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Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Memorandum

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

From: Anthony Martinello, Director Treasury and Pension Operations

Date: June 12, 2018

Re: IESO Treasury Policy

This memorandum outlines a recommendation for no changes to the current IESO Treasury Policy.

IESO Treasury Policy

Ontario regulation (O.Reg. 280/ 14); prescribes limits and requirements for the IESO regarding it's treasury activities including permitted investments and authorized borrowing.

The regulation requires the IESO to adopt a statement setting out the IESO's investment, borrowing, and financial management policies and procedures (known as the "IESO Treasury Policy").

The IESO Treasury Policy must approved on an annual basis, and any changes must approved by the IESO Board of Directors and the Minister of Finance.

The current IESO Treasury Policy (version dated June-14-2017) was approved by the IESO Board of Directors and the Hon. Charles Sousa, Minister of Finance in 2017.

2018 Annual Review:
IESO management has reviewed the current IESO Treasury Policy (version dated June-14-2017) and recommends that no changes be made to the policy.

During the 2017 review, changes were made in order to update the policy for the following key matters:

- Permit borrowings for the new Fair Hydro programs; and
- Increase the IESO's investment limits for Canadian Schedule 1 banks;

Attached for your review is the current IESO Treasury Policy (June-14-2017) and the Minister's approval of the same.

Recommendation:

The IESO Board of Directors to approve no changes to the IESO Treasury Policy.

Sincerely,

Anthony Martinello
Director, Treasury and Pension Operations