

Via E-mail

May 19, 2026

Mr. Michael Lyle
Executive Vice President, Legal Resources and Corporate Governance
Independent Electricity System Operator (IESO)
Station A, Box 4474
Toronto, ON M5W 4E5

SUBJECT: NPCC Response to IESO Letter of Comment regarding Draft #1 NPCC
2027 Business Plan and Budget

Dear Mr. Lyle:

Thank you for your letter of comment regarding NPCC's Draft #1 2027 Business Plan and Budget. NPCC appreciates the IESO's acknowledgement and support of its ongoing and expanding work to address the challenges posed by a rapidly evolving grid and emerging risks to the reliable operation of the North American bulk power system.

NPCC continuously reprioritizes work and reallocates existing resources to absorb emerging workload demands, deferring lower impact initiatives as necessary to focus on higher-impact, higher-risk priorities. There are also established mechanisms in place for member stakeholders to provide input on work plans, and the prioritization of critical regional studies and initiatives through NPCC technical committees, working groups and task forces.

NPCC's Draft #1 2027 Business Plan and Budget was developed through an iterative process with input from NPCC's Finance and Audit Committee and its hybrid Board of Directors. The 2027 projection that was developed in 2025 estimated a 12.6% increase in budget. In early 2026, NPCC reviewed the anticipated workload and resource requirements for the 2027 operating year. Based on that initial review, the required resource level would have resulted in a 24.4% budget increase. After several iterations, the Draft #1 2027 Business Plan and Budget results in a 12.8% increase, which is within \$60,000 of the projection developed in 2025. This was accomplished by absorbing significant additional work and deferring several lower priority initiatives. Considering known and anticipated changes in workload, current projections for 2028 and 2029 (included within the Draft #1 2027 Business Plan and Budget) reflect more modest increases in resource requirements.

On an ongoing basis, NPCC evaluates its processes and procedures for potential cost savings and improved efficiency. Some of the successful cost control measures taken over recent years to reduce long-term operating costs include: reallocating staff to absorb new workload; negotiating the early termination of NPCC's former office lease and executing a new lease for a smaller office space reducing long-term operating expenses; decreasing

professional fees by increasing in-house legal and finance responsibilities; hosting and attending some meetings virtually which were previously held in-person; and negotiating lower rates, eliminating services or changing services providers to minimize operating expenses. NPCC estimates that its 2027 budget would be at least \$700,000 higher without these mitigating actions.

The NPCC Draft #1 2027 Business Plan and Budget balances our commitment to efficiency and cost containment with the demands of an increasing workload. NPCC's 2027 budget will result in an estimated average annual cost per household customer of approximately \$0.53, which represents an incremental increase of \$0.06 per household annually.

NPCC appreciates the IESO's input and echoes its commitment to ongoing engagement in support of the reliability of the North American bulk power system.

Sincerely,

A handwritten signature in cursive script that reads 'Jessica Hala'.

Jessica Hala
Chief Financial Officer

cc:
Charles Dickerson, NPCC President and CEO
Damase Hebert, NPCC SVP and CLO



May 14, 2026

To Members of the NPCC Finance and Audit Committee
c/o Jessica Hala, Chief Financial Officer
Northeast Power Coordinating Council, Inc.
1040 Avenue of the Americas - 4th Floor
New York, New York 10018

Independent Electricity System Operator

Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900

www.ieso.ca

Dear Committee Members,

Re: IESO Comments on NPCC's Draft 2027 Business Plan and Budget

The IESO appreciates the opportunity to submit comments on Draft #1 of the Northeast Power Coordinating Council's (NPCC) [2027 Business Plan and Budget](#) (the "Plan"). The IESO's comments focus on two key, interrelated aspects of the Plan: the scope of NPCC's activities and the projected budget increase.

The IESO continues to support NPCC's mandate to promote the reliability and security of the bulk electricity system and recognizes the challenges it faces in doing so, including rapid electrification and load growth, integration of inverter-based and distributed resources, increasing cyber and physical security threats, greater exposure to extreme weather events, and growing interdependencies with other energy systems, such as natural gas.

NPCC's annual business planning process provides an opportunity to identify strategies to deliver its mandate efficiently and effectively. The IESO recommends applying a strategic lens that prioritize resources for the highest reliability risks, focusing on essential activities and deferring lower-priority or discretionary initiatives. In the IESO's experience, increasing information requests to support growth in NPCC activities are happening without a clear assessment of the value or consideration of potential overlap with existing studies and reporting in Ontario.


The IESO has observed that NPCC's proposed 2027 budget represents a 12.8% increase from 2026, and 43% since 2024. In the IESO's view, the magnitude and pace of these increases warrant careful scrutiny. These rising costs have a direct impact on Ontario ratepayers, as NPCC's assessments are ultimately recovered through electricity rates.

The IESO recommends that NPCC revisit the Plan prior to seeking further approvals. In particular, the IESO encourages NPCC to refine its 2027 work plan to focus on initiatives that are critical to maintaining reliability and security in light of evolving system

complexities and uncertainties, and to remove or defer initiatives that do not directly contribute to addressing these priorities.

The IESO appreciates the opportunity to comment on the Plan and looks forward to ongoing engagement, including providing input on priority focus areas for NPCC in 2027, as described herein.

Sincerely,

Signed by: 

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Michael Lyle

Executive Vice President, Legal Resources and Corporate Governance