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June 24, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Re: EB-2019-0002 – IESO revenue requirement application – APPrO questions re June 14 Evidence

Dear Ms. Walli:

The Association of Power Producers of Ontario (“**APPrO**”) is in receipt of the IESO's responses to interrogatories filed with the Ontario Energy Board (the “**OEB**” or the “**Board**”) in response to the Board's procedural order no. 4 in this proceeding (the “**June 14 Evidence**”).

In the June 14 Evidence, the IESO makes several general statements in regards to the benefits of market renewal and costs of the current system, and also relies heavily on the 2017 Brattle Group benefits case. APPrO has reviewed the June 14 Evidence and has identified questions in respect of key aspects of the IESO's statements regarding the benefits of market renewal. These questions are set out below.

APPRO SUPPLEMENTAL INTERROGATORY A

Reference: Exhibit I, Tab 6.1, Schedule 10.21 SEC 21, pg 3-4, 9 and Attachment 1, Page 36-37, 109

Preamble: The IESO makes various statements regarding the two-schedule system and the CMSC payments which result from this system.

The Brattle Group report utilizes CMSC numbers from 2015 and earlier. For example, the report cites an IESO study completed in 2015 at page 36-37 and page 119's footnote 153 of the report reads as follows (emphasis added):

The magnitudes reported are **the range of CMSC on and off payments over 2005–2015. The IESO has discontinued some types of CMSC payments over time** and so has accomplished a portion of the transfer payments described here, particularly those that were introducing significant gaming opportunities and unwarranted intertie incentives. See Ontario Energy Board (2016c).

Questions:

- a) Please provide the amounts paid in CMSC on an annual basis from 2010 to 2019 and a forecast of CMSC costs under the status quo to 2025.
- b) If market renewal replaces CMSC payments, please confirm that there will still be make-whole payments following market renewal (the “**Post-Market Renewal Make Whole Payments**”).
- c) Please provide a forecast of annual Post-Market Renewal Make Whole Payments.

APPRO SUPPLEMENTAL INTERROGATORY B

Reference: Exhibit I, Tab 6.1, Schedule 10.21 SEC 21, page 5.

Preamble: Under its discussion of the Enhanced Real-Time Unit Commitment, the IESO states at page 5 that because Real-Time Generation Cost Guarantee decisions do not account for all costs, they may result in inefficient outcomes.

Questions:

1. Please confirm that the Enhanced Real-Time Unit Commitment is aimed at replacing the Real-Time Generator Cost Guarantee Program.
2. Please provide the amounts paid in Generator Cost Guarantee (“**GCG**”) payments on an annual basis from 2010 to 2019 and a forecast of GCG costs under the status quo to 2025.

Yours Truly,



George Vegh

cc: David Butters, President & CEO, APPRO
Parties in EB-2019-0002