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Our File No. 339583-00262

By electronic filing

April 9, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli

**Re: Independent Electricity System Operator ("IESO")
Application for approval of 2019 expenditures, revenue requirement and fees
Board File No.: EB-2019-0002**

Please find attached the Interrogatories of Canadian Manufacturers & Exporters ("CME") to the Applicant, Independent Electricity System Operator ("IESO"), in the above-noted proceeding.

Yours very truly

Borden Ladner Gervais LLP

A handwritten signature in blue ink, appearing to read 'Scott Pollock', is written over a horizontal line.

Scott Pollock

Encl.

c. Miriam Heinz (IESO)
Fred Cass (Aird & Berlis)
EB-2019-0002 Intervenor
Alex Greco (CME)

OTT01: 9638285: v1

ONTARIO ENERGY BOARD

Independent Electricity System Operator

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

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS ("CME")
TO INDEPENDENT ELECTRICITY SYSTEM OPERATOR ("IESO")**

CME # 1

Ref: Exhibit A, Tab 2, Schedule 2, page 19 of 27

At Exhibit A, Tab 2, Schedule 2, page 19, the IESO states: "Resourcing for the (market renewal) program continues to be a challenge and as resulted in later completion of high-level design for the capacity work stream."

- (a) Does the IESO expect resourcing to continue to be a challenge?
- (b) If the answer to a) is yes, what steps will the IESO be taking that are either new, different or additional in order to ameliorate the resourcing difficulty, given that activity is expected to ramp up significantly on the MRP project in 2019?
- (c) If the answer to a) above is no, why not?

CME # 2

Ref: Exhibit B, Tab 1, Schedule 1, page 7 of 8

At Exhibit B, Tab 1, Schedule 1, page 7, the IESO states: "In response to potential volatility in spending driven by changes in the volume of activities and the external environment, the IESO is seeking approval to retain an operating reserve of \$10 million in 2019."

"As the IESO looks forward to the remainder of 2019, the IESO believes that \$10 million will be a reasonable and adequate reserve against the uncertainties referred to below."

- (a) The IESO lists a number of risks on page 8 of Exhibit B, Tab 1, Schedule 1, including cybersecurity event; current workforce capabilities, and stakeholder support. Please describe which risk(s) have materialized or materially increased in 2019 over 2018 that would justify an increase in the operating reserve from \$6 million to \$10 million.
- (b) In circumstances where the IESO's operating reserve was insufficient to cover the cost of risks that materialized, what would happen? Please describe in detail.

- (c) If not for the impact of the accounting change put forward by the IESO in this application, has the IESO ever had to use the operating reserve to cover its costs in the previous 10 years?

CME # 3

Ref: Exhibit B, Tab 2, Schedule 1, page 3 of 3

At Exhibit B, Tab 2, Schedule 1, page 3, the IESO states: "In order to improve forecast accuracy, the IESO introduced an enhanced project prioritization process in late 2018, to identify and prioritize the projects that support the IESO's strategic outcomes, while balancing the need to maintain our critical IT systems."

- (a) Please describe the old project prioritization process.
- (b) What has changed in the new project prioritization process?
- (c) Has the new process led to any projects being scheduled that were not before, or removing projects that were once scheduled that are no longer considered as much of a priority? If so, please describe which projects, and the reasons for their reprioritization.

CME # 4

Ref: Exhibit C, Tab 1, Schedule 1, page 1 of 2

At Exhibit C, Tab 1, Schedule 1, page 1, the IESO states: "The IESO is proposing to replace the current measure with a more focused measure: meeting or exceeding stakeholder expectations of their engagement with the IESO. For 2019, the target will be to maintain the 2018 score, i.e. at least 80% of stakeholders indicate that their experience with IESO's engagement meets or exceeds their expectations."

- (a) Please explain why the IESO feels it is appropriate to change metrics, and eliminate a number of discrete measures that make up the existing "basket" of metrics.
- (b) Why was 80% chosen as the target?
- (c) How does holding the IESO's results steady at 80% reflect the concept of continuous improvement?
- (d) In future years, does the IESO plan to set targets that are higher than 80%?

CME # 5

Ref: Exhibit C, Tab 1, Schedule 1, page 2 of 2

At Exhibit C, Tab 1, Schedule 1, page 2, the IESO states: "In 2019, the IESO will target 80% of the highest impact market events are triaged within 14 days of observation, ensuring highest impact market events are addressed in a timely manner."

- (a) Does the IESO currently measure how many high impact market events are triaged within 14 days?
- (b) If the answer to a) above is yes, what is the IESO's current rate of triage within 14 days?
- (c) If the above answer to a) is no, how did the IESO decide on 80% as the target?

CME # 6

Ref: Exhibit C, Tab 2, Schedule 1, page 11 of 15

At Exhibit C, Tab 2, Schedule 1, page 11, the IESO states: "The current program budget is estimated at \$247 million, with further budget refinement expected with the completion of the business case in Q4, 2019."

- (a) Please provide the previous cost estimates of the MRP.
- (b) Please breakdown and itemize the addition estimated cost of the MRP by the additional definitions to the program scope through the development of the HLDs and the associated additional program planning work that has been completed.