UNDERTAKING JT2.23

Undertaking

TO ADVISE WHETHER OPG HAS A FINANCIAL INCENTIVE TO SPILL ITS REGULATED HYDRO FACILITIES BEFORE IT SPILLS ITS UNREGULATED HYDRO FACILITIES.

Response

As stated in the SBG Study at Ex. A1-11-1, Attachment 1, p. 22, all hydroelectric energy with no remaining forebay storage opportunity is priced at the Gross Revenue Charge ("GRC"). The methodology used in the calculation of GRC is identical for all stations and SBG spill occurs in an economic merit order, conveyed to the market through the respective GRC-based offers for each station, and in accordance with an actively managed spill order based on operational and safety constraints. As such, this process offers no financial incentive for spill to occur first at either OPG's regulated or unregulated hydroelectric stations.