

25 Adelaide St. E
Suite 1602
Toronto ON, M5C 3A1



APPRO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

April 2, 2015

Filed Electronically on RESS

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

Dear Ms. Walli:

**Re: TransAlta Corporation, TransAlta Generation Partnership and TransAlta Cogeneration L.P.
("TransAlta") Complaint - Daily Contract Quantity ("DCQ") Obligation Interpretation (the
"Complaint")**

-

**Preliminary Issues
Amendment to Requested Relief (EB-2014-0363)**

In its response to TransAlta, the Board invited submissions from interested parties on TransAlta's relief amendment request at the Oral Hearing scheduled for April 7, 2015.

TransAlta asked the Board to "review and resolve certain sector-wide obligated DCQ issues if the noted issues cannot be resolved between stakeholders through consultations with Union before June 30, 2015." TransAlta asked the Board to resolve the DCQ issues in the context of: (a) the Natural Gas Market Review (or a follow-up proceeding); or (b) the annual review of Union's rates (prior to 2016); or (c) a dedicated proceeding on obligated DCQ issues."

Neither the undersigned nor other APPRO representative is able to attend the April 7th Hearing. We therefore provide this letter to be read into the record as our submissions on the above-mentioned matter.

We understand that APPRO has been invited to comment only on the amended request for relief and not the initial relief requested as part of the Complaint. As a result, APPRO makes no comment in relation to the matters between TransAlta and Union being considered in the original and remainder of the Complaint.

With respect to the obligated DCQ matter in general, APPRO raised this as an important issue in the 2014 Natural Gas Market Review (EB-2014-0289) ("NGR"). APPRO proposed that all dispatchable generators should be able to move to an unobligated DCQ (UDCQ) in the interest

of efficiency and fairness. APPrO was hopeful that some guidance on the APPrO recommendation might have been provided in the Board Staff recommendations and the Board's conclusions in respect of the NGR. APPrO continues to consider this an important matter for power generation customers that requires resolution.

Union has commenced consultation with customers related to alternatives to the DCQ and three meetings have been held to date. It is also our understanding that Union will be bringing forward several alternatives for discussion among interested parties at a fourth meeting on April 16th. Further meetings may occur. Our general position on such matters is that a negotiated settlement is preferable, but we recommend that should consultations on the DCQ issue not result in agreement among the parties in a timely manner (by June 30th, 2015), the DCQ issue should be included on the issues list for any subsequent 2015 proceeding arising from the NGR.

Respectfully,

A handwritten signature in black ink, consisting of a large, loopy 'D' followed by a series of connected loops and a final horizontal stroke.

David Butters
President & CEO

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