

**EB-2015-0275**  
**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** subsection 25.(1) of the *Electricity Act, 1998*;

**AND IN THE MATTER OF** a Submission by the Independent Electricity System Operator to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements for the fiscal year 2016 and the fees it proposes to charge during the fiscal year 2016.

**SUBMISSION FOR REVIEW**  
**(IESO Proposed 2016 Usage Fees)**

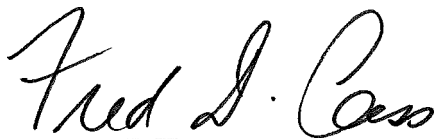
1. The Independent Electricity System Operator (the "IESO") submitted its 2016 business plan to the Minister of Energy (the "Minister") for approval pursuant to section 24.(1) of the *Electricity Act, 1998* as amended (the "Act") and the IESO received a letter from the Minister approving the Business Plan.
2. The IESO submitted to the Ontario Energy Board (the "Board") its proposed 2016 expenditure and revenue requirement and the fees it proposed to charge in 2016 (the "2016 Revenue Requirement Submission" or "Submission") for review and approval pursuant to subsection 25(1) of the Act on January 19, 2016.
3. The IESO reached settlement with most intervenors on all issues except Issue 2.0, the IESO's usage fee proposal, in August and the settlement proposal was filed with the Board on September 7, 2016.
4. The examination of Issue 2.0 proceeded through written submissions and concluded with the IESO's reply argument which was filed with the Board on October 21, 2017.

5. In its December 1, 2016 decision the Board approved the settlement proposal as filed and recommended that the IESO should submit a revised usage fee proposal to recover its approved revenue requirement through two usage fees and that each usage fee should represent a revenue-to-cost ratio of 100% based on the Elenchus cost allocation evidence which the IESO filed.
6. Pursuant to subsection 25.(1) of the Act, the IESO is seeking the following approvals from the Board:
  - a) Approval of the following two proposed IESO usage fees:
    - I. \$1.1707/MWh to be paid by domestic customers. Domestic customers are those market participants that are charged an IESO fee based on energy withdrawn from the IESO-controlled grid (excluding scheduled exports) and embedded generation, and
    - II. \$0.9603/MWh to be paid by export customers. Export customers are those market participants that are charged an IESO fee based on energy withdrawn from the IESO-controlled grid for scheduled exports.
  - b) Approval to rebate or charge to market participants the difference between the 2016 IESO usage fees approved by the Board for export and domestic customers and the interim usage fee they paid, if any. Any rebates or charges will be based on the market participants' proportionate quantity of energy withdrawn, which may include scheduled exports and embedded generation, for those months in 2016 which the Board has deemed the 2016 usage fees effective. Any such rebates or charges will be provided in the next billing cycle following the month in which Board approval is received

- c) Approval of the two proposed IESO usage fees on an interim basis from January 1, 2017 until the end of the month in which Board approval of the IESO's 2017 Revenue Requirement Submission is received, and
- d) Approval to discontinue the OPA usage fee effective on the date the Board makes the two usage fees described in Section 6.a) above effective.

DATED at Toronto, Ontario, this 14<sup>th</sup> day of December, 2016.

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR**



by its counsel in this proceeding  
Fred D. Cass