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BY EMAIL

February 17, 2021

Terry Young  
Interim President and Chief Executive Officer  
Independent Electricity System Operator  
120 Adelaide Street West, Suite 1600  
Toronto, ON M5H 1T1  
[terry.young@ieso.ca](mailto:terry.young@ieso.ca)

Dear Mr. Young:

**Re: London Hydro's Regulated Price Plan Pilot (Board File No. EB-2016-0201)**

In January 2021, we were advised by the Independent Electricity System Operator (IESO) that, subject to obtaining the necessary internal approvals, there may be an opportunity for the IESO to provide funding for some or all of the costs incurred by London Hydro during the implementation of its RPP pilot project above the budget maximum approved by the Ontario Energy Board (OEB) and reflected in the IESO's Contribution Agreement with London Hydro (Over-budget Amount).

As contemplated in our February 1, 2021 letter to London Hydro and copied to you, at your request, OEB staff has assessed the Over-budget Amount in terms of the linkage between that Amount and the pilot project, and of the extent to which the Over-budget Amount may have contributed to the value of and confidence in the pilot project results.

London Hydro has indicated that the Over-budget Amount is \$508,195. Our review did not identify any expenses incurred by London Hydro that were not directly related to its RPP pilot project. OEB staff have also concluded that the Over-budget Amount contributed to the value of and confidence in London Hydro's pilot project results. By extension, the Over-budget Amount also added value to the OEB's broader RPP pilot initiative. London Hydro's pilot was unique in being explicitly designed to test the impact of technology-enabled response to Critical Peak Pricing events, and the findings in that regard were a key input into the OEB's consideration of recommended next steps for advancing RPP pricing.

Further details of OEB staff's assessment can be provided to the IESO if required.

Please direct any questions you might have regarding this letter to Ceiran Bishop, Director, Strategic Policy, at [Ceiran.Bishop@oeb.ca](mailto:Ceiran.Bishop@oeb.ca).

Sincerely,



Mary Anne Aldred  
Chief Operating Officer & General Counsel  
Ontario Energy Board

c. London Hydro