

June 26, 2020



Ms. Erika Chanzas
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Dear Ms. Chanzas:

Re: NERC 2021 Business Plan and Budget, Draft 1

The IESO appreciates the opportunity to submit comments on the first draft of North American Reliability Corporation's (NERC) 2021 Business Plan and Budget.

We note the responsiveness of NERC in addressing stakeholder concerns around rising costs and appreciate that the proposed annual increase is 0.2%.

As you know, many organizations, including the IESO, have been asked to find cost savings to lessen financial impact on electricity customers. The IESO is undertaking significant measures to ensure cost prudence at this time, while remaining committed to maintaining reliability of the Ontario bulk electric system, especially during these uncertain times.

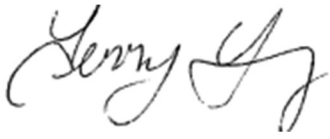
Rising electricity costs have been a significant public concern in Ontario and the IESO as it manages additional responsibilities and cost implications resulting from the current pandemic situation. The IESO's commitment to sound financial management means it has limited ability to pass through NERC costs to Ontario's ratepayers. A rise in regulatory fees, even slightly, in today's environment of expected cost reductions, may impact the IESO's ability to execute on its strategic priorities. The IESO supports the efforts of NERC to lower spending in a number of areas, including a delay in implementation of planned projects and the plan to maintain assessments at 2020 levels.

The IESO supports a methodology for establishing assessments that acknowledges the capabilities and expertise of each entity. In particular, the role of many Canadian entities in undertaking compliance and enforcement activities as well as NERC's collaboration with the IESO, acknowledging its role in cybersecurity in Ontario.

The IESO encourages NERC as it begins developing preliminary operating and fixed asset projections for 2022 and 2023 to seek budget stabilization as a priority, especially with the increased pressure felt by all in the industry to reduce costs.

Ms. Chanzas
June 26, 2020

Yours truly,

A handwritten signature in black ink, appearing to read "Terry Young". The signature is written in a cursive, flowing style.

Terry Young
Vice President of Policy, Engagement and Innovation

cc: Peter Gregg, President and CEO of the IESO