



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

EB-2019-0002

Independent Electricity System Operator

**Application for Approval of 2019 Expenditures, Revenue
Requirement, and Fees**

PROCEDURAL ORDER NO. 1

March 12, 2019

The Independent Electricity System Operator (IESO) filed an application with the Ontario Energy Board (OEB) on January 28, 2019 under subsection 25(1) of the *Electricity Act, 1998*, seeking approval for its 2019 expenditures, revenue requirement, and fees.

A Notice of Hearing was issued on February 20, 2019. The following parties applied for intervenor status:

- Association of Major Power Consumers in Ontario (AMPCO)
- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Electricity Distributors Association (EDA)
- Energy Probe Research Foundation (Energy Probe)
- HQ Energy Marketing Inc. (HQEM)
- Ontario Power Generation Inc. (OPG)
- Ontario Sustainable Energy Association (OSEA)
- Power Workers' Union (PWU)
- School Energy Coalition (SEC)
- Society of United Professionals (SUP)
- Vulnerable Energy Consumers Coalition (VECC)

Each of AMPCO, APPrO, BOMA, CME, Energy Probe, OSEA, SEC, and VECC also applied for cost award eligibility. No objections were received from the IESO regarding the requests for intervenor status or cost eligibility.

Intervenor status is hereby granted to each of the parties that requested such status. Each of AMPCO, APPrO, BOMA, CME, Energy Probe, OSEA, SEC, and VECC are eligible to apply for an award of costs under the OEB's *Practice Direction of Cost Awards*. A list of intervenors is attached as Schedule A to this Procedural Order.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed. The OEB also expects that intervenors will combine their interventions with those of similarly interested parties, will co-operate with all other parties to the extent possible and will be mindful to avoid duplication.

Issues List

Attached as Schedule B to this Procedural Order is a draft issues list prepared by the IESO. Parties will have an opportunity to review the draft issues list and provide any comments or additions to this list. The IESO will have an opportunity to respond to any comments or additions received on the draft issues list. The OEB will determine the final issues list and only those issues on the approved issues list will be considered during the review.

Interrogatories

Parties should consult Rules 26 and 27 of the OEB's *Rules of Practice and Procedure* regarding required naming and numbering conventions and other matters related to interrogatories.

It is necessary to make provision for the following matters related to this proceeding.

The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff and intervenors may file submissions on the draft issues list in Schedule B to this Procedural Order with the OEB and serve them on all parties by **March 19, 2019**.
2. The IESO may respond to the submissions of intervenors and OEB staff and all other parties may respond to the submission of other parties on the draft issues list. The submissions shall be filed with the OEB and served on all parties by **March 26, 2019**.

3. OEB staff and intervenors shall request any relevant information and documentation from the IESO that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **April 9, 2019**.
4. The IESO shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors and OEB staff by **April 30, 2019**.
5. If OEB staff or intervenors wish to submit evidence in this proceeding they shall inform the OEB by **May 9, 2019**. Intervenors intending to file evidence shall inform the OEB of the estimated costs including assumptions regarding the participation of an expert and incremental time that will be spent by the intervenor's counsel or any other consultant(s) in relation to the evidence also by **May 9, 2019**. The OEB may re-schedule the Settlement Conference to allow for the filing of evidence.
6. A Settlement Conference among the parties and OEB staff will be convened on **May 14, 2019** starting at 9:00 a.m., at 2300 Yonge Street, 25th floor, Toronto. If necessary, the Settlement Conference will continue on **May 15, 2019**.
7. Any settlement proposal arising from the Settlement Conference shall be filed with the OEB on or before **May 31, 2019**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
8. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **June 6, 2019**.
9. If there is no settlement proposal arising from the Settlement Conference, the IESO shall file a statement to that effect with the OEB by **May 20, 2019**. In that event, parties shall file and serve on the other parties by **May 24, 2019** any submissions on which issues could be heard in writing, and for which issues the OEB should hold an oral hearing.

All filings to the OEB must quote the file number, EB-2019-0002, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at <https://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 <https://www.oeb.ca/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 Flash Drive 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 Managers, Michael Lesychyn at Michael.Lesychyn@oeb.ca and Andrew Bishop at Andrew.Bishop@oeb.ca and OEB Counsel, Ian Richler at Ian.Richler@oeb.ca.

ADDRESS

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DATED at Toronto, **March 12, 2019**

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original signed by

Christine E. Long
Registrar
Office of the Registrar

Schedule A
Procedural Order No. 1
Independent Electricity System Operator
EB-2019-0002
Applicant and List of Intervenor
March 12, 2019

**Independent Electricity System Operator
EB-2019-0002**

APPLICANT & LIST OF INTERVENORS

March 12, 2019

APPLICANT

Rep. and Address for Service

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APPLICANT & LIST OF INTERVENORS

March 12, 2019

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APPLICANT & LIST OF INTERVENORS

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Schedule B
Procedural Order No. 1
Independent Electricity System Operator
EB-2019-0002
Draft Issues List
March 12, 2019

Schedule B
Draft Issues List

1.0 Revenue Requirement, Operating Costs and Capital Spending

- 1.1 Is the IESO's Fiscal Year 2019 net revenue requirement of \$190.8 million appropriate?
- 1.2 Is the IESO's Registration & Application Fees revenue forecast of \$0.0 million for Fiscal Year 2019 appropriate?
- 1.3 Are the IESO's projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate and reasonable?
- 1.4 Is the IESO's Capital Expenditure budget for Fiscal Year 2019 appropriate?

2.0 Usage Fees

- 2.1 Is the allocation of energy volumes and costs between domestic and export markets reasonable?
- 2.2 Is the methodology used to derive the proposed IESO Usage Fees and the resulting Usage Fees of \$1.227/MWh for domestic customers and \$1.0125/MWh for export customers appropriate?
- 2.3 Is the proposed January 1, 2019 effective date for the Usage Fees appropriate?

3.0 Registration and Application Fees

- 3.1 Are the Registration Fees of up to \$10,000 per proposal for electricity supply and capacity procurements, including ancillary services, appropriate?
- 3.2 Is the \$1,000 Application Fee for market participation appropriate?

4.0 The Deferral and Variance Account

- 4.1 Is the IESO's proposal to retain an Operating Reserve of \$10 million in the Forecast Variance Deferral Account appropriate?

- 4.2** Is the IESO's proposal to clear the 2018 Year-End balance in the Forecast Variance Deferral Account that is in excess of the \$10 million operating reserve appropriate?

5.0 Commitments from Previous OEB Decisions

- 5.1** Is the IESO's 2019 Regulatory Scorecard appropriate?
- 5.2** Is the Total Compensation Study for represented and non-represented staff appropriate?
- 5.3** Has the IESO adequately described the division of responsibilities between the IESO and Hydro One Networks Inc. with respect to Transmission Losses?

6.0 Market Renewal Program

- 6.1** Is the level of reporting on the Market Renewal Program appropriate?