

January 31, 2018

The Honourable Glenn Thibeault
Minister of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, ON M7A 2E1

Dear Minister Thibeault,

As per your directive dated October 25, 2017, I am pleased to submit the Independent Electricity System Operator's (IESO) implementation plan for certain initiatives in the 2017 Long-Term Energy Plan (LTEP).

The IESO engaged with First Nations and Métis, customers, communities and stakeholders through multiple channels in the development of this implementation plan. Formal feedback submissions were received from 16 parties. Public feedback and IESO responses can be found on the "Development of the IESO Implementation Plan for 2017 LTEP" page at www.ieso.ca.

The initiatives fall under three categories:

Supporting Indigenous Capacity and Leadership involves working with First Nations and Métis to improve and expand access to conservation programs and evolve support programs to better meet their needs. These initiatives will help First Nations and Métis to manage their electricity use in a way that is cleaner, more affordable, and more reliable, and to continue to participate in energy project developments, including support to implement community energy plans.

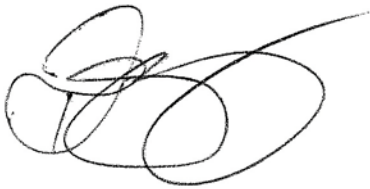
Encouraging an Innovative Sector initiatives will see the IESO work with industry stakeholders and other interested parties to identify and address barriers to fair competition for energy storage with other resources and learn from innovative renewable distributed generation and power-to-gas pilot projects. These initiatives will help expand opportunities for industry stakeholders and new entrants, broadening the market and increasing competition, while giving insights into how innovative technologies can contribute to the reliable operation of the electricity grid.

Delivering a Flexible and Efficient System will evolve electricity planning to better serve Ontario communities and consumers. These initiatives will enhance transparency at all planning levels, including development of a formalized bulk system planning process and an evolved regional planning process that better meets community needs. Transmission

procurement will increase competition and planning will be broader in focus, resulting in the most efficient and cost-effective outcomes.

Please do not hesitate to contact me should you wish to discuss any aspect of the IESO's Implementation Plan.

Sincerely,

A handwritten signature in dark ink, consisting of several overlapping loops and a long, sweeping horizontal stroke extending to the right.

Peter Gregg
President and CEO

Attach.

cc: Serge Imbrogno, Deputy Minister of Energy
Timothy O'Neill, Chair, IESO