



Independent Electricity
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SENT BY COURIER, EMAIL and RESS

January 16, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: 2014 Natural Gas Market Review (“NGMR”)
Consultation and Stakeholder Conference, Board File No. EB-2014-0289**

The Independent Electricity System Operator (“IESO”) and Ontario Power Authority (“OPA”) both appreciated the opportunity to speak at the NGMR Stakeholder Conference in December 2014 on gas-electric coordination and the role of natural gas-fired generation in Ontario’s evolving electricity supply mix. The IESO and OPA amalgamated on January 1, 2015; the IESO is pleased to provide these post-Stakeholder Conference comments, which represent those of the amalgamated predecessor organizations.

Conference attendees heard that the Ontario natural gas market will continue to experience pressures that warrant ongoing Board consultation with the gas and electricity sectors. These pressures include:

- Gas-fired electricity generation will continue to make a significant contribution to a reliable electricity mix through 2032.
- The North American natural gas market will continue to experience significant changes in gas supply sources and regional demand which will increase pressures on gas transportation infrastructure.
- Ongoing regulatory change and opportunities for broad sector optimization (such as storage, multi-source district heating/cooling, combined heat and power, CDM/DSM, and smart energy networks).

Prior initiatives hosted by the Board, including the Natural Gas Electricity Interface Review (“NGEIR”) and NGMR (2010), laid a foundation for an effective transition of Ontario’s generation mix towards a greater reliance on natural gas fired generation. The ongoing pressures identified during the Conference, as well as Ontario’s experience to date with siting and operating gas generation, illustrates that continued Board attention to gas-electric interface matters and consultation with the gas and electricity sectors will be beneficial and important.

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The IESO is pleased the Board has committed to host annual Natural Gas and Electricity Forums, starting in 2015, and the IESO would be extremely supportive of any further processes to examine gas-electric interface matters. The IESO is committed to supporting the Board's ongoing efforts in this regard.

In 2015, the IESO will continue to engage with stakeholders to act on recommendations from the IESO's Gas-Electric Coordination Review completed in 2014, including rules and processes to enhance communications protocols between gas generators, pipelines, storage providers, and the IESO. The IESO is also committed to supporting the Board in its process to facilitate better cross-sector communication and coordination, and specifically to review for any regulatory instruments that may prohibit gas pipelines and gas storage providers from sharing non-public operational information that is necessary for promoting reliability and operational planning.

Yours truly,



Nancy Marconi

Manager, Regulatory Proceedings, IESO

cc: Stephen Cain, Policy Advisor, Regulations & Liaison, Ontario Energy Board
Andres Mand, Manager, Regulations & Liaison, Ontario Energy Board