General By-law No. 1

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Power to Ontario.
On Demand.

June 18, 2009

A by-law relating generally to the conduct of the business and affairs
of the Independent Electricity System Operator

(herein called the "corporation")

BE IT ENACTED as a by-law of the corporation as follows:

GOVERNANCE AND STRUCTURE BY-LAW

1. This general by-law shall be governed, where applicable, by the Governance and Structure By-law, as may be amended from time to time, made pursuant to the Electricity Act, 1998, and in the event of non-conformity of this general by-law to the Governance and Structure By-law this general by-law shall be deemed to be amended to conform thereto.

HEAD OFFICE

2. The Head Office shall be in the City of Toronto, in the Province of Ontario, or such other municipality as the Board of Directors may authorize by resolution from time to time.

SEAL

3. The corporate seal of the corporation shall be such as the Board of Directors may by resolution from time to time adopt, and shall be entrusted to the Secretary of the corporation for its use and safe keeping.

MEMBERS

4. The corporation shall have no members.

BOARD OF DIRECTORS

5. The Board of Directors shall manage or supervise the management of the business and affairs of the corporation.

6. The remuneration of the Board of Directors shall be determined in accordance with the Governance and structure By-law. The Directors shall be reimbursed for their out-of-pocket expenses in attending Board and Committee meetings or otherwise in respect of the performance by them of their duties and no confirmation by the Board of Directors of any such reimbursement shall be required.

7. Meetings of the Board of Directors may be held at any time and place to be determined by the Directors provided that 48 hours notice of such meeting shall be given to each Director. No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of Directors of the corporation shall invalidate such meeting or make void any proceedings taken thereat and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each Director is authorized to exercise one (1) vote.

   If all the Directors of the corporation present or participating consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a Committee of the Board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

   A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of Directors or Committee of Directors, and which may be signed in counterpart without the signatures of all Directors appearing on the same copy of the resolution, is as valid as if it had been passed at a meeting of Directors or Committee of Directors.

8. A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which his retirement is accepted.

9. The Board of Directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of such appointment.

10. A reasonable remuneration for all officers, agents and employees shall be fixed by the Board of Directors by resolution or be determined in accordance with such resolutions of the Board of Directors as may be passed.

INDEMNITIES TO DIRECTORS AND OTHERS

11. Every Director or Officer or former Director or former Officer of the corporation or other person who has undertaken or is about to undertake any liability on behalf of the corporation and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the corporation, from and against:

    (a) all costs, charges and expenses which such Director, Officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his office or in respect of any such liability; and

    (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

    The corporation shall periodically reimburse, or advance funds to, an indemnified person necessary for the payment of such costs upon written request accompanied by reasonable detail and supporting documentation. In the event that it is ultimately determined that the indemnified person was not entitled to indemnification from the corporation, the indemnified person shall repay all funds reimbursed or advanced to him or her.

12. The corporation may purchase and maintain such insurance for the benefit of its Directors, Officers and others as the Board may from time to time determine.

STANDARD OF CARE OF DIRECTORS AND OFFICERS

13. Every Director and Officer in the exercise or performance or the intended exercise or performance of a power or duty under the *Electricity Act, 1998,* the regulations made under the *Electricity Act, 1998* the Corporation 's license under the *Ontario Energy Board Act, 1998,* the Corporation's by-laws or the market rules established under the *Electricity Act, 1998,* shall act in good faith. Subject to the foregoing, no Director or Officer shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for any loss, damage or expense happening to the corporation through the insufficiency or deficiency of title to any property acquired by order of the Board of Directors or on behalf of the corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities, or effects of the corporation shall be lodged or deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other losses, damage or misfortune whatsoever which may happen in the execution of the duties or exercise of his or her respective office or trust or in relation thereto.

POWERS OF DIRECTORS

14. The Board of Directors of the corporation may administer the affairs of the corporation in all things and make or cause to be made for the corporation, in its name, any kind of contract which the corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the corporation is by law authorized to exercise and do.

15. The Board of Directors shall have power to authorize expenditures on behalf of the corporation from time to time and may delegate by resolution to an Officer or Officers of the corporation the right to employ and pay salaries to employees.

CHAIR

16. The Chair of the Board of Directors shall, when present, preside at all meetings of the Board of Directors.

17. The Vice Chair, if any, shall be vested with and may exercise all the powers and shall perform all the duties of the Chair of the Board of Directors if the Chair of the Board of Directors is absent or is unable or refuses to act including, without limitation, presiding at all meetings of the Board of Directors.

OFFICERS

18. The Board of Directors shall by resolution of the Board of Directors, annually or as often as may be required, appoint a President and Chief Executive Officer, one or more Vice-Presidents, a Treasurer, a Secretary and, if deemed advisable, an Assistant Treasurer and one or more Assistant Secretaries. Any two offices may be held by the same person. Officers need not be Directors. All Officers shall be subject to removal by resolution of the Board of Directors at any time.

DUTIES OF OFFICERS

19. The Chief Executive Officer shall have the general supervision and active management of the affairs of the corporation and shall have such other powers and duties as the Board of Directors may specify. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors are carried into effect.

20. The Vice-President, or if there is more than one, the Vice-Presidents, the Secretary, the Treasurer and other Officers shall have such duties and powers as the Board or the Chief Executive Officer shall prescribe. In the absence or disability of the Chief Executive Officer to act, the Vice-President(s)shall be vested individually with all the powers and shall perform the duties and exercise the powers of the Chief Executive Officer.

21. The Treasurer shall have the custody of the funds and securities of the corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the corporation in the books belonging to the corporation and shall deposit all monies, securities and other valuable effects in

the name and to the credit of the corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the Board of Directors from time to time. The Treasurer shall disburse the funds of the corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and Directors at the regular meeting of the Board of Directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the corporation. The Treasurer shall also perform such other duties as may time to time be directed by the Board of Directors.

22. The Secretary may be empowered by the Board of Directors, upon resolution of the Board of Directors, to carry out the affairs of the corporation generally under the supervision of the Officers thereof and shall attend all meetings and act as Clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. The Secretary shall be custodian of the seal of the corporation, which he shall deliver only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution.

23. The duties of all other Officers of the corporation shall be such as the terms of their engagement call for or the Board of Directors requires of them.

EXECUTION OF DOCUMENTS

24. Contracts, documents or any instruments in writing requiring the signature of the corporation, shall be signed by any one Officer and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Directors shall have power from time to time by resolution to appoint an Officer or Officers on behalf of the corporation to sign specific contracts, documents and instruments in writing. The Directors may give the corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the corporation. The seal of the corporation when required may be affixed to contracts, documents and instruments in

writing signed as aforesaid or by any Officer or Officers appointed by resolution of the Board of Directors.

CHEQUES, NOTES OR ORDERS FOR PAYMENT OF MONEY

25. All cheques, drafts, or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such Officer or Officers or person or persons, whether or not Officers of the corporation, and in such manner as the Board of Directors may from time to time designate by resolution.

POWER TO BORROW

26. The Board of Directors may from time to time (a) borrow money on the credit of the corporation; or (b) issue, reissue, sell or pledge debt obligations of the corporation, (c) give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation owned or subsequently acquired, to secure any debt obligation of the corporation.

MINUTES OF BOARD OF DIRECTORS

27. The minutes of the Board of Directors shall be available to the Directors, each of whom upon request shall receive a copy of such minutes.

FINANCIAL YEAR

28. Unless otherwise ordered by the Board of Directors, the fiscal year end of the corporation shall be on the 31st day of December.

COMMITTEES

29. The Board of Directors may appoint committees whose members will hold their offices at the will of the Board of Directors. The Board may fix the quorum for meetings of committees. The Directors shall determine the duties of such committees.

AUDITORS

30. The Board of Directors shall annually appoint an Auditor to audit the accounts of the corporation for report to the members at the next annual meeting. The Auditor shall hold office for the next succeeding year or until his or her replacement is appointed provided that the Directors may fill any casual vacancy in the office of the Auditor. The remuneration of the Auditor shall be fixed by the Board of Directors.

BOOKS AND RECORDS

31. The Board of Directors shall see that all necessary books and records of the corporation required by the by-laws of the corporation or by any applicable statute or law are regularly and properly kept.

NOTICES

32. Any notice to be given to any Director or Auditor shall be served by sending it through the mail in a pre-paid envelope or by personal delivery addressed to such Director, or at his or her address as the same appears in the books of the corporation or by facsimile transmission to the number provided to the corporation by the Director or Auditor or by electronic transmission to the electronic address provided to the corporation by the Director or Auditor. A certificate of the Secretary or of any other Officer corporation in office at the time of the making of the certificate as to facts in relation to the mailing, delivery, facsimile or electronic transmission of any notice to any Director or Auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every Director or Auditor of the corporation as the case may be. Any notice so delivered or transmitted shall be deemed to have been given when it is delivered personally at the address aforesaid or transmitted by facsimile or electronically. Notice so mailed shall be deemed to have been given on the second business day after its day of mailing.

COMPUTATION OF TIME

33. Where any given number of days or hours notice or notice over any period is required to be given, the day of service, posting or transmission of the notice

shall, unless it is otherwise provided herein, be counted in such number of days or other period.

RULES AND REGULATIONS

34. The Board of Directors may prescribe such rules and regulations not inconsistent these by-laws relating to the management and operation of the corporation as they deem expedient.

INTERPRETATION

35. In these by-laws and in all other by-laws of the corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

EFFECTIVE DATE

36. This by-law comes into force when enacted by the Directors.

ENACTED by the Board this 18h day of June, 2009.

Chair of the Board

Secretary