

IESO Corporate Performance Quarterly Results

To the end of March 31, 2011

A. Reliability (30%) - *"To sustain excellence in delivering reliable electricity service conditioned by costs and environmental performance."*

Legend
On track
On watch
No data

A1	
Performance Objective	The IESO-controlled grid provides reliable electricity service.
Measure A1.1	Ontario's annual unsupplied energy is within acceptable limits.
Target(s)	Ontario's annual system unsupplied energy meets the published Ontario benchmark (15.75 system minutes) 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.
Q1 Result	Ontario's annual system unsupplied energy is tracking within the published Ontario benchmark. There are no red flagged local areas as of March 31st and therefore, no mitigation plans were required.

A2	
Performance Objective	The IESO's actions support reliable operation of the IESO-controlled grid.
Measure A2.1	Compliance by the IESO and market participants with applicable reliability standards, market rules and regulatory requirements.
Target(s)	- 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; 90% of market participants who have high VRF requirements reported full compliance with their high VRF requirements and no 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.
Q1 Result	- The IESO reports full compliance with NERC High VRF requirements and no violations of NPCC sanctionable criteria/directories that are greater than Level 2. 99% of market participants were fully compliant with NERC High VRF requirements and there were no violations of NPCC sanctionable criteria/directories greater than Level 2. - The IESO has not been subject to any NPCC audits during Q1.

A3	
Performance Objective	The IESO-controlled grid is equipped to provide reliable electricity service going forward.
Measure A3.1	Plans are in place to ensure timely identification and resolution of potential operability issues.
Target(s)	- Energy modelling – By the end of 2011, energy adequacy will be addressed for 2012 and 2013, and a business case will be approved for an ongoing energy modelling capability. - Renewables integration – Key elements of the Renewable Integration Program (Variable Generation Forecasting, Real-Time Integration, Operations Planning, Control Room Monitoring) will proceed as per the defined schedule (currently under development). - In the event that IESO reliability assessments identify power system inadequacies

	(generation, transmission or load) which could adversely affect future reliability, explicit activities to influence remediation of these issues are developed and communicated to the responsible parties.
Q1 Result	• Energy Modelling project is underway and visioning stage of the project has been completed. A Request for Information (RFI) has been completed and was issued to investigate what commercial products are available in the market. A business case is expected to be completed within the targeted timeline. • Renewables Integration Initiative (RII) design principles have been finalized. The RFP for Centralized forecasting has been issued and on track. Market rules have been introduced to recover funds for centralized forecasting services and these rules will be put before the Board for its consideration and approval. The development of visibility technical requirements is wrapping up within expected timelines and market rules reflecting this work are under development. The RII team continues to work on high level design documentation which will define projects and effort required for the next steps of the RI initiative. • No power system inadequacies to report

B. Customers and Stakeholders (25%) - “To continue to operate and adapt the IESO administered electricity markets to the benefit of all Ontarians.”

B1	
Performance Objective	Suppliers and consumers are responsive to the price of electricity.
Measure B1.1	Suppliers and consumers are increasingly exposed to prices and rates raising their awareness and ability to make appropriate decisions regarding their offers and consumption of electricity.
Target(s)	• The Global Adjustment (GA) education and outreach program is delivered to 75% of eligible large volume consumers within six months of the issuance of the GA allocation regulation. • The Enhanced Day Ahead Market (EDAC) is: ◦ Delivered on time as per its project schedule; ◦ Integrated into existing processes seamlessly; ◦ Market participants express satisfaction with its market trials; and ◦ EDAC achieves its stated objectives and operates as intended. • Time-of-use rollout: ◦ The IESO proactively engages LDCs to move forward with their TOU plans; ◦ Neither the IESO nor its services offer any barriers to LDC plans; and ◦ The total number of consumers billed on TOU rates at the end of 2011 will be 4 million.
Q1 Result	• The GA education outreach program has been delivered to 90% of large volume consumers. • EDAC Day-Ahead Optimization System is nearly complete, and is currently being tested on-site by IESO employees who are able to simulate every aspect of the operational side of EDAC, from the market participant submitting an offer into the market, all the way through to scheduling the unit(s). While the associated changes to settlements functions aren’t quite ready for inclusion in this testing yet, the project is still expected to be delivered on time and on budget. • Time-of-use rollout: ◦ The IESO continues to offer scheduled and on-demand training to the LDCs. Also, LDCs surveyed were ‘satisfied’ to ‘very satisfied’ with Smart Metering Entity Website. ◦ 29 LDCs are integrated with the MDMR (an increase of 14 LDCs since Dec. 2010) and 2.8

	million smart meters are enrolled with the MDM/R (an increase of 630k since Dec. 2010). In addition, 37 LDCs were actively testing with the MDM/R at the end of March. ○ The current production system (EnergyIP Release 7.0 deployed in early March) is operating reliably and shows performance improvements over the previous release (EnergyIP 6.3) of the MDM/R. With this deployment now complete and ongoing tuning, the IESO is confident that the MDM/R will continue to offer a stable system to support the ramp up of LDCs and meters to full provincial volumes. ○ 2 million customers are on time-of-use billing (an increase of 408k since Dec. 2010)
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B2	
Performance Objective	Market Participants are satisfied with the IESO's administration of the electricity market.
Measure B2.1	Customer satisfaction with the IESO's administration of the market.
Target(s)	In the annual survey, customers provide an average rating of 7.5 on their satisfaction with the IESO's administration of the market.
Q1 Result	• Annual survey results to be available in Q4, 2011

B3	
Performance Objective	The IESO administered market promotes the purposes of the Green Energy and Green Economy Act (GEGEA).
Measure B3.1	IESO actions adapt to support the objectives of the GEGEA and the obligations prescribed within its regulations.
Target(s)	• Connection assessments related to renewable energy generation projects, shall be completed within 150 days; and • A dispatch priority policy is implemented by Q2 2011.
Q1 Result	• All connection assessments related to renewable energy generation projects have been completed within 150 days. • Renewable Integration design principles were finalized in early March.

C. Operational Effectiveness (20%) - "To provide excellent products and services in an efficient and effective manner that meets the needs of customers."

C1	
Performance Objective	The IESO's infrastructure is capable of meeting the needs of customers in the future.
Measure C1.1	IESO successfully undertakes and completes change initiatives.
Target(s)	Achievements of projects are ranked through the project portfolio management (PPM) process: • 100% of the approved regulatory projects are initiated and completed as proposed and meet, or are progressing according to project plan to meet, the regulatory requirement; • Refresh projects are initiated and completed according to the refresh life cycle requirements; and • The top 5 discretionary projects, including any existing "key capital projects", are completed as per their approved business case.
Q1 Result	Projects are on track to meet their specified requirements.

C2	
Performance Objective	The IESO's human resources are capable of meeting the needs of customers in the future.
Measure C2.1	The training and development of the IESO's human resources.
Target(s)	Management shall define and implement a corporate wide strategy for training and development, and will establish a methodology to track staff training and development within all business areas by the end of 2011.
Q1 Result	Material in support of corporate Human Resources strategy is being developed and on track to meet the defined target.

C3	
Performance Objective	IESO resources are used effectively and efficiently to meet the needs of customers and achieve stakeholder satisfaction.
Measure C3.1	Delivery on the business plan both capital and OM&A.
Target(s)	• The IESO operates at no operation deficit; and • Demonstration of improved efficiency while delivering and meeting all the obligations outlined in the business plan. Business units will establish the current the cost of delivering identified overhead and commodity transactions and demonstrate a 3% reduction in total for the specified areas by the end of 2011. It is expected that in total the baseline work would cover over 50% of the IESO's operational workload
Q1 Result	• IESO's operating surplus to the end of the first quarter was \$3.6 million. • Management is using readily available data as proxy information to demonstrate improved efficiency.

D. Reputation and Relationships (25%) - *"To advance the IESO's reputation and relationships to further engage the electricity sector and accomplish its mission."*

D1	
Performance Objective	The IESO is perceived as a leader in the electricity sector.
Measure D1.1	Reputation amongst customers and stakeholders.
Target(s)	• In the annual survey, the IESO is perceived as a leader amongst customers and stakeholders by over 50% of respondents. • Management maintains visibility of the IESO by speaking at 55 engagements or other forums.
Q1 Result	• Annual survey results to be available in Q4, 2011. • Management spoke at 24 speaking engagements.

D2	
Performance Objective	The IESO is able to influence important policy decisions that impact the IESO.
Measure D2.1	Strategic engagement with government regulators and stakeholders to advance the IESO's objectives.
Target(s)	• Operability profile of the supply mix. • The Electricity Market Forum will provide an actionable plan that is endorsed by stakeholders and presented to government in Q4, 2011.
Q1 Result	Operability profile: • Solar study is expected to be completed in Q2 in partnership with the OPA. • Active participation as the IRC rep on the NERC Planning Committee. • Continued support provided to the NERC Integration of Variable Generation Task Force (IVGTF) initiatives. • Support provided to OPA on coal shutdown/conversion study. • The IESO was recently added to the OPA led Nuclear Refurbishment Coordination working group to add its expertise in reliably managing future nuclear refurbishments. • Involved in the OPA's coal conversion study, providing support with the transmission assessment part of the study. • The Electricity Market Forum had its first meeting on March 21, 2011. The forum's work has been divided into three phases with the final phase being the development of a report with actionable recommendations scheduled to be complete by early December.

D3	
Performance Objective	The IESO maintains its supportive role of government policy in operational, market, and environmental planning activities.
Measure D3.1	IESO's technical capability supports government policy in the planning activities.
Target(s)	• Services provided to the OPA and relevant transmitters including, support of the integrated power system plan (IPSP) operability. • Timely information products developed to meet reporting obligations and expectations; and • Support provided under section 92, leave to construct, of the OEB Act, 1998.
Q1 Result	Services provided to the OPA: • The IESO continues to provide its technical expertise, including specialized analysis and recommendations, to support the OPA on integrated power system planning (IPSP) studies and coal shutdown/conversion studies. • Renewed recommendations to enhance IESO's technical capability to support government policy in planning activities. • Grid assessment support of the IPSP by carrying out feasibility studies. • Completed one feasibility study, started on two others for OPA. Developing scope of work with OPA for two others. • Continuing to support the OPA with the FIT program. Provided analysis and options for connecting various levels of FIT program resources in southern Ontario. • Involved with IESO-OPA-Hydro One joint activities, such as options for 500 kV connectivity, Ottawa short circuit analysis and Metrolinx project. Technical Information products provided in Q1 included: • Interim update to 18-Month Outlook (December 2010 – May 2012) • NERC 2010 Post-Summer Assessment • NERC 2011 Summer Assessment

	Section 92 The IESO provided document reviews, support and approval with respect to confirmation of the reliability and operational impacts and compliance requirements of proposed new or modified transmission reinforcements to facilitate connection of new generation and load and address reliability or congestion concerns for OEB leave to construct proceedings in which the IESO is currently participating.
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