Characteristic	**Guidance & Comments**	**Findings & Recommendations**
Separate with power to contract, sue and be sued	• IESO is a not-for-profit organization, non-taxable, corporation established pursuant to Part II of the Electricity Act, 1998. • IESO is not an agent of the Crown for any purpose • IESO has powers of a natural person	• According to KPMG characteristic is met
Delegated financial and operational authority to carry on a business	• Board of directors has been delegated the financial and operational authority to carry on the business. • Need to accept that the definition of a business can include providing economic benefits to participants (not limited to providing a return to investors) • IESO is allowed to retain profits to carry out its objects	• According to KPMG characteristic is met •
Sells good and services to individuals and organizations outside of the government reporting entity as its principal activity	• IESO provides various services to market participants for the ultimate benefits of Ontario customers. • IESO has two OEB approved fees: one for electricity exports and one for electricity withdrawals for use in Ontario. These fees are charged on a per kWh rate, similar to LDCs and transmission companies • Need to determine whether GA smoothing mechanism would be considered a service and to whom is	• According to KPMG characteristic is met under current construct • Need to consider whether GA smoothing affects this analysis
It can maintain operations and meet liabilities from revenues received from sources outside of the government reporting entity	• IESO does not receive transfer payments from the Province. All costs are to be recovered from market participants. • Sustainability may be more challenging to demonstrate given implied government backstop needed to enable financing, unless recovery	• According to KPMG characteristic is met under current construct • Develop recovery mechanism with sufficiently robust to reasonably guarantee repayment, while providing a cushion for any losses

	mechanism allows for a cushion for losses (e.g. equity returns on a part of financing)	