IESO
Orientation Session

Overview of treasury, pension plan, debt, and insurance

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IESO - Treasury and Pension

Corporation | the Markets | Pension/SERP

Liquidity

Cash & Debt management

Financial Risks

Credit, Insurance, Foreign Currency, Interest Rates, Collateral

Investments

Short Term & Long Term,

Pension: Employment - Types of Plans

Employment – Defined Benefit

- Single Employer

- Multi-Employer : UNIFOR
- Jointly-Sponsored : OMERS, HOOPP (deficits are co-contributed)

Pension – Governance Structure
(a "Terms of Reference" document outlines each roles)

IESO Board of Directors

Board: Audit Committee

Board: HR Committee

IESO Governance & Policies Framework

Pension Management Committee

Treasury

Human Resources

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Overview of debt

IESO Corporate Debt – typical borrowing for:

- capital expenditures, Smart Meter capital and operating expenditures, Market Renewals, Pension contributions, general working capital, MACD market operations

IESO Markets Debt – typical borrowing for:

- RPP (Fair Hydro) and other regulated variances;
- Market payment defaults, GA timing differences, HST timing, other;

Overview of debt - facilities available

Maximum $ Draw (millions)	Lender	Funds utilized for	Expiry	Comments
$475	OFA	Market	Dec 2019	1, 2 or 3 months only
[redacted]				
$160	OEFC	Corporate General liquidity	June 2020	Month-to-month only
$120	OEFC	Corporate SME/CAPEX Costs	June 2020	Fixed term and rate
$2,000	OFA	Fair Hydro	Sept 2022	5 days – 95 days
[redacted]				

Note: the IESO receives via the IESO fee an OPEB expense amount which is utilized as a source of funding in a similar manner as a debt.

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Overview of Credit risk

IESO Markets:

- Manage +$1billion credit risk collateral framework (prudentials) and market rules;
- Includes monitoring, margin calls, capital calls;
- Includes managing bankruptcy, CCAA court actions, remedy/recovery methods, negotiate settlements with IESO legal assistance;

IESO Corporate

- Oversee material vendors' assessments, RFPs' financial stability / credit risks assessments;

Overview of Liquidity (Treasury)

IESO Markets / IESO Corporate:

- Manage the cash-flows of over $1.5 billion per month. Ensure funds are managed, invested, and applied to ensure settlements are proper;
- IESO Treasury Policy – adherence, & approved by IESO Board and Minister of Finance;
- Key relationships with TD, RBC, CIBC, BMO

IESO Pension, SERP:

- Manage the cash-flows, direct investment managers, daily funds & settlements;

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Overview of insurance

Policies period: July 1 – June 30 annual

- Consistent with most organizations, the IESO utilizes insurance coverages as risk-mitigation instruments

Insurance broker: Marsh Canada

Claims payout experience: low, minor
(work with IESO Legal on all claims/notices)

[redacted]

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Overview of insurance - Policies

[redacted]

Overview of insurance

[redacted]