12th. - Delivered five sessions attended by over 28 LDCs which were very well attended and received. - Posted the 2010 MDM/R Training Calendar. Software and Hardware Status - The current production system continues to operate reliably and is being augmented with some corrections to support the enhanced enrollment activities. - IBM has deployed the additional hardware to support the full provincial smart meter population, and in doing so, has delivered some of the required performance improvements. - Attention is continuing on testing, tuning and implementing	On Track

B. CUSTOMERS AND STAKEHOLDERS

"To continue to operate and adapt the IESO-administered electricity markets to the benefit of all Ontarians."

Objective	Measure	Target	Q1 Results	Status
		○ The total number of consumers billed on TOU rates at the end of 2010 will be 2 million.	patches to support the accelerated enrolment schedules of LDCs. Based on the latest plans available from LDCs and interim performance test results, the MDM/R is expected to support enrolment and ramp up of LDCs. • The number of customers on TOU billing at the end of Q1 was 601,494.	
B2 Market Participants are satisfied with the IESO's administration of the electricity market.	B2.1 Customer satisfaction with the IESO and the market.	In the annual survey, customers provide an average rating of 7.5 on their satisfaction with the IESO and the market.	The annual customer survey is expected to be conducted in Q4 with results to be reported subsequently.	No Data
B3 The IESO administered market promotes the purposes of the Green Energy and Green Economy Act (GEGEA).	B3.1 IESO actions adapt to support the objectives of the GEGEA and the obligations prescribed within its regulations.	The following targets shall be met: • The centralized wind forecast project will be delivered on schedule as defined by its business case; and • All connection assessments as prescribed in Ontario Regulation 326/09 (Mandatory Information re: Connections) shall be completed within 150 days.	• The business case is being documented for phase one (pilot project) of the centralized wind forecast project and is expected to be completed in Q2. The forecasting service is being introduced by the IESO and accepted by wind producers to further improve the quality of forecasts while reducing the administrative burden on producers. • There were no connection applications pertaining to renewable resources in Q1. The announcement of FIT contracts for renewable projects that require a connection assessment was made by the Ministry on April 8, 2010. As such, future quarters will report the results of this measure here.	No Data

C. OPERATIONAL EFFECTIVENESS

"To provide excellent products and services in an efficient and effective manner that meets the needs of customers."

Objective	Measure	Target	Q1 Results	Status
C1 The IESO's infrastructure is capable of meeting the needs of customers in the future.	C1.1 IESO's capacity to undertake and complete change initiatives.	The IESO's capacity shall increase to 10% at the end of 2010.	The capacity at the end of Q1 is estimated at 7% and while tracking below the target, this is expected to increase as more change initiatives are scheduled and undertaken during the course of the year.	On Watch
C2 The IESO's human resources are capable of meeting the needs of customers in the future.	C2.1 Employee engagement.	In the 2010 IESO Employee Engagement Survey, 30% of IESO employees within each business unit reports that they are 'highly engaged'.	The engagement survey is expected to be conducted in Q4 with results to be reported subsequently.	No Data
C3 IESO resources are used effectively and efficiently to meet the needs of customers and achieve stakeholder satisfaction.	C3.1 Delivery on the business plan both capital and OM&A.	• The IESO operates at no operation deficit; and • Key projects are delivered on time and on budget in accordance with their approved business case.	• IESO's operating surplus to the end of the first quarter was \$1.5 million and is projected to be approximately \$0.1 million by the end of the year. The key projects below are overall progressing as per their approved business cases and any subsequently approved amendment . • EMS/MIS upgrade – On track • Enhanced Day-Ahead Commitment (EDAC) – On track • On Line Limits Development (OLLD) – On track • Enrolment Automation – On track • Outage Management Replacement (Outage Management Automation) – On track • NERC Standards Compliance Monitoring Tool – On watch	On Track

D. REPUTATION AND RELATIONSHIPS

"To advance the IESO's reputation and relationships to further engage the electricity sector and accomplish its mission."

Objective	Measure	Target	Q1 Results	Status
D1 The IESO is perceived as a leader in the electricity sector.	D1.1 Reputation amongst customers and stakeholders.	In the annual survey, the IESO is perceived as a leader amongst customers and stakeholders by over 35% of respondents.	The annual customer survey is expected to be conducted in Q4 with results to be reported subsequently.	No Data
D2 The IESO is able to influence important policy decisions that impact the IESO.	D2.1 Strategic engagement with government regulators and stakeholders to advance the IESO's objectives.	The IESO is a key contributor on the following policy items: - Flexibility of supply - Importance of the price signal in the market; and - Operability profile of the supply mix	The following were the IESO's contributions: - Finalized the NUG dispatch protocols which specify actions needed to be taken by NUGs to help prevent possible nuclear shutdowns during SBG. - Provided the OPA and generators with legal interpretations of the renewable energy supply (RES) contract design and obligations. Also, a letter of expectations and specific control room protocols was issued to the generators. - Submitted feedback to the OPA regarding updates to the demand response program - Continued to work as planned through the Wind Power Standing Committee (WPSC) and stakeholder engagement (SE-57) specifically regarding renewable integration issues in coordination with SE57. - Contributed towards activities in four phase II committees of the NERC Integration of Variable Generation Task Force (IVGTF). IESO's engagement with government and stakeholders in advancing IESO's objectives is consistent with recommendations of NERC Integration of Variable Generation Task Force (IVGTF). Recommendations are expected by year end.	On Track
D3 The IESO	D3.1 IESO's	The IESO's technical capability is		On Track

D. REPUTATION AND RELATIONSHIPS

"To advance the IESO's reputation and relationships to further engage the electricity sector and accomplish its mission."

Objective	Measure	Target	Q1 Results	Status
maintains its supportive role of government policy in operational, market, and environmental planning activities.	technical capability supports government policy in the planning activities.	reflected in the: • Services provided to the OPA; • Timely information products developed to meet reporting obligations and expectations; and • Support provided under section 92, <i>leave to construct</i>, of the OEB Act, 1998.	The IESO provided it's technical services, including specialized analysis and recommendations, to the OPA with respect to: • Work with the OPA to jointly understand the implications of the cap-and-trade program.. • Transmission planning feasibility studies to support OPA decisions related to future transmission options including (i) NW transmission studies; (ii) need for an Oshawa area transmission station in the event the Pickering nuclear station is out-of-service; and (iii) estimating cost of new transmission line construction between Sudbury and Barrie. • The development and execution of the FIT Transmission Availability Test (TAT). Technical Information products provided in Q1 included: • 18-Month Outlook Mar. 2010 - Aug. 2011 • Transmission Assessment for the 18-Month Outlook Mar. 2010 - Aug. 2011 • Quarterly Demand Forecasts • NPCC/NERC summer seasonal assessment • Expert witness support was provided to the Ontario Municipal Board with respect to a hearing on the York Energy Centre.	