

IESO 2008 CORPORATE PERFORMANCE MEASURES

While the IESO Board relies upon these measures as the starting point for assessing IESO's performance, the final assessment will also reflect the Board's judgement as to the IESO's performance in light of circumstances that unfolded over the year.

NEW = New Measure in 2008

IESO 2008 Corporate Performance Measures	Weight	Performance Target
Perspective 1 - Customers & Stakeholders (35% weight)		
1.1 Contribute to an efficient electricity market through: <ul style="list-style-type: none"> • Market operation (4 measures) • Metering, settlement and market support services (9 measures) • IT systems availability(4 measures) 	7.0	See attached Table "IESO 2008 Electricity Market Operational Metrics"
1.2 NEW Operate the provincial government's Smart Metering Initiative	3.5	All published service levels are met.
	3.5	IESO's conduct of its Smart Metering Entity role is regarded positively by local distribution companies. Standard to be judged by LDCs in a focussed survey.
1.3 NEW Following the DAM recommendations, establish a market evolution agenda that is supported by SAC.	7.0	SAC sector representatives' opinions on market evolution agenda are generally aligned, with individual sector representatives being willing to engage on the agenda items while reserving their final opinions until implementation details are available. The agenda clearly sets out the various sector concerns that will be addressed.
1.4 NEW Market Pricing Working Group will address the following issues: <ol style="list-style-type: none"> 1. use of peak versus average hourly demand forecast in the pre-dispatch sequence 2. sale of operating reserve to neighbouring markets 3. feasibility and potential impacts of locational pricing for intertie transactions *Note: "Addressing" an issue does not necessarily mean a change to the current arrangements. For example, retaining the status quo	7.0	At least: <ul style="list-style-type: none"> • one issue addressed with strong stakeholder alignment; • one issue addressed with some stakeholder opposition; • ongoing active discussion of one issue; and • DAM recommendations reviewed by Market Pricing Working Group to determine if the role of intertie transactions in real-time price calculations remains an issue in light of those recommendations.

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IESO 2008 Corporate Performance Measures	Weight	Performance Target
is a possible outcome of the consideration of an issue.		
1.5. NEW The IESO responds to customers' and stakeholders' needs through the timely provision of products and services.	1.75	More than 75% of stakeholders responding to regular questionnaires agree or strongly agree that the stakeholder process utilized was effective in facilitating stakeholder input.
	1.75	In the annual survey, customers provide an average rating of 7.5 on the value of IESO's products and services.
	1.75	In the annual survey, customers provide an average rating of 7.5 on the timeliness of IESO products and services.
	1.75	The following two customer facing projects are delivered by March 31 st , 2008 (equally weighted): <ul style="list-style-type: none"> • on-line Settlement forms; • reduce requirement for digital certificates through migration of MVWeb to Portal.

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IESO 2008 Electricity Market Operational Metrics

Category/Name*	Measure	Criteria	Performance Target
Market Operation			
Transmission Rights Auction Processing	Timeliness	Processed as per schedule	0 failures
Continuous Operation of the Market	Frequency of Market Suspension	Number of market suspensions per year caused by the IESO	0
Administrative Pricing (AP)	Frequency	Number of occurrences of AP per year	≤75
	Duration	Number of intervals AP applied per year	≤350
Metering, Settlement and Market Support Services			
Settlement-ready Meter Data	Timeliness	Available next trading day	≥99.4%
Meter Trouble Reports Issued to Meter Service Providers	Timeliness	Available next business day	≥95.5%
Preliminary and Final Settlement Statements	Timeliness	Issued as per schedule	≥99.3%
	Accuracy	No IESO errors	≥99.5%
Issue and Financially Settle Invoices	Timeliness	As required per <i>IESO Settlement Statement Payments Calendar</i>	≥99.0%
	Accuracy	Average for the year	≥99.5%
NEW Resolve Compliance Issues	Timeliness	Informal cases closed within 37 days	≥70.0%
	Timeliness	Formal cases closed within 182 days	≥70.0%
Proponents Achieve Intended Market Role	Timeliness	Market roles achieved on or before agreed to target date (excludes delays beyond IESO control).	≥85.0 %
IT Systems Availability			
Outbound Market Reports Publication	Availability	Average for the year as per respective schedule	≥99.5%
Market Participant Interface	Availability	Average for the year	≥99.5%
Dispatch & Scheduling Instructions	Availability	Average for the year	≥99.5%
Corporate Web Site	Availability	Average for the year	≥99.5%

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Perspective 2 - Reliability (35% weight)		
2.1. Avert, mitigate or address significant actual or potential reliability events.	5	The IESO is recognized as meeting industry expectations for actions undertaken to address actual events or to avert potential events.
	5	NERC/NPCC reportable events are reported on time, and most follow-up actions within IESO control are completed and closed within targeted timelines.
2.2. Ontario's annual System Unsupplied Energy is within acceptable limits.	5	Ontario's annual system of Unsupplied Energy meets the published Ontario benchmark and mitigating actions are identified for 50% of "Red" local areas.
2.3. Obtain successful NERC/NPCC compliance audits and achieve compliance with NERC and NPCC reliability standards.	5	No issues identified with IESO processes that relate to standards with high severity risk factor.
	5	Ontario yearly compliance with high severity risk factor NERC/NPCC standards that are within IESO's control is 100%.
2.4. Performance assessed on a suite of 8 reliability related operational measures.	5	See attached Table "IESO 2008 Reliability Related Operational Performance Measures"
2.5. NEW The IESO contributes to relevant Ontario regulatory proceedings and effectively manages Ontario and International reliability standard development processes.	5	<p>IESO provides meaningful contributions, consistent with its objects, in the Integrated Power System Plan, Bruce to Milton, OPG Prescribed Assets, and Reliability Must Run (RMR) contract proceedings; and RMR arrangements approved by the OEB meet IESO reliability requirements; and</p> <p>IESO is assessed as providing strong support for industry reliability standards development processes, and focussed input in those processes in respect of Ontario's interests.</p>

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IESO 2008 Reliability Related Operational Performance Measures

* The rationale for, and description of, each operational measure is provided on the IESO Web site: <http://www.ieso.ca/imoweb/pubs/corp2/opm-2007.pdf>

Category/Name*	Weight 5%	Measure	Criteria	Performance Standard - Meets
Reliability				
Implement Intertie Schedules	1.0	Accuracy	Average for the Year	> 99.5%
Publish SAA's and SSR's	1.0	Timeliness	Published as per schedule	> 98.5%
Day Ahead Demand Forecast	0.5	Accuracy	Average Absolute error for the year	< 2.2%
	0.5		Average bias range for the year	+/- 5.0%
Day At Hand Hourly Demand Forecast – 3 Hours Ahead of Dispatch Hour	0.5	Accuracy	Average Absolute error for the year	< 1.5%
	0.5		Average bias range for the year	+/- 5.0%
Day At Hand Hourly Demand Forecast – 1 Hour Ahead of Dispatch Hour	0.5	Accuracy	Average Absolute error for the year	< 1.0%
	0.5		Average bias range for the year	+/- 5.0%

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Perspective 3 - Effective Use of Funds (15% weight)		
3.1. Total Spending (OM&A + Interest + Amortization) is within the financial outlook approved by the IESO Board	6	Total Spending falls within the approved financial outlook.
3.2. Approved capital program is managed within the IESO Board approved capital envelope for 2008 and the required results are achieved.	3	Total capital spending is within the Board approved capital envelope.
3.3. Four key projects, as described in their respective approved business cases and listed below, are advanced as planned or delivered as planned during 2008: 1. On-Line Limit Derivation 2. Participant Lifecycle System 3. Energy Management System & Market Information System Upgrade (EMS/MIS) 4. Network Zoning Project	1.5 1.5 1.5 1.5	1. On-Line Limit Derivation: business case completed by March 31st, 2008. 2. Participant Lifecycle System: project delivered in accordance with the approved business case with respect to schedule, cost and anticipated benefits 3. EMS/MIS: Project delivered in accordance with the approved business case with respect to schedule, cost and anticipated benefits 4. Network Zoning Project: delivered in accordance with the authorized business case with respect to schedule, cost and anticipated benefits

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Perspective 4 - People (15% weight)		
4.1. NEW Maintain highly engaged and committed employees	6.5	In the 2008 IESO Employee Engagement Survey, 30% of IESO employees report that they are "highly engaged".
4.2. NEW Implement talent management.	1.5	In the 2008 IESO Employee Engagement Survey, over 80% of IESO employees respond favourably to the statement: "I have improved my skills and capabilities in the last year".
	2.5	Development plans in place for over 80% of management employees in bands 1-5.
	2.5	Personalized development plans in place for at least 50% of employees.
4.3. NEW Increase managerial effectiveness.	1.0	In the 2008 IESO Employee Engagement Survey, 60% of IESO employees respond favourably to the statement: "my immediate supervisor effectively coaches and builds the strengths of employees".
	1.0	In the 2008 Employee Engagement Survey, 60% of IESO employees respond favourably to the statement: "my immediate supervisor gives me frequent feedback".