



Independent Electricity System Operator

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March 26, 2018

Ms. Rosemarie T. Leclair
Chair & CEO
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms.  Leclair:

Re: Market Surveillance Panel Monitoring Report

I am writing in response to your letter of February 23, 2018, requesting that I advise you of: a) the steps that the IESO plans to take in response to the recommendations made in the Market Surveillance Panel (MSP) *Monitoring Report on the IESO Administered Electricity Markets* for the period from May to October 2016, and the timelines for completion of those steps; and b) in the IESO's view, whether any actions or market rule amendments should be taken or initiated in addition to those reflected in the MSP recommendations.

The IESO appreciates the Panel's latest observations on the IESO-administered markets and we are aligned in our interest to enhance overall market efficiency. To that end, we are happy to report that we are making progress and advancing our Market Renewal Program and continue to welcome any feedback that the Panel may have. In addition, we are committed to improving our current market design and the Panel's latest recommendations will be fully assessed alongside previous ones.

It is important for the IESO to fully understand the Panel's recommendations and observations and as such, we are looking forward to meeting with the Panel in April to discuss our approach and plan. We will be dedicating time and resources to assess, advance and implement near-term market enhancements, which will include current and past recommendations from the MSP.

With that consideration, the IESO will assess the Panel's latest recommendations in a holistic manner and ensure they are integrated into our latest thinking and resource planning. Shortly after our meetings in April, the IESO will prepare a fulsome response to the latest Panel recommendations and any outstanding ones as well.

Peter Gregg
President and CEO
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March 26, 2018

We are excited about continuing to evolve our market and the Panel provides a crucial perspective that will continue to guide our actions. Please do not hesitate to contact me should you have any additional questions on these matters.

Yours truly,

A handwritten signature in black ink, appearing to be 'Peter Gregg', written over the text 'Yours truly,'.

Peter Gregg
President & CEO

cc: Glenn Leslie, Chair, Market Surveillance Panel