

UNDERTAKING J2.2

Undertaking

To describe whether there have been any communications between OPG and IESO on the OPG Surplus Baseload Generation (“SBG”) forecast, and if so, to provide those written communications.

Response

There have been, and continue to be, communications between OPG and the IESO on the issue of SBG but OPG has not discussed the specifics of its SBG forecast adjustment with the IESO.

OPG used the IESO 18 Month Outlook and other inputs, as described in Ex. L-1-035, to derive its SBG forecast for the test period.

The IESO publishes both short and medium term SBG forecasts. The short term (approximately four weeks into the future) forecast of surplus baseload generation is published every weekday and is available at the following url:

<http://www.ieso.ca/imoweb/marketdata/sbg.asp>.

The IESO medium term forecast of the Minimum Demand and Baseload Generation is published in a graph in Section 6.0, Operability Assessment of the IESO 18 Month Outlook. Section 6.0 of the August 23, 2010 18-Month Outlook Update from September 2010 to February 2012 states:

Over the next 18 months, the IESO expects the risk of experiencing SBG conditions will be most relevant over the summer and winter of 2011. Some residual risk exists towards the end of 2010, as baseload generation returns from planned outage. In November and December 2010, scheduled planned outages on the Ontario-New York transmission interface at Niagara will reduce Ontario’s ability to export, and has the potential to exacerbate potential surplus conditions for the period. If precipitation levels remain low, some of this risk would be mitigated.

OPG is involved in discussions with the IESO on issues and scenarios of system operability both for the short and longer term. OPG participates in the IESO’s Stakeholder Engagement (SE) program SE-57: “Embedded and Renewable Generation (including periods of surplus base generation)”. Communications and input that OPG has provided, including discussions on nuclear maneuvering and hydroelectric spill, are available on the IESO website:

http://ieso.ca/imoweb/pubs/consult/se57/se57-20090811-OPG_Comments.pdf

<http://ieso.ca/imoweb/pubs/consult/se57/se57-20090616-Minutes.pdf>

1 http://ieso.ca/imoweb/pubs/consult/se57/se57-20090304-Comments_OPG.pdf

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3 In addition, OPG has been involved in discussions with the IESO on SE78: “Export
4 Transmission Service Tariff Study”. The existence of SBG is an important factor in the
5 recommendation that was made by the IESO at the conclusion of the study. The IESO
6 recommends maintaining the export tariff at its current level to allow exports to be used
7 in mitigating future SBG situations. SBG, and its prevalence going forward, was
8 considered as part of Hydro One Network Inc.’s current Transmission Rate Application
9 (EB-2010-0002)¹

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¹ See Transcript, page 15, lines 1 – 12 (specifically), and pages 14-18 (generally).