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File 21755

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**VIA RESS FILING AND COURIER**

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Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario M4P 1E4

Dear Ms. Walli

**Re: Ontario Power Generation Inc. Reliability Must-Run Agreement for  
the Thunder Bay Generating Station, EB-2013-0061**

Attached please find the Power Workers' Union's comments on the Draft Issues  
List for the above proceeding.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

  
Richard P. Stephenson  
RPS:jr  
encl.

cc: John Sprackett  
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(1934 - 2006)

**Ontario Power Generation Inc. Reliability Must-Run Agreement  
for the Thunder Bay Generating Station**

**Draft Issues List**

**Submissions of the Power Workers' Union**

**1. INTRODUCTION**

On April 3, 2013, the Ontario Energy Board ("OEB") issued Procedural Order No. 1 concerning an application filed by Ontario Power Generation ("OPG") for the approval of a Reliability Must-Run ("RMR") Agreement for Thunder Bay Generating Station (EB-2013-0061) for 2013.

In Procedural Order No.1 the Board indicated that it had previously approved four RMR agreements between OPG and the Independent Electricity System Operator ("IESO"), all pertaining to OPG's Lennox Generation Station. The Board noted that in the proceedings to review those agreements, the Board set out the following three key issues in relation to a RMR agreement:

- 1. Does the reliability must-run agreement comply with OPG's licence?**
- 2. Are the financial provisions of the reliability must-run agreement reasonable?**
- 3. What are the incentive effects, if any, of the reliability must-run agreement?**

The Board indicated that the above remain appropriate as the key issues for this proceeding, and will make provision for the filing of interrogatories relevant to these three issues.

Procedural Order No.1 allows parties an opportunity to make submissions on whether any further issue(s) should be added to the issues list.

## **2. COMMENTS ON ISSUE 1 AND 3**

The PWU notes that it does not dispute the appropriateness of Issues 1 through 3 set out by the Board in Procedural Order No. 1. However, further clarity with respect to Issues 1 and 3 is desirable.

With respect to Issue 1, in the proceeding on the 2005 Lennox GS RMR (EB-2005-0490) the Board referenced the specific applicable market rules that OPG is required to comply with in the case of RMR generation. In particular, the Board included the following clarification in Issue 1<sup>1</sup> in that proceeding:

**Section 5 of OPG's licence requires that a reliability must-run contract comply with the applicable provisions of the Market Rules. Does the RMR Contract comply with the Market Rules and, specifically with all applicable provisions of the following:**

- a. Chapter 7, section 2.4: De-registration of Facilities (the process)**
- b. Chapter 5, section 4.8: Reliability Must-Run Resources**
- c. Chapter 7, section 9.6: Definition and Principles of Must-Run Contracts**
- d. Chapter 7, section 9.7: Terms and Conditions of Must-Run Contracts**

With regard to Issue 3 in EB-2005-0490 the Board included the following clarification:<sup>2</sup>

**Specifically:**

- a. Does the RMR Contract provide incentives that may cause OPG to alter its offering behaviour?**
- b. If OPG's offering behavior is altered, what is the potential impact on wholesale electricity prices and other market participants?**

The PWU submits that the addition of the above details to Issues 1 and 3 in this proceeding will provide similar clarity with respect to the scope of these issues to be addressed in the review of OPG's RMR agreement for Thunder Bay GS as it did in the first proceeding on the RMR agreement for Lennox GS.

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<sup>1</sup> Ontario Energy Board. EB-2005-0490, Procedural Order No.1, Appendix B. December 15, 2005.

<sup>2</sup> Ontario Energy Board. EB-2005-0490, Procedural Order No.1, Appendix B. December 15, 2005.

### **3. EXTENSION OF THE RMR AGREEMENT TERM**

The RMR agreement for Thunder Bay GS runs from January 1, 2013 to December 31, 2013.

Assuming that an extension of the RMR Agreement will be required, the PWU recommends that the OEB develop an expedited process for the extension of the RMR agreement for Thunder GS beyond December 31, 2013. The PWU sees that an expedited process to deal with the extension of the RMR agreement for Thunder Bay GS would:

- Ensure appropriate and timely notice is provided to market participants of the potential impact of RMRs and future contract expiry;
- Provide sufficient time for market response to RMR and contract expiry driven needs;
- Allow for timely evaluation of generator licence expiry options;
- Avoid unnecessary regulatory delays; and
- Assist with regulatory approval streamlining.

Therefore, the PWU proposes the addition of the following issue:

Should the Board develop an expedited process to deal with an extension of the term of the RMR agreement for Thunder Bay GS beyond December 31, 2013?

**All of which is respectfully submitted.**