



EB-2015-0275

Independent Electricity System Operator

Application for approval of 2016 revenue requirement, expenditures and fees

PROCEDURAL ORDER NO. 4 September 28, 2016

The Independent Electricity System Operator (IESO) filed an application with the Ontario Energy Board (OEB) on January 20, 2016 under section 25(1) of the *Electricity Act, 1998*, seeking approval for the IESO's 2016 expenditures, revenue requirement and fees.

A settlement conference was held on August 17 and 18, 2016. On September 7, 2016, the IESO filed a settlement proposal for the OEB's approval reflecting an agreement on all issues on the Issues List except Issue 2.0¹, which concerns the IESO's proposal for a single usage fee.

Pursuant to Procedural Order No. 3, OEB staff filed a submission on September 14, 2016 supporting the proposed settlement.

¹ Issue 2.0 includes the following issues:

2.1 Is the IESO's proposal to eliminate the OPA Usage Fee and to charge the proposed single IESO Usage Fee to all market participants (domestic and exporter customers) appropriate?

2.2 Is the methodology used to derive the proposed IESO Usage Fee of 1.13/MWh appropriate?

2.3 Is the proposed cost allocation study in support of the proposed IESO Usage Fee appropriate?

2.4 Is the IESO's proposal to charge the proposed single IESO Usage Fee from January 1, 2016 and to refund (or charge) market participants the difference between the 2016 single Usage Fee and the interim usage fees they paid, if any, based on their proportionate quantity of energy withdrawn, which may include scheduled exports and embedded generation, in 2016, appropriate?

2.5 What would be an appropriate effective date for the Usage Fee(s) approved in this proceeding?

In its cover letter accompanying the settlement proposal, the IESO requested that the unsettled issue be heard by way of a written hearing.

In a letter dated September 9, 2016, HQ Energy Marketing (HQEM) and the Association of Power Producers of Ontario (APPrO) jointly stated that they do not oppose the IESO's request for a written hearing, but asserted that the IESO's evidence on the unsettled issue is inadequate to support its proposal on the usage fee and that there are disputes as to facts relevant to that issue. On September 23, 2016, in response to a request for clarification of their position from the OEB, HQEM and APPrO reiterated that they are not opposed to a written hearing and explained that they do not consider the record to be incomplete.

No other intervenor expressed a preference regarding the manner of hearing the unsettled issue. In its submission on the proposed settlement, OEB staff took the position that a written hearing would be appropriate.

As no party has requested an oral hearing, nor has any party contended that the record is incomplete, the OEB has decided to proceed with written submissions on the unsettled issue.

At this time, the OEB considers it necessary to make provisions for the following procedural matters. The OEB may issue further Procedural Orders from time to time.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The IESO shall file a submission on the unsettled issue with the OEB and serve it on all parties by **October 7, 2016**.
2. OEB staff and intervenors that wish to make submissions on the unsettled issue shall file their submissions with the OEB and serve them on all parties by **October 14, 2016**.
3. If the IESO wishes to respond to any of the submissions filed by intervenors or OEB staff, it shall file the reply submission with the OEB and serve it on all parties, by **October 21, 2016**.

All filings to the OEB must quote the file number, EB-2015-0275, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at

<https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Rudra Mukherji at Rudra.Mukherji@ontarioenergyboard.ca.

ADDRESS

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Attention: Board Secretary

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DATED at Toronto, **September 28, 2016**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary