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June 30, 2017

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON / M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0150 2017 IESO Fees
Submission on Issues list
Vulnerable Energy Consumers Coalition (VECC)**

In response to Procedural Order No. 1 in the above noted proceeding, VECC has the following submissions with respect to the proposed issues list.

In our submission the Board's list adequately canvasses the material issues in the application. However, for greater clarification we would amend the list as follows:

Issue 1.4 Are the IESO's projected compensation costs appropriate and reasonable?

Issue 1.7 (new) Is the IESO proposed Market Renewal Program within the mandate of the IESO and, if so, does the program provide sufficient probable benefits to justify its costs?

Issue 1.8 (new) Are the forecast energy volumes used to calculate the usage fees reasonable and appropriate?

Issue 1.9 (new) Is the allocation of energy volumes and costs as between domestic and export markets used to derive the proposed usage fees reasonable?

Issue 7.0 (new) Are the filing requirements for IESO Fees sufficient?

Other than proposed issues 1.7 and 7.0 VECC's other submissions are in the nature of clarification or greater specificity. For example, the proposed Issue 1.8 adds for clarity the elements of the charge determinant, that is, the forecast volumes over which the fees are to be calculated. Issue 1.9 simply acknowledges that these costs and charge determinants are allocated as between the domestic and

export market. Similarly, for clarity we propose the broadening of issue 1.4 which currently addresses only staffing levels, and not all elements of compensation costs.

VECC proposes the addition of Issue 1.8 because it is not clear that the changes proposed by the Market Renewal program are reasonable and can be implemented without other regulatory or legislative change. That is, are these costs contemplated by 25.1(1)(c) of the *Electricity Act*? In making this submission VECC is aware of the Minister of Energy's letter of March 21, 2017 which states in part:

The ministry has reviewed the revised Business Plan and Budget, which included augmented consideration for the emerging priorities related to the Market Renewal project.

And;

I am satisfied that the IESO's proposed plan for the 2017 budget and related activities reflect the appropriate scope and resourcing to advance the Market Renewal, as well as meeting the responsibilities of its core mandate. I expect future market renewal resourcing beyond 2017 will be further reassessed in future business plans and revenue requirements applications with the Ontario Energy Board as required.

However, that the ministry has considered the Market Renewal project as part of the proposed budget does not constitute approval for all of its elements or the reasonableness of the costs of that program in part or in its entirety. In our submission the Board needs to determine whether the program is both allowed under the IESO's legislative mandate and whether it is reasonable for it to do so (or more specifically whether it is reasonable for fees to include the costs of it doing so).

Finally, we have also proposed the addition of a new issue. This is the form and nature of future fee application filings. VECC, as well as number of other intervenors, have in the past made submissions both formal and informal at stakeholder meetings with respect to the adequacy of the financial information filed for the purpose of fee determination. We note in this Application the IESO has taken a number of positive steps to address our concerns. However, we do think it would be useful for the Board to consider the evolution of the IESO filing requirements especially in light of its recent amalgamation with the OPA. Doing so might, in our view, simplify and make more efficient future fees proceedings.

Respectfully, these are our submissions.

Yours truly,

Mark Garner

Consultant for VECC

CC.

Ms. Miriam Heinz

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