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# Memorandum

To: THE HUMAN RESOURCES AND GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS of the Independent Electricity System Operator

From: Alexander De Angelis & Rayhan Malik
Enterprise Risk & Corporate Performance

Date: June 1, 2018

Re: Q1 2018 CPM Update

The enclosed presents a progress update on the targets established for 2018 IESO corporate performance to the end of April 30th.

Two targets are highlighted in yellow in the enclosed report and below to indicate that the measure is currently not on track but expected to be achieved by year end. Further focus and attention will be required to monitor progress and support the achievement of the targets.

Details on the status of these two measures are provided in the following table:

| Measure | Target | Progress Update |
|---|---|---|
| The electricity market evolves to enable the province to have the appropriate sources of electricity at a more competitive market price. | Incremental capacity auction – end of Q2 2019 | Incremental capacity auction design is proceeding but will be delayed up to three months while the process to hire and onboard consulting support can be completed. The High Level Design may still be published by end of Q2 2019 but this date is at risk. |
| The IESO holds its revenue requirement at approved budget levels. | 2018 priorities are achieved within the IESO's approved budget of $190.8 million. | While April YTD April results remain below the IESO's approved budget, the 2018 3+9 forecast exceeds approved spending by $2.5 million. Management maintains its commitment to the 2018 target to remain within the approved spending budget of $190.8 million. |

Please note that the AC is also being presented a copy of this report for their information.

Alexander De Angelis
Rayhan Malik

End. Item #9 - HRGC Attachment - 2018 IESO CPM Progress Report