

Memorandum

To: THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS
of the Independent Electricity System Operator

From: Alexander De Angelis
Manager, Enterprise Risk & Corporate Performance

Date: August 29th, 2017

Re: Enterprise Risk Update

The Board of Directors (“board”) requested to be more engaged in enterprise risk management (ERM) discussions to better understand the IESO’s risks, risk landscape and mitigating actions and to provide input. This memo and supporting information is intended to address this request by providing a current view of key facets of the IESO’s ERM program.

- [REDACTED]
4. Updates on key risks relating to [REDACTED], Ontario Fair Hydro Plan and [REDACTED]

5. [REDACTED]

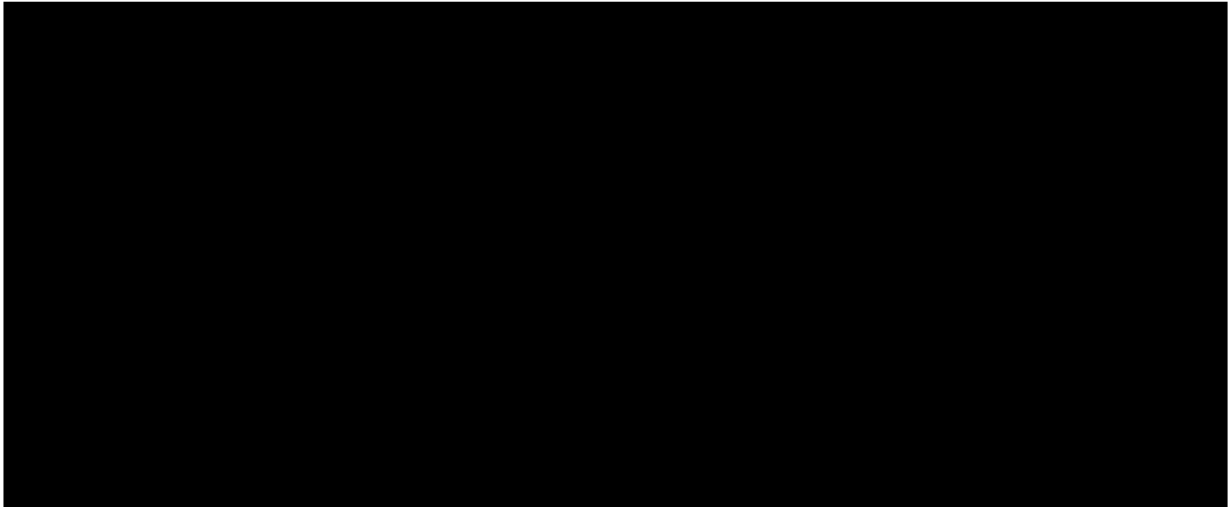
Risk Heat Map (see attached)

The attached includes a risk heat map that depicts the likelihood and impact placement of 87 enterprise risks that were assessed in May 2017 and the supporting risk register showing the assessment results of the 87 risks. Of these 87 risks, seven were deemed to be key risks after assessment result discussions with the Corporate Risk Team and the Executive Leadership Team.

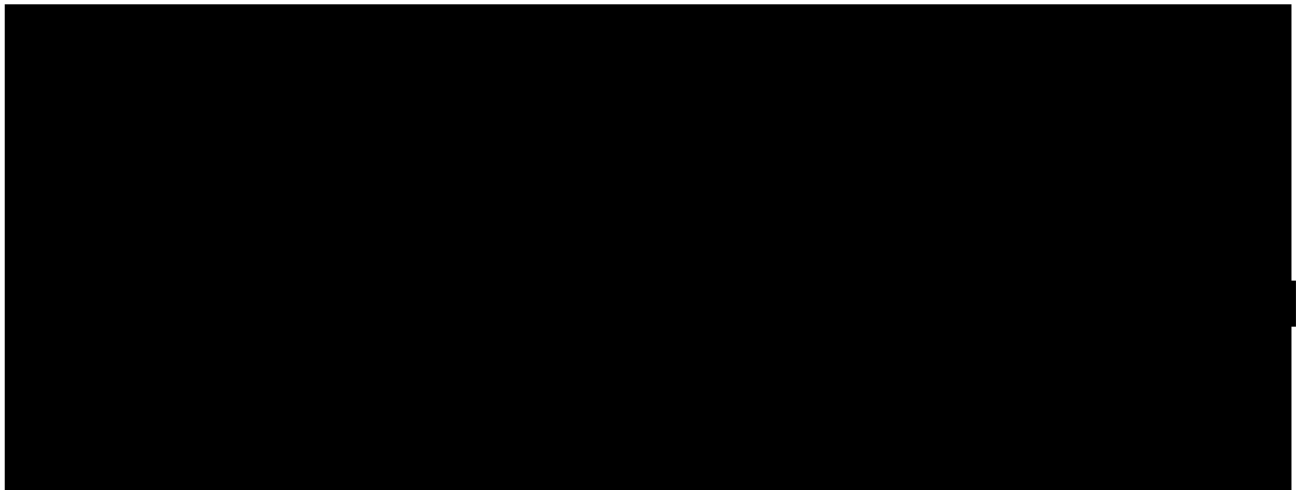
A second, condensed enterprise risk assessment will take place in Q3/Q4 2017 that will determine if any additional key risks will be identified given the changes in the risk environment, including a potential strategy update, since the first assessment in May.

Key Risks

The preliminary key risks identified for the 2018 - 2020 business plan, as determined via the May 2017 enterprise risk assessment discussed above, are listed below. The risks related to [REDACTED] and the Ontario Fair Hydro Plan are new key risks for 2018.



7. The structure proposed for the Ontario Fair Hydro Plan fails, either in whole or in part



Key Risk Update

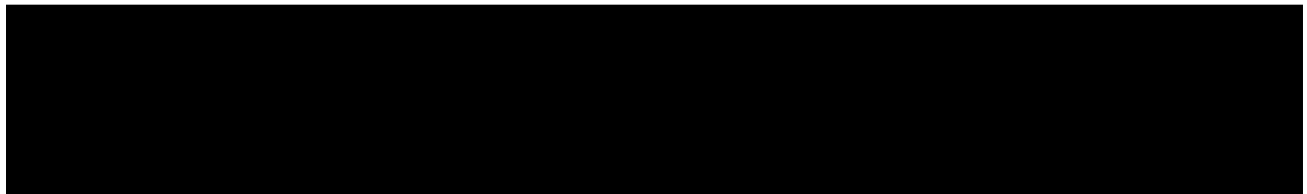
Detailed updates were requested on [REDACTED] Ontario Fair Hydro Plan and [REDACTED]

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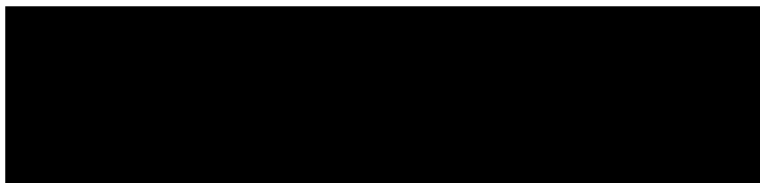
- **Ontario Fair Hydro Plan** – the risk register of items related to FHP remains substantially unchanged.

Emerging Risk Update



Alexander DeAngelis

Initials



Cc: IESO Records