

June 5, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Toronto, ON M4P 1E4

Independent Electricity
System Operator
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Dear Ms. Walli:

Re: EB-2013-0070 – Settlement Process for PowerStream’s proposed CDM Program

Powerstream has a proposal before the Ontario Energy Board for a CDM program which requires budget cost recovery, the direct install refrigeration (DIR) program. Powerstream has proposed that if the program is approved by the Board the IESO should establish and administer a settlement process that is separate from other global adjustment-related settlement processes that are currently in place.

The IESO has a settlement process to administer and enable timely payments to PowerStream for the cost recovery of its proposed program if it is approved by the Board. This settlement process was developed for a CDM proposal from Toronto Hydro (EB-2011-0011) and described in a May 25, 2011 letter from the IESO to the Board. While Toronto Hydro’s proposal was approved by the Board Toronto Hydro subsequently withdrew the application and the settlement process was not required.

To assist the Board the following process is proposed by the IESO:

Board-approved payments for PowerStream’s DIR program – fixed costs:

For payments that are attributed to PowerStream’s fixed DIR program costs, PowerStream will provide a schedule to the IESO of the fixed cost payments approved by the Board as soon as possible, following issuance of the Board’s final decision and order. The applicable payment(s) to PowerStream will be processed for PowerStream’s settlement statement for the last trading day of the month and included in its invoice, which is issued by the IESO ten (10) business days after the end of the applicable month.

Board-approved payments for PowerStream’s DIR program - variable costs:

With respect to payments that are associated with or attributed to PowerStream’s variable DIR program costs, PowerStream shall provide to the IESO the monthly payment amount within four (4) business days following the end of each applicable month, in a manner to be determined by the IESO. The applicable payment(s) to PowerStream will be processed for PowerStream’s settlement statement for the last trading day of the month and included in its

invoice, which is issued by the IESO ten (10) business days after the end of the applicable month.

The total amount, associated with PowerStream's fixed and variable DIR program costs, to be recovered from applicable market participants will be included in the monthly global adjustment charge. The IESO assumes no responsibility for the accuracy or completeness of any payment information provided to the IESO, and should be held harmless accordingly.

Should you have any questions or require additional information, please do not hesitate to contact me.

Yours truly,

Original signed by

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