

IESO Corporate Performance Quarterly Results

To the end of September 30, 2010



A. RELIABILITY <i>"To sustain excellence in delivering reliable electricity service conditioned by costs and environmental performance."</i>				
Objective	Measure	Target	Q3 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 'below' the published Ontario benchmark. There are no red flagged local areas as of September 30th and therefore, no mitigation plans were required.	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	• The IESO reports full compliance with NERC high VRF and no violations of NPCC sanctionable criteria that are greater than Level 2. • 99% of market participants are fully compliant with high VRF and no violation of NPCC sanctionable criteria greater than Level 2. • The IESO has not been subject to any compliance audits during Q3.	On Track

A. RELIABILITY

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Objective	Measure	Target	Q3 Results	Status
		compliant with all high VRF requirements included in the audited NERC standards.		
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	Q3 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	The IESO contributed towards the Ministry of Energy and Infrastructure's (MEI) approval to amend the global adjustment (GA) mechanism (Ontario Regulation 429) that encourages facilities to respond to system peaks. TOU rollout IESO continues to be proactive in engaging and assisting LDCs with their preparations through one-on-one support, communications, training and awareness sessions: • Issued 5 newsletters to over 700 subscribers. • Launched new Smart Metering Entity website and 2 webinars were held to introduce LDCs to the website and over 7 news updates posted. • Launched the TOU Work Tool for Small Businesses. • User interface training sessions for 5 LDCs in addition to regularly scheduled sessions. • 70 of 76 LDCs have attended at least one of the training and awareness sessions and 47 have attended at least 2 sessions. • Cutover 2 LDCs to production in Q3 leaving a total of 67 LDCs not yet enrolled in the MDM/R. By the end of Q3 we had received formal project plans from 37 (or 55%) and verbal projections of major milestones from 21 (or 31%) of remaining LDCs. • The IESO reports no impediments at this time to either the MDM/R system or the IESO providing appropriate or adequate support to distributor enrolment and the implementation of TOU billing under the OEB's TOU implementation mandate. • The MDM/R system is actively processing smart meter data and producing TOU billing quantities for customer invoices. It continues to operate reliably based on service level reports with	On Track

B. CUSTOMERS AND STAKEHOLDERS

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Objective	Measure	Target	Q3 Results	Status
		The total number of consumers billed on TOU rates at the end of 2010 will be 2 million.	the functions required to support the TOU rollout and increased LDC activity. - The number of customers on TOU billing was approximately 1.1 million (an increase of 320K or 41% since Q2). - The number of meters enrolled in the MDM/R was approximately 1.7 million (an increase of 784K or 74% since Q2).	
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 in the year-end corporate performance report.	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 completion of the business case is in process to deliver a wind forecast project. 42 connection applications pertaining to renewable resources received (year-to-date) by the IESO. Assessments are now underway on applications that are deemed 'complete' and within the timelines prescribed by regulation.	On Track

C. OPERATIONAL EFFECTIVENESS

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

Objective	Measure	Target	Q3 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 is estimated at 7% and, while tracking below the target, represents a significant increase from the previous years.	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 was completed in early Q4 with results to be reported in the year-end corporate performance report.	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 was \$11.1 million and is projected to be approximately \$8.1 million by the end of the year. • The key projects below are overall progressing as per their approved business cases and any subsequently approved amendments. ○ EMS/MIS upgrade - Completed ○ Enhanced Day-Ahead Commitment (EDAC) - On track ○ On-Line Limits Development (OLLD) - Completed ○ Enrolment Automation - On track ○ Outage Management Replacement - On watch ○ NERC Standards Compliance tool - On track	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	Q3 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 in the year-end corporate performance report.	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	- IESO is continuing to support the NERC Integration of Variable Generation Task Force (IVGTF) initiatives. Recommendations are expected by year end. - Solar study expected to be completed by year end in partnership with the OPA. - Participated in the monthly Renewable Energy Supply Integration Team (RESIT) meetings. - The IESO continues to actively participate as an ISO/RTO representative on the NERC Planning Committee. - Continue to work as planned through the Wind Power Standing Committee in coordination with Stakeholder Engagement 57 (Embedded and Renewable Generation) to apprise and seek feedback from members. - Major 'principle' decisions for renewable integration that have operating or financial implications for generators including dispatch priority, data requirements and congestion management settlement credit entitlements have been prepared with IESO input. The IESO contributed towards the Ministry of Energy and Infrastructure's (MEI) approval to amend the global adjustment (GA) mechanism (Ontario Regulation 429). The amended Regulation will change the way GA costs are allocated. The GA will be allocated to customers that exceed a certain consumption threshold (above 5MW) based on their share of demand during the five system peak demand hours. The changes will encourage more	On Track

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Objective	Measure	Target	Q3 Results	Status
		Operability profile of the supply mix.	efficient demand response from large customers. Ongoing co-ordination with the OPA on wind operability including FIT dispatch.	
D3 The IESO maintains its supportive role of government policy in operational, market, and environmental planning activities.	D3.1 IESO's technical capability supports government policy in the planning activities.	The IESO's technical capability is 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.	- Active involvement continued in providing technical advice and support on the implementation of the subsequent stages of the FIT program. - Continued participation in the Eastern Interconnection Planning Consortium (EIPC) initiative and sharing with the OPA relevant planning activities of neighbouring entities within that initiative. 18-Month Outlook September 2010 – February 2012. - Transmission Assessment for the 18-Month Outlook September 2010 – February 2012. - Quarterly Demand Forecasts. - NERC Winter Assessment (2010/2011). - Updates provided on NERC Long Term Reliability Assessment to incorporate changes in renewable/FIT projects. - Transmission Assessment for the 18-Month Outlook September 2010 - February 2012. The IESO provided document, review and support and approval with respect to confirmation of the reliability impacts of the proposed new or modified connections. Formal OEB proceedings in which the IESO participated include: - Hydro One Mid-town Toronto Transmission Reinforcement - Northgate Minerals	On Track