



March 18, 2019

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

Re: Independent Electricity System Operator (IESO) 2019 Fees Application
AMPCO Comments on Draft Issues List
Board File No. EB-2019-0002

Dear Ms. Walli:

AMPCO has reviewed the Draft Issues List regarding the above proceeding and makes the following comments.

Market Renewal Program

With respect to Issue 6.0, Market Renewal Program, only one issue is proposed as follows:

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

AMPCO agrees this issue should be on the Issue List. However, AMPCO notes that in the last IESO Fees Case, EB-2018-0143, the following three issues were identified under the Market Renewal Program.

- Does the “Market Renewal Program Cost Report” provide sufficient information on the financial and operational performance of the Market Renewal Program for 2017, 2018 year to date and 2018 forecast?
- Are the IESO's forecast 2018 operational costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?
- Are the IESO's forecast 2018 capital costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

In AMPCO's view these three issues are still relevant and should be included on the Issues List in this proceeding. The appropriate level of reporting does not supersede the need to review the details of operational and capital costs and performance in the context of the scope and timing of the overall project.

The total 2018 operating budget for the Market Renewal Program was \$12.7 million. The IESO's 2018 actual operating cost results reflect spending of \$15 million, a \$2.3 million variance. In terms of the Market Renewal capital budget, the 2018 actual results show an underspend of \$2.7 million relative to a 2018 capital budget of \$4 million.¹

¹ EB-2019-0002 Ex C T2 S1 P6

Given the overall significance of the Market Renewal Program, the potential for variances in the actual operating and capital results against the 2019 operating and capital budgets and the need for a clear view on spending, AMPCO submits the two stand-alone issues related to the appropriateness of the operating and capital costs for Market Renewal in the context of the scope and timing of the overall project are needed.

As such, AMPCO submits that the following issues should be added to the Issues List under Issue 6.0 Market Renewal Program:

6.2 Does the “Market Renewal Program Cost Report” provide sufficient information on the financial and operational performance of the Market Renewal Program for 2017, 2018 and 2019 forecast?

6.3 Are the IESO's forecast 2019 operational costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

6.4 Are the IESO's forecast 2019 capital costs for the Market Renewal Program appropriate in the context of the scope and timing of the overall project?

Innovation

AMPCO also asks that a new issue be added to the Issues List regarding Innovation as follows:

7.0 Innovation

7.1 Are the costs associated with the activities related to the IESO's Innovation Program appropriate and accurately tracked?

Innovation is listed as a key program in the IESO's 2019-2021 Business Plan along with cybersecurity and market renewal initiatives. The IESO is currently working on an innovation roadmap and associated work plan which are expected to be finalized in 2019. Creating an innovation roadmap is included in the IESO's Summary List of six priority initiatives and resource requirements, and reference is made to the significant investments that are required to deliver on these priority initiatives and other initiatives.² In addition, the IESO has included “Innovation” as one of its 2019 corporate performance management (CPM) measures.³

Given the significance of this initiative, AMPCO submits there should be a clear view on 2019 spending related to this initiative.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

(Original Signed By)

Colin Anderson
President
Association of Major Power Consumers in Ontario

² Exhibit A-2-2, P6

³ Exhibit A-2-2, P22