Strategy Update

January 18, 2018

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Objective of today

- Establish starting points for January 29 session;
  - How broad is the Purpose statement?
    - Does it include our values?
    - Do the values need definitions?
    - Is the Purpose an enduring statement that goes beyond the strategic plan timeline?
  - Is there anything missing in the Purpose statement that might need to be captured in the Mission and Vision statements?
    - Are Mission and Vision statements needed?
  - Are we using;
    - Four Pillars/Focus Areas
    - Three Pillars/One Foundation
- Confirm agenda for January 29

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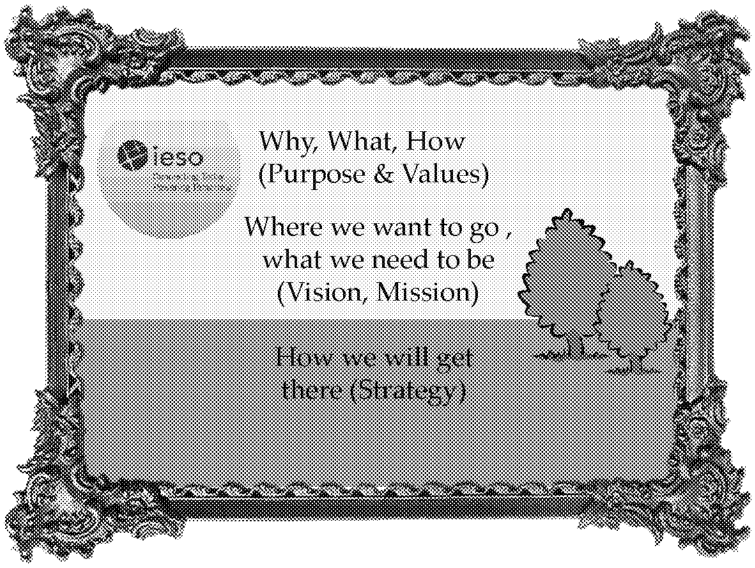
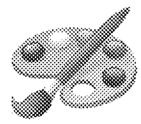
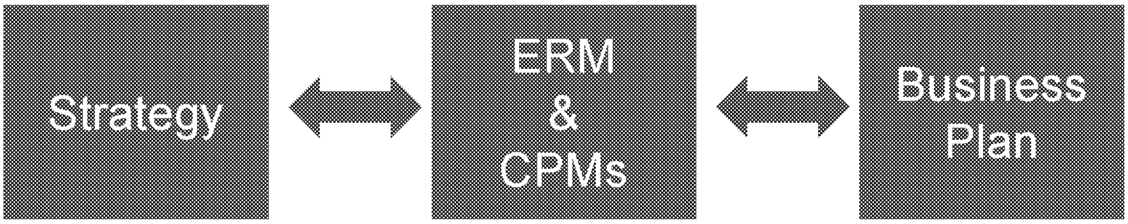
Overall Objective

- To "paint" an inspiring, concise "picture" of the IESO





Strategy and Business Plan linkages



Potential Strategy Components

Component	Description	Development
Purpose*	Reason for IESO (why, what, how north star?)	Close to final Jan 29, subject to review with VP Direct Reports
Vision*	Where we want to go?	
Mission*	What the organization needs to be to realize the vision	
Pillars*(RA, RU, PEI, CR)	The structure that will support our strategy	
Goals/Outcomes	What we aim to achieve over five years	
Objectives	How we will achieve our goals	Notional direction Jan 29 based on CEO Notes, to be completed by VP Direct Reports

* Examples in appendix

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Agenda- Jan 29

Time	Topic	Description
Morning	Introduction and context setting	Review of expectations for the day, review of the strategy outline and what will be completed by end of day (high level components of strategy), and how this will set path for the remainder of the strategy.
	Development of high-level components	Discussion of the high-level components including, but not limited to, Mission/ Vision/ Purpose and Pillars, strategic goals, etc. Questions; Are these (or certain) high-level components to be considered final on Jan 29 or draft subject to VP Direct Report input?
Afternoon	Goals/Outcomes/ Objectives	What are the outcomes that we are trying to achieve? Which of these outcomes are imperative for us to achieve? What is our risk appetite for achieving certain outcomes? What are the tradeoffs we should make between outcomes? How will we measure success?
	Risk and Opportunities	Resiliency to reach a common view and understanding, data and how it aids reliability and the potential to monetize, other potential opportunities and Black Swan events (i.e. Ontario equivalent to California fires/mudslides).
	Wrap Up/Next Steps	Internal engagement plan Draft outline of strategy document

Draft Outline of Strategy Document

1) Message from CEO
- Idea: Frame new strategy in terms of the IESO "customers" (build on prior ELT discussions)
- Concepts that could be explored:
  - What we mean by customers (who are they, what do we provide them)
  - Context - alternatives to the grid emerging, competition for traditional monopoly providers, enabling innovation and customer-choice
  - Important to integrate "customer-focus" in IESO-wide thinking, understand our customer's needs / wants, be focused on meeting them

2) Context
- current environment, trends

3) Discussion on sector future and what the IESO needs to do to prepare for it
- Where the sector is moving/needs to move
- What the IESO will need to do to continue to deliver value to its customers (leads into IESO strategy to guide the organization there)
- Include stakeholder input (SAC discussion)
- Integrate concept that strategy is for entire organization

4) Strategy Summary
- Purpose
- Vision/ Mission (if needed)
- Pillars
- Goals / Outcomes

5) Discussion of objectives/actions associated with each pillar (highlight major initiatives)

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Appendix: Purpose & Values - Example

Why, What and How (including Values)

- Electricity fuels Ontario - powering Ontario's industry and commerce; a necessity for Ontarians' everyday lives. Electricity is the key for a decarbonized future. The IESO is charged with ensuring a reliable supply of this critical resource for Ontario, now and for the future. From operating and planning the provincial grid in time scales from seconds to decades and securing the necessary resources to support a reliable and diverse supply, the IESO plays a critical role in shaping the electricity system while supporting economic efficiency, long term sustainability, and government policy. We use our expertise to provide independent, insightful advice to government and industry, respecting our stakeholders' perspectives and the Province's policy objectives. We are powered by our values of respect, inclusion, fairness, honesty and trust.

Appendix: Vision & Mission - Examples

Vision – A reliable, resilient, and efficient Ontario electricity system supported by a broad marketplace open to innovation and customer choice

Mission – The IESO is an effective steward for Ontario's evolving electricity system through coordinated planning and operations, and resource acquisition [NTD- for example only].

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Appendix; Higher Level Components from CEO Notes

Draft statement of our purpose: Our north star

Why?

IESO is the Province of Ontario's authority responsible for the system-wide provision of electrical power.

What?

IESO ensures a reliable, resilient and regulated electricity system that is powered by diversified energy resources. These energy resources are acquired on the basis of economic efficiency, long term sustainability, and government policy for the well being of Ontarians, now and in the future.

How?

IESO accomplishes its purpose by operating Ontario's electricity system in time scales from seconds to decades. We provide independent, insightful advice to government and industry on electricity policy, planning and provision based on policy objectives set by government, input from stakeholders and our expertise. Our values of respect, inclusions, fairness, honesty and trust power our thinking and solutions.

Appendix: Pillars/Focus Areas?

Focus Areas as contained in the Business Plan:

- Energy Utilization
- Resource Acquisition
- Policy, Business Innovation and Engagement
- Corporate Support

Pillars/Foundation as contained in the CEO Notes

Pillars:

- Energy Acquisition
- Energy Utilization
- Policy and Business Innovation

Foundation:

- Corporate Resources

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