

2016 Corporate Performance Results

January 1 to December 31, 2016

Legend	
	Meets expectations
	Does not meet expectations

Performance Objective	Measure	Target	(Year-to-Date) Update	Result
Sustain reliable performance in real time while integrating new resources, participants and technologies.	Reliable electricity service is provided by the IESO-controlled grid.	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.	The IESO has self-certified that it is fully compliant with all NERC High Violation Risk Factor (VRF) reliability standards.	Meets
Lead the promotion and implementation of a culture of conservation in Ontario.	Working with local distribution companies (LDCs) and others, the IESO is on track to achieve the Ministry of Energy's 8.7 TWh of energy savings target by 2020.	- Ontario's conservation portfolio is delivered within 4¢/kWh while achieving energy savings from LDCs (800 GWh) and direct-connect customer programs (524 GWh). - IESO-supported and funded pilots and programs are implemented to support cost-effective achievement of LDC energy-saving targets. - LDCs and gas utilities collaborate to maximize	- Total preliminary portfolio cost-effectiveness in 2016 was 3.4¢/kWh which is within the 4.0 ¢/kWh milestone target. 2016 milestone energy saving targets were met, ensuring Ontario remains on track in achieving our 2020 targets (LDC programs achieved a total of 1.9 TWh of the 7 TWh between 2015 and 2016, while 0.6 TWh of the 1.7 TWh target for the Industrial Accelerator Program is currently under contract)¹. - The IESO approved a number of new and innovative LDC programs and pilots to better meet needs of their customers: 19 Conservation First Framework (CFF) LDC Local/Regional Program Business Cases; 12 launched by LDCs as of Dec.31, 2016. 20 CFF LDC Innovation Fund Pilot Program Business Cases; eleven in market, eight completed. - Per June 10, 2016 direction from the Minister of Energy, the IESO is continuing to work with natural	Meets

¹ Final 2016 cost-effectiveness will be determined in Q2 2017 once 2016 savings have been verified through the evaluation process.

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		efficiencies and reduce costs.	gas utilities (in consultation with LDCs) to develop and deliver the Whole Home residential pilot program ² . The IESO continues to work with the gas utilities on joint engagement of IAP customers to support efficiencies and cost reductions in the future.	
Secure cost-efficient renewable supply resources through transparent, consistent and efficient processes, either through posted standard contracts, rules and prices or benchmarked to world-class competitive proposal standards.	The IESO is on track to meet the government's directive of 10,700 MW of wind, solar and bio-energy (in-service) by 2021 and 9,300 MW of hydroelectric (in-service) by 2025.	Up to 900 MW of renewable supply resources are procured in 2016, as directed. This includes: • Up to 242 MW of renewable projects, plus any unallocated capacity from the 2015 micro Feed-In-Tariff (FIT) procurement target, are procured through the FIT 4 procurement process. • Up to 50 MW of renewable projects are procured through the 2016 microFIT procurement or is allocated to the FIT 5 procurement process. • Up to 565 MW of renewable projects are procured through the competitive Large Renewable Procurement process (300 MW of wind, 140 MW of solar, 50 MW of bioenergy and 75 MW of waterpower). • Results of procurement initiatives are posted publically following process conclusion. • Written opinions are received from independent monitors (i.e., FIT Independent Evaluation Monitor, LRP I RFQ/RFP Fairness Commissioner) validating that the processes were executed with consistency and integrity.	The IESO is on track to meet both of the government's overall directives for 2021 and 2025. Results include: • Results of the FIT 4 procurement process were announced on June 29, 2016. 936 new FIT contracts representing 241 MW will be offered. • MicroFIT 2016 resulted in the procurement of 11.2 MW of projects. This lower value reflects the IESO's decision to temporarily suspend the program from April 25, 2016 to June 21, 2016 and successive price reviews have established prices much more closely aligned with actual project costs. • Results of the LRP I competitive procurement were announced on March 10, 2016. The IESO offered 16 contracts representing 455 MW. • FIT 4 and LRP I process results were posted publically following the conclusion of those processes. • The Fairness Advisor letter published in March identified that the LRP I Request for Proposal (RFP) procurement process was conducted in a fair, open and transparent manner and that the IESO took all steps necessary to meet all procurement practices related to fairness, openness and transparency. In addition, the FIT 4 Independent Evaluation Monitor's view was the FIT 4 procurement was administered consistently with the program rules with consistent treatment of all applicants, as well as adherence to the IESO's policies and procedures with respect to conflict of interest and confidentiality requirements.	Meets

² IESO had targeted Dec. 21, 2016 for contract execution but was asked by Ministry of Energy to hold off on contract execution to allow them time to review pilot for alignment with Green Investment Fund program – IESO completed contracting for the pilot in May 2017 with a soft launch of the pilot expected by end of May.

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Enhance the electricity market through initiatives that enable market effectiveness and efficiencies.	A Demand Response (DR) auction is implemented that increases DR capacity at competitive market prices while facilitating larger numbers and types of participation.	- DR capacity secured through the December 2015 auction for the 2016 summer commitment period is in place and available for dispatch as at May 1, 2016. - The processes and tools needed to integrate DR into the IESO-administered markets continue to be assessed, and are evolved and implemented as required. - Together with stakeholders, a near-term roadmap to grow, develop and integrate DR cost effectively is established.	A DR auction was successfully implemented in 2016 highlighted by: - Successful proponents from Ontario's first DR auction held in December 2015 were available for dispatch in the real-time energy market on May 1st, 2016. - The IESO, working through the Demand Response Working Group, made significant progress on a number of important DR issues during 2016 to improve the efficiency and effectiveness of the DR Auction. including: - Improvements to the DR optimization engine to generate more accurate prices. - A new process to allow the transfer of capacity obligations. - Implemented new registration and measurement & verification processes. - The IESO held the second DR auction beginning on December 7th and posted the results on December 15th, 2016 with a 30% increase in participation relative to the December 2015 auction. - Approximately 810 MW of capacity was qualified for the summer 2017 commitment period and 820 MW was qualified for the winter 2017/2018 commitment. - Established a long term DR growth trajectory that provides the IESO and businesses with greater clarity on the market for DR over the longer term, and that achieves the 2013 Long Term Energy Plan (LTEP) targets for DR.	Meets
Respect and value Ontario's stakeholders.	Input from stakeholders, communities and others across the electricity sector is solicited and responded to after establishing principles and processes to do so.	Stakeholder satisfaction with IESO principles and processes is indicated through survey results to remain consistent or exceed the baseline set in 2015.	The Stakeholder Satisfaction survey reported a satisfaction score of 65/100 of the engagement process.	Meets
Effectively plan for the future electricity needs of the province.	Regional plans are completed in accordance with regulatory timelines, and key recommendations in provincial and regional plans are initiated and progressing as required.	Regional plans are completed in accordance with required regulatory timelines. 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.	In 2016, regional plans were completed in accordance with regulatory timelines. This included the completion of six IRRPs in 2016 in addition to the existing eight IRRPs completed in 2015. Achievements towards completing the milestones established for 2016 associated with the 30 key recommendations are on track.	Meets

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		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).	Milestones for the six bulk transmission priority projects were on track in 2016. This involved active ongoing discussions with transmitters, LDC's and the Ontario Energy Board (OEB) to progress implementation of recommendations including discussions with transmitters and LDC's on detailed scope of work, development of evidence in support of approvals and discussions with the OEB on issues associated with cost attribution. In addition the IESO provided support in the implementation and approval of priority projects, including the East-West-Tie line (Bill 112).	
Enhance corporate resilience through change initiatives and meet present and future customer needs.	Priority projects are completed on time and budget and meet their business objectives.	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.	80 percent of the ten priority capital projects, including three closed projects, progressed within their original approved budget and schedule in 2016. Two closed projects met the business objectives. The business objectives measurements of remaining closed projects will continue to take place in the subsequent years.	Meets
Deliver public value in a cost-effective manner.	Business plan deliverables are executed within approved budget and headcount.	Execution of deliverables is consistent with the approved 2016 business plan, while meeting synergy targets and a reduced combined fee.	2016 deliverables were executed within the approved budget and headcount. Synergy targets were built into the operating budget and maintained; and the IESO's combined fee was reduced.	Meets