

**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

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Independent Electricity System Operator (“IESO”)

Interrogatory Responses to

The Northwestern Ontario Associated Chamber of Commerce,

The Northwestern Ontario Municipal Association,

Common Voice Northwest, and

The City of Thunder Bay

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## 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?

### **IESO Response**

Yes, the subject RMR Agreement follows the cited mandate.

## 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.

### **IESO Response**

The IESO is working with the OPA to develop plans and to consider alternatives to the continued use of the Thunder Bay GS. Analysis to date has been led by the OPA and is based on OPA's forecast, updated to consider NOACC's input.

The IESO has not conducted analysis using 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?

**IESO Response**

OPA's analysis related to question 2 above is not complete and the IESO is not aware of a plan to release it at this time.

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

**IESO Response**

Not applicable.

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?

**IESO Response**

When future plans are formulated in collaboration with the OPA, the technical parameters of the analysis will be made available at that time to the extent they are not confidential.

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?

**IESO Response**

See IESO response to question 5 above.

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?

**IESO Response**

The IESO has not performed this analysis and is not planning to perform this analysis in support of the RMR contract.

8. Does the IESO share the NOACC-NOMA Intervenors 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 after December 31, 2013?

**IESO Response**

The IESO's analysis in respect of the de-registration request for Thunder Bay GS was conducted only for 2013. A detailed assessment beyond 2013 would be required to determine the necessity of TBGS as a must-run facility after December 31, 2013.

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?

**IESO Response**

No.

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

**IESO Response**

It is premature to say whether or not the IESO would support a multi-year agreement with OPGI. There have been no negotiations to date in respect of a longer-term agreement.

11. Does the IESO share the NOACC-NOMA Intervenors 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?

**IESO Response**

The IESO does not have a view on this matter at this time. See IESO response to interrogatory #7.