Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2013-0321

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S. O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application by Ontario Power Generation Inc. pursuant to section 78.1 of the *Ontario Energy Board Act, 1998* for an order or orders determining payment amounts for the output of certain of its generating facilities.

DECISION AND ORDER ON ISSUES LIST AND CONFIDENTIAL FILINGS AND PROCEDURAL ORDER NO. 7

April 17, 2014

Ontario Power Generation Inc. ("OPG") filed an application, dated September 27, 2013, with the Ontario Energy Board under section 78.1 of the *Ontario Energy Board Act, 1998,* S.O. 1998, c.15, Schedule B (the "Act") seeking approval for increases in payment amounts for the output of its nuclear generating facilities and the currently prescribed hydroelectric generating facilities, to be effective January 1, 2014. The application also seeks approval for payment amounts for newly prescribed hydroelectric generating facilities, to be effective July 1, 2014.

Issues List

On April 10, 2014, the Board issued Procedural Order No. 6 which made provision for submissions on an issue proposed by Sustainability Journal on December 16, 2013, and rephrased by the Board as: *Could the storage of energy improve the efficiency of hydroelectric generating stations?*

Submissions were filed by OPG and Board staff. OPG opposed the inclusion of the issue, stating that the prescribed facilities, pursuant to section 78.1 of the Act, do not include energy storage facilities as described in documentation filed by Sustainability Journal. OPG also noted that it has no plans to build such facilities and has not filed any evidence on the subject. In OPG's view, the consideration of energy storage, as proposed by Sustainability Journal, is part of a broader consultation on the energy supply mix.

Both OPG and Board staff referred to the *Long-Term Energy Plan* ("LTEP) in their submissions. Board staff referred to sections of the LTEP specifically related to energy storage and suggested that the Board consider these references as well as recent communication between the Minister of Energy and the Ontario Power Authority ("OPA") and the Independent Electricity System Operator ("IESO") regarding procurement of energy storage. Board staff submitted that the draft issue is not within the scope of the current proceeding and the 2014-2015 test period.

Sustainability Journal replied that while OPG has no plans to build energy storage facilities such as those proposed by Sustainability Journal, OPG's position is not reasonable and is a principal driving factor in OPG's proposal for the price increases. Sustainability Journal would like to explore the matter in this proceeding. While energy storage indirectly influences energy supply mix, in Sustainability Journal's view, the principal impact of energy storage is on the pricing of power and should be considered by the Board.

The Board will add the issue to the issues list approved on February 19, 2014, as issue number 5.1(a). The Board acknowledges OPG's submission regarding regulation of "prescribed assets" under section 78.1 of the Act. The Board also acknowledges OPG's submission which states that OPG has no plans to build energy storage facilities as described in the documentation filed by Sustainability Journal. However, the Board finds that OPG has a responsibility to optimize the usage of all of its assets, and in that regard, storage may have benefits. Notwithstanding the energy storage initiatives undertaken by the OPA and IESO, including energy storage on the issues list may further the exploration and understanding of that issue.

Confidential Filings

In correspondence filed on April 4, 2014, OPG requested review by the "Board only" of certain information contained within the following interrogatory responses. OPG seeks permanent redaction for this information.

- Board staff Interrogatory #4 Attachment 1(Exh L-1.2-Staff-4)
- Association of Major Power Consumers in Ontario Interrogatory #4 Attachment 1 (Exh L-1.2-AMPCO-4)
- School Energy Coalition ("SEC") Interrogatory #17 (Exh L-1.2-SEC-17)
- Society of Energy Professionals Interrogatory #4 (Exh L-6.1-SEP-4)

The Board has reviewed these documents and is satisfied that the redacted information relates solely to OPG's unregulated business. The information will be permanently redacted for this proceeding.

OPG also requested review by the "Board only" of the response to SEC Interrogatory #119, Attachment 1 (Exh L-6.8-SEC-119). OPG requested confidential treatment of Exh L-6.8-SEC-119 Attachment 1 in entirety, to be disclosed to persons who have signed the Declaration and Undertaking (that is Appendix C of the *Practice Direction on Confidential Filings*) but not the Power Workers' Union ("PWU") or the Society of Energy Professionals ("Society"). As an interim measure, prior to final determination by the Board, OPG requested that this interrogatory response be reviewed by the Board only.

The Board has reviewed Exh L-6.8-SEC-119 Attachment 1 and finds that the analysis of overtime costs is relevant to the proceeding and should receive confidential treatment. However, the Board finds that part of the document should be on the public record to provide context to all parties. Specifically, the header, date, title and first two paragraphs should be on the public record. The rest of the document and to whom the document is addressed shall receive confidential treatment and be made available to persons who have signed the Declaration and Undertaking, but will not be made available to the PWU or the Society, as doing so may have detrimental impacts on future union negotiations. Any cross examination on this document will be conducted *in camera* and will exclude the PWU and Society representatives, and any persons who have not signed the Declaration and Undertaking.

The Board considers it necessary to make provision for the following matters related to this proceeding.

THE BOARD ORDERS THAT:

1. The issues list set out in Procedural Order No. 3 issued on February 19, 2014 shall be amended to include issue 5.1(a): *Could the storage of energy improve the efficiency of hydroelectric generating stations?*

2. OPG shall file a redacted copy of Exh L-6.8-SEC-119 Attachment 1 for the public record. OPG shall file confidential copies of Exh L-6.8-SEC-119 Attachment 1 with the Board and to all persons who have signed the Declaration and Undertaking (that is Appendix C of the *Practice Direction on Confidential Filings*) but not the Power Workers' Union or the Society of Energy Professionals.

DATED at Toronto, **April 17, 2014**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary