

Memorandum



Independent Electricity System Operator

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To: THE EXECUTIVE LEADERSHIP TEAM
of the Independent Electricity System Operator

From: Lia Koscic
Director, Financial Planning and Analysis

Date: November 16th, 2017

Re: 2018 – 2020 Business Plan and ERM materials for ELT review

As part of preparation for the December Board and Audit Committee meetings where IESO's 2018 – 2020 Business Plan will be presented for the Audit Committee's review and the Board's approval, attached for your consideration are the following documents:

- 1) **2018 - 2020 Business Plan**
 - a. Draft narrative document (includes draft 2018 financials, CPMs and key risks)
 - b. Conservation costs to GAM memo (related to 2018 cost allocation principles within BP)
- 2) **Oct YTD 2017 CPMs - results and Internal Audit feedback**
- 3) **Enterprise Risk Management**
 - a. MNP Maturity Assessment Report
 - b. ERM Future State & Timeline
 - c. Ontario Fair Hydro Plan risk update (for Nov 22nd special Board/AC meeting)
 - d. Audit Committee Approval To Retain KPMG For Non-Audit Services (for Nov 22nd special Board/AC meeting)

The Business Plan narrative was drafted in collaboration with Communications, with input from business units as required. Similarly, the CPMs and risks were drafted with the support of the Risk team and the Directors designated by ELT to assist in revising the 2018 CPMs and related targets.

The Enterprise Risk Management materials represent completion of the work discussed at the last Board meeting with respect to IESO's ERM program maturity and evolution.

ELT input is sought to further refine these documents for presentation to the Board and Audit Committees.