



Ontario
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BY EMAIL

November 13, 2019

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Christine E. Long

Dear Ms. Long:

**Re: OEB Staff Interrogatories on Evidence of Kingston CoGen Limited
Partnership (KCLP)
Association of Major Power Consumers in Ontario (AMPCO)
Application to Review Amendments to the Market Rules Made by the IESO
Ontario Energy Board: File No.: EB-2019-0242**

Pursuant to Procedural Order No. 3, please find attached the interrogatories of OEB staff to KCLP in the above-referenced proceeding related to the KCLP Evidence that was filed on November 8, 2019.

Yours truly,

Original Signed by

Michael Bell
Project Advisor, Application Policy and Conservation

cc: All Parties in EB-2019-0242

ONTARIO ENERGY BOARD

OEB Staff Interrogatories to KCLP

Association of Major Power Consumers in Ontario

**Application to Review Amendments to the Market Rules Made by the
Independent Electricity System Operator**

EB-2019-0242

November 13, 2019

KCLP-Staff-1

Ref: Evidence of Brian Rivard, p.34

Ref: IESO Evidence, p.17

In the evidence of Brian Rivard, it states:

“When lower energy bid prices of DR resources cause the energy market price to fall the amount of net revenues earned by the committed generators falls in proportion to the price decrease ... The decline in net revenue is fully offset by higher payments to the committed generators as per their contract terms or regulated rates. Non-DR consumers cover these higher payments through higher Global Adjustment charges. As a result, the benefit that non-DR consumers receive from the lower energy price is reduced by the amount A; they realize the smaller benefit represented by area B. Since the net benefit is smaller in Ontario, it is less likely that the net benefits test condition will be satisfied in Ontario.”

Question:

According to the IESO, the amount of generation coming off contract will be “significant” in 2023 at “approximately 4,000 MW” and the amount of off-contract generation will continue to grow thereafter. Under the scenario described above (i.e., lower energy bid prices of DR resources cause the energy market price to fall), would the net benefit get larger over time and would it become more likely that the net benefits test condition will be satisfied in Ontario (i.e., less affected by the GA)?