

IN THE MATTER OF of the *Ontario Energy Board Act*
1998, S.O.1998, c.15, Schedule B;

AND IN THE MATTER OF an application by Ontario
Power Generation Inc. for approval, pursuant to Part 1,
Paragraph 5.2 of Ontario Power Generation Inc.'s
Generation Licence EG-2003-0104, of a Reliability Must-
Run Agreement for the Thunder Bay Generating Station
between Ontario Power Generation Inc. and the
Independent Electricity System Operator

INTERROGETORIES

NOACC – NOMA Intervenors: (The Northwestern Ontario Associated Chamber of
Commerce and the Northwestern Ontario Municipal Association, Common Voice
Northwest, combined with the City of Thunder Bay)

April 29, 2013
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INTRODUCTION

In its Procedural Order No. 1, dated April 3, 2013, the Ontario Energy Board (the "Board") invited any person that has been granted intervenor status in this proceeding to propose written interrogatories for the Board's consideration.

The Intervenor NOACC, NOMA, CVNW and the City of Thunder Bay (the NOACC – NOMA Intervenor) wish to submit the following as interrogatories to the Board for consideration.

INTERROGATORIES – INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)

RELIABILITY

In the "Obligation to Maintain System integrity" portion of the OPG generating licence (EG-2003-0104) Part 1, section 5 states:

5.1 – Where the IMO (now IESO) has identified, pursuant to the conditions of its licence and the Market Rules, that it is necessary for purposes of maintaining the reliability and security of the IMO-controlled grid, for the Licensee to provide energy or ancillary services, the IMO (now IESO) may require the Licensee to enter into an agreement for the supply of energy or such services.

5.2 – Where the IMO (now IESO) has identified, pursuant to the conditions of its licence and the Market Rules, that it is necessary for purposes of maintaining the reliability and security of the IMO (now IESO)-controlled grid, for the Licensee to provide energy or ancillary services, the IMO (now IESO) may require the Licensee to enter into an agreement for the supply of energy or such services.

1. Does the subject RMR Agreement follow from the mandate cited above? If not under what licenced mandate does the RMR fall?

MODELING

2. Has the IESO performed, any reliability modelling for a power system plan for the Northwest Region for a planning ~~period prior to commissioning of the proposed upgrade to the East / West Tie on any of the following assumptions~~ after December 31, 2013:

- Both with and without the TBGS in service, on load and generation forecasts for the Northwest Region propounded by the OPA; and
- Both with and without the TBGS in service, on load and generation forecasts for the Northwest Region propounded by the NOACC Coalition.

3. If so, will the IESO provide the results of such reliability modelling?

4. If not will the IESO conduct such reliability modelling in relation to the RMR Application at hand?

5. In the event of reliability modeling conducted under either # 3 or # 4, as the case may be, will the IESO identify any reliance, for purposes of reliability for the Northwest Region, on transmission supplied through extra-provincial ties, and include:

- The amount of that supply required to be available,
- The geographical source of that supply,
- The generation mix comprising that supply,
- The security of that supply (identifying specifically whether or not there is in existence, or indicating what assurance is in place that there will be in a timely fashion, a firm contract for that supply, or, in the alternative, whether reliance will be on spot market availability and pricing for that supply), and
- The range of foreseeable costs that will pertain to that supply?

6. In the event of reliability modeling conducted under either # 3 or # 4, as the case may be, will the IESO identify any reliance, for purposes of power system planning for the Northwest Region, on load shedding or other consequences of diminished adequacy in the power system in the Northwest Region and, if so, identify for purposes of understanding the effects of such outcomes arising from inadequate supply:

- The amount of that load shedding required to be made,
- The criteria for selecting, and the method of selecting, customers to be exposed to that load shedding,
- The anticipated frequency and durations of such load shedding, and
- The information the IESO has as to the economic consequences to customers, particularly industrial customers, of such load shedding?

7. Will the IESO provide modelling and the information related to modelling outlined in #2 through and including #6 above for a five year period immediately following the commissioning of the planned upgrade to the East / West Tie?

DURATION OF RMR AGREEMENT

8. Does the IESO share the NOACC-NOMA Intervenor's view that the indicated TBGS Unit will be needed to operate as a must-run facility to ensure the reliability of the IESO-controlled grid ~~until, at least, the end of 2014? Until the East West Tie upgrade is operational~~ after December 31, 2013?

In its decision in EB-2007-0715 (approving an RMR agreement for OPG's Lennox GS), the Board stated the following at page 5 (quoting from the Board's Procedural Order No. 1):

“Under paragraph 5.2 of Part I of OPG's licence, an RMR contract must comply with the Market Rules and such other conditions as the Board may

consider reasonable. One such condition **could** be that any future RMR contract have a term of more than one year, if that would be more cost-effective. While section 9.7.1.1 of Chapter 7 of the Market Rules states that an RMR contract may have a term of not more than one year, this is expressly subject to section 9.6.11.2 which in turn contemplates the possibility of the Board approving a different term". **[bold and underline ours]**

9. Has the IESO done an analysis of whether a multi-year RMR agreement for the TBGS Unit could result in a more reasonable cost and/or provide superior incentives to OPG to manage investment in and the operation of TBGS while it is needed as a must-run facility?

10. Would the IESO support a multi-year agreement if one were sought by the OPG?

11. Does the IESO share the NOACC-NOMA Intervenor's view that the TBGS will be needed to operate as a must-run facility to ensure the reliability of the IESO-controlled grid after the East West Tie upgrade becomes operational?

INTERROGATORIES – ONTARIO POWER GENERATION (OPG)

MODELING

12. Will the OPG cooperate with the IESO in developing responses to the interrogatories set out in #2 through #7 above?

13. Will the OPG, where appropriate, respond *mutatis mutandis* to the interrogatories set out in #2 through #7 above?

DURATION OF THE RMR AGREEMENT

14. If the Board approves the 2013-0061 RMR Agreement, does the OPG foresee a need to negotiate and apply for an approval of an RMR Agreement for a further term beyond December 31, 2013? If not, why not?

15. If it is agreed, does the OPG foresee a need for a multi-year RMR Agreement, either by amendment of the existing Agreement for which approval is being sought in this Application, or by a subsequent RMR agreement?

16. If the Board approves the 2013-0061 RMR Agreement, does the OPG expect to file with the IESO a Request to De-Register the TBGS effective December 31, 2013, when the 2013-0061 RMR Agreement expires?

a. If so, why?

17. In its decision in EB-2007-0715 (approving an RMR agreement for OPG's Lennox GS), the Board stated the following at page 5 (quoting from the Board's Procedural Order No. 1):

"Under paragraph 5.2 of Part I of OPG's licence, an RMR contract must comply with the Market Rules and such other conditions as the Board may consider reasonable. One such condition could be that any future RMR contract have a term of more than one year, if that would be more cost-effective. While section 9.7.1.1 of Chapter 7 of the Market Rules states that an RMR contract may have a term of not more than one year, this is expressly subject to section 9.6.11.2 which in turn contemplates the possibility of the Board approving a different term".

18. Would the OPG support a multi-year RMR agreement for the TBGS Unit by either seeking amendment to the RMR Agreement once the current RMR Agreement expires on December 31, 2013?

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19. Will the OPG provide a detailed account of output in MW/month in relation to Generator 2 and Generator 3 at the Thunder Bay Generating Station for the last 5 years (as opposed to the graph provided in the OPG's Request for Approval).
20. Does the OPG share the NOACC-NOMA Intervenor's view that the TBGS will be needed to operate as a must-run facility to ensure the reliability of the IESO-controlled grid after the East West Tie upgrade becomes operational?