IESO ERM Strategic Framework

Strategic Pillars

Resource Utilization	Resource Acquisition	Policy, Business Innovation and Engagement	Corporate Resources

Strategic Outcomes

Enterprise Risk Areas

Reputational Risk

Reliability Risk Security & Privacy Risk Regulatory Risk	Market & Energy Procurement Risk Compliance Risk Regulatory Risk People Risk	Stakeholder Relations & Policy Risk	People Risk Technology Risk Effectiveness Risk

Enterprise Risk Area	Enterprise Risk Register
Reliability	1. The breadth and pace of change of Ontario's evolving energy environment challenges the IESO's ability to maintain grid reliability and efficiently integrate new entrants and technologies into the operation of the grid (K)
	2. Failure of critical Control Room tools challenges our ability to effectively manage grid reliability and market operations (K)
Security & Privacy	3. A significant cyber security event occurs that disrupts the operation of the IESO – including reliable grid operations and efficient market operations - for extended periods of time (K)
	4. A physical (hazardous substance, terrorist assault, natural disaster) event occurs which significantly impacts the operation of the IESO business – including reliable grid operations and efficient market operations (*)
	5. Inappropriate/incomplete release of information including private and/or confidential information (electronic or otherwise)
Regulatory	6. IESO is subject to new, increased, significant or onerous Legal & Regulatory Compliance requirements (e.g. Public disclosure requirements, government policy and regulations)
	7. Qualified results of the bi-annual audit of the IESO's real-time resource dispatch systems, or material findings on the tri-annual NPCC audit of NERC standard compliance, reduce stakeholders'confidence in the IESO's ability to effectively operate the IESO-administered markets and/or IESO-controlled grid
Compliance	8. Ineffective enforcement of reliability standard and market rule violations significantly impact markets and reliability
	9. The volume, complexity, length and financial materiality of contracts under IESO's management exposes the organization to contract compliance and litigation risks that could erode public confidence in the IESO and sector
	10. Ineffective organizational governance due to a lack of compliance with internal IESO policies and procedures, training and / or oversight (*)
Market & Energy Procurement	11. The Market Renewal Program is adversely affected by stakeholder actions, a lack of resources with market design and implementation expertise or complexities (K)
	12. Numerous or continuous changes in the structure of the settlement calculations (pricing or other) via legislation or regulation changes, or as a result of OEB decisions or new programs/market developments etc. cannot be handled via Settlements resulting in an inaccurate, incomplete or untimely settlement service.
	13. The IESO encounters challenges with the design, implementation or ongoing management of a resource acquisition program including program and operational complexities such as market rules or limitations on resources
	14. New investment at the customer level causes stranded assets at the system level
Stakeholder Relations & Policy	15. The structure proposed for the Ontario Fair Hydro Plan is abandoned or fails, either in whole or in part
	16. Negative third party reports from highly credible sources, on either the IESO or related business partners
	17. Insufficient support from key stakeholders and communities impedes the IESO's ability to effectively pursue key initiatives (K)
	18. Results of provincial election enacts significant change to the IESO limiting its ability to affectedly support the development and execution of government policy
	19. Support for eligible Industrial Accelerator Program customers and key conservation program delivery partners (i.e. LDCs) is insufficient to support timely and effective achievement of the ambitious target of 8.7 TWh by 2020

Enterprise Risk Area	Enterprise Risk Register
People	20. Lower than desired employee engagement impedes the effective and efficient execution of initiatives and priorities (K)
	21. Current workforce capabilities, capacity and allocation do not support the IESO's ability to effectively execute its mission, strategy and expanding responsibilities (K)
Technology	22. Ineffective or lack of Service Level Agreements leading to an inappropriate level of internal or vendor IT support causing a lack of accountability and preventing the effective remediation of issues
	23. Ineffective management of aging infrastructure / assets and lack of enterprise architecture leads to an inability to support strategic objectives
Effectiveness	24. IESO's inability to adapt to change prevents it from achieving its strategic objectives
	25. Ineffective and inefficient processes do not support IESO execution of initatives and priorities

(K) – Identified by the ELT as a key risk

(*) - Potential key risk identified by the ELT. Concensus to be reached at January 29th facilitated session.