



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

**BY EMAIL**

August 7, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Independent Electricity System Operator (IESO)  
IESO Application for Approval of 2019 Expenditures, Revenue  
Requirement, and Fees  
OEB Staff Submission on Settlement Proposal**

**Ontario Energy Board File Number: EB-2019-0002**

In accordance with Procedural Order No. 5, please find attached the OEB Staff Submissions on the Settlement Proposal dated August 2, 2019 filed by the IESO for the above proceeding.

Yours truly,

*Original Signed By*

Andrew Bishop  
Project Advisor, Supply & Infrastructure

cc: Parties to EB-2019-0002



# **OEB Staff Submission on Settlement Proposal**

## **Independent Electricity System Operator's Application for Approval of 2019 Expenditures, Revenue Requirement, and Fees**

### **Independent Electricity System Operator**

**EB-2019-0002**

**August 7, 2019**

## Background

On August 2, 2019, the Independent Electricity System Operator (IESO) filed a settlement proposal for the Ontario Energy Board's (OEB) review and approval. The proposal reflects the agreement reached between the IESO and participating intervenors on some, but not all, issues. Several of the main issues in this proceeding, including the appropriate amount of the IESO's 2019 revenue requirement and the resulting usage fees, remain unresolved.

OEB staff submits that the settlement proposal is in the public interest, and that the accompanying explanation and rationale is adequate to support the settlement proposal.

For several of the settled issues, the settlement proposal notes that the agreed upon outcome is the same as what the OEB approved in the IESO's 2018 fees case<sup>1</sup>. On that basis, OEB staff considers these aspects of the settlement to be reasonable:

- i. **Issue 2.1 (partial settlement, on the methodology only but not the level of the fees):** *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?*
- ii. **Issue 3.1:** *Are the Registration Fees of up to \$10,000 per proposal for electricity supply and capacity procurements, including ancillary services, appropriate?*
- iii. **Issue 3.2:** *Is the \$1,000 Application Fee for market participation appropriate?*

OEB staff has reviewed the evidentiary record related to the following settled issues and believes that the basis for settlement is reasonable:

- i. **Issue 1.2:** *Is the IESO's Registration & Application Fees revenue forecast of \$0.0 million for Fiscal Year 2019 appropriate?*
- ii. **Issue 2.2:** *Is the proposed January 1, 2019 effective date for the Usage Fees appropriate?*
- iii. **Issue 5.1:** *Is the IESO's 2019 Regulatory Scorecard appropriate?*

---

<sup>1</sup> EB-2018-0143

- iv. **Issue 5.3:** *Has the IESO adequately described the division of responsibilities between the IESO and Hydro One Networks Inc. with respect to Transmission Losses?*

In its cover letter enclosing the settlement proposal, the IESO requested two weeks to file updated evidence on recent changes to the Market Renewal Program (MRP) and suggested that the parties be given an opportunity to ask written interrogatories on that evidence. OEB staff agrees that it would be of assistance to the OEB to receive updated evidence on the changes to the MRP and any implications for the IESO's 2019 fees application, and that another round of interrogatories on that evidence would be appropriate.

All of which is respectfully submitted