

ONTARIO ENERGY BOARD

ASSOCIATION OF MAJOR POWER
CONSUMERS IN ONTARIO (AMPCO)

Application for Review of an Amendment
to the Independent Electricity System Operator Market Rules

INTERROGATORIES
of
AMPCO

on

Evidence of the Independent Electricity System
Operator, November 8, 2019

1. **Reference:** IESO Evidence, sub-paragraph 4(a).

The IESO indicates that the issue of energy payments for demand response resources “is very complex, particularly in the context of Ontario’s hybrid electricity market, and warrants necessary study and analysis”.

Question:

Please provide an explanation of the source and nature of such complexity, including identification of the factors which give rise to such complexity.

2. **Reference:** IESO Evidence, paragraph 36.

The IESO states:

DRA participants have been activated in the energy market in very limited circumstances since the DRA was launched in 2015. This is likely due to the relatively high prices at which DRA participants have bid into the energy market.

Question:

Why, in the view of the IESO, have DRA participants bid into the energy market at such high prices?

3. **Reference:** IESO Evidence, paragraph 60.

The IESO states that shortly after its September 13, 2018 release of an updated forecast for a summer 2023 capacity gap, it “*came to the realization that it was not feasible to launch the ICA in time to address the projected capacity gap... and that alternative measures were required*”.

Question:

Please explain why launching the ICA in time to address the projected 2023 capacity gap was not feasible. What would have been required to pursue this measure, rather than alternative measures?

4. **Reference:** IESO Evidence, paragraph 62.

The evidence states:

The IESO also determined that the TCA would provide opportunities for existing off contract generators, which might otherwise decide to wind down their operations to the potential detriment of Ontario reliability and the interests of Ontario consumers.

Questions:

- a. Please explain how the IESO made this determination. Please include in the response an explanation of the particular information and/or data relied on in coming to such determination, and the source of that information and/or data.
 - b. Was the IESO approached by any particular generators, and if so which ones?
 - c. Did the IESO have any discussions with, or requests from, the Ontario government to consider the manner in which to address concerns regarding how to address generators coming off contract? If so, please explain the nature of those discussions or requests.
5. **Reference:** IESO Evidence, paragraphs 90 – 92.

The evidence mentions the AMPCO/AEMA Joint Legal Brief regarding compensation for demand response activation, and goes on to discuss the Technical Panel approval of the

market rule amendments. The evidence further references the IESO's planned study of the topic of activation payments for demand response resources as a reason for the Technical Panel's approval of the amendments.

Questions:

- a. Was the Joint Legal Brief provided to the Technical Panel, and if so on what date?
- b. What information did the Technical Panel have on the "*planned study*" when it made its decision on the amendments?

6. **Reference:** IESO Evidence, paragraphs 95 - 97.

The evidence discusses the approval by the IESO Board of the amendments, and the rationale for that approval, which includes the IESO's commitment to "*completing an independent study to determine whether there would be a net benefit to Ontario consumers if demand response resources receive energy payments for economic activations*".

Questions:

- a. Was the Joint Legal Brief referred to in paragraph 90 of the evidence provided to the Board of Directors, and if so on what date?
- b. What information did the Board of Directors have on the "*planned study*" when it made its decision on the amendments?
- c. In respect of the Board's consideration of whether existing non-committed generators "*may choose to wind down their operations*" (as referenced in subparagraph 95(c) of the IESO Evidence), what particular information and/or data was provided to the Board of Directors in respect of this consideration, and what was the source of such information and/or data?

7. **Reference:** IESO Evidence, paragraph 98.

The evidence indicates that the IESO Board, in its consideration of the amendments, noted "*a process issue related to the AEMA/AMPCO joint brief*" in respect of the Technical Panel's consideration of the amendments.

Question:

What was the "*process issue*" referred to in this evidence?