



Independent Electricity System Operator

**Application for Approval of 2020 and 2021 Expenditures,
Revenue Requirement and Fees**

**PROCEDURAL ORDER NO. 1
July 15, 2021**

The Independent Electricity System Operator (IESO) filed an application with the Ontario Energy Board (OEB) on May 27, 2021 under section 25(1) of the *Electricity Act, 1998*, seeking approval for its 2020 and 2021 expenditures, revenue requirement and fees.

A Notice of Hearing was issued on June 11, 2021. The following parties applied for intervenor status:

- Association of Major Power Consumers in Ontario (AMPCO)
- Association of Power Producers of Ontario (APPrO)
- Canadian Manufacturers & Exporters (CME)
- Electricity Distributors Association (EDA)
- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence
- Evolgen by Brookfield Renewable (Evolugen)
- HQ Energy Marketing Inc. (HQEM)
- Ontario Power Generation Inc. (OPG)
- Ontario Sustainable Energy Association (OSEA)
- Power Advisory, representing jointly, Canadian Renewable Energy Association (CanREA), Energy Storage Canada (ESC) and Ontario Waterfront Association (OWA)
- Power Workers' Union (PWU)
- School Energy Coalition (SEC)
- Society of United Professionals (SUP)
- Vulnerable Energy Consumers Coalition (VECC)

AMPCO, APPrO, CME, Energy Probe, Environmental Defence, OSEA, Power Advisory, SEC and VECC applied for cost eligibility.

No objection was received from the IESO.

Intervention Request of Power Advisory, representing jointly, CanREA, ESC and OWA

By letter dated July 2, 2021, Power Advisory requested intervenor status and cost eligibility to represent CanREA, ESC and OWA, as a group. For the reasons that follow, at this time Power Advisory's intervenor request is denied. If Power Advisory wishes to provide additional information on its specific interest in this proceeding, the OEB will reconsider the intervention request.

In its letter of intervention, Power Advisory provided the mandate of each organization and stated, "CanREA, ESC, and OWA are non-profit associations representing approximately 500 member companies. The majority of these companies have business interests within Ontario's electricity market and the IESO-Administered Markets (IAM), representing approximately 20,000 MW or roughly 50% of Ontario's supply capacity." With respect to their specific interest in this proceeding Power Advisory stated, "... jointly, CanREA, ESC, and OWA will provide new and valuable operational and regulatory experience and insights within OEB's proceeding regarding IESO's filed 2020-2021 Expenditure and Revenue Requirement Application."

The IESO's revenue requirement application is based on a business plan (that is underpinned by priority initiatives), that has been reviewed and approved by the Minister of Energy pursuant to Section 24 of the *Electricity Act*, and as such the OEB expects its review of the IESO's application as a whole and its discrete elements such as capital and OM&A expenditures, will be a focused review. In this context, Power Advisory's interest to "provide new and valuable operational and regulatory experience and insights..." appears more suited to the development stage of the business plan and too broad for the purposes of the OEB's review of this application, which is based on the approved business plan. It is also unclear how Power Advisory's expertise as "market and regulatory advisors and consultants" will be of assistance to the OEB in its review of this revenue requirement application.

If Power Advisory wishes to provide additional information in respect of its intervention, it must file this information with the OEB, by **July 17, 2021**.

Cost Eligibility Request of OSEA

As noted below, OSEA's cost eligibility request is approved. A review of OSEA's membership as noted on its website shows that APPrO is a member of OSEA. APPrO has also intervened in this proceeding and is eligible for costs. Therefore, the OEB requires that APPrO and OSEA coordinate their participation on common issues and avoid duplication. In making its decision on costs awards the OEB will consider whether APPrO and OSEA made reasonable efforts to avoid duplication.

AMPCO, APPrO, CME, EDA, Energy Probe, Environmental Defence, Evolgen, HQEM, OPG, OSEA, PWU, SEC, SUP and VECC are approved as intervenors. The list of parties in this proceeding is attached as Schedule A to this Procedural Order. AMPCO, APPrO, CME, Energy Probe, Environmental Defence, OSEA, SEC and VECC are eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#).

Parties should avoid duplication and should coordinate their participation on common issues. In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to avoid duplication and to ensure that their participation in the hearing was focused on material issues.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing.

Issues List

At this time, the OEB is making provision for submissions on the draft issues list that was filed by the IESO and is attached as Schedule B to this Procedural Order. The OEB Panel will determine the final issues list prior to the filing of interrogatories.

Interrogatories

The OEB is making provision for written interrogatories. Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories.

Settlement Conference

The OEB is also making provision for a settlement conference. Following the settlement conference, the OEB is making provision for the filing of letters informing the OEB of the status of the settlement discussions, submissions if there is no settlement and the filing of a settlement proposal by the IESO, if any. Following any filing of a settlement proposal, the OEB may make provision for the presentation of any settlement proposal.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

IT IS THEREFORE ORDERED THAT:

1. Any submissions by OEB staff and intervenors on the IESO's draft issues list in Schedule B shall be filed with the OEB and served on all parties by **July 22, 2021**.
2. The IESO may respond to the submissions of intervenors and OEB staff and all other parties may respond to the submission of the other parties. The written submissions shall be filed with the OEB and served on all parties by **July 29, 2021**.
3. OEB staff and intervenors shall request any relevant information and documentation from the IESO that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **August 17, 2021**.
4. IESO shall file with the OEB complete written responses to all interrogatories and serve them on OEB staff and all intervenors by **September 8, 2021**.
5. A settlement conference among the parties and OEB staff will be convened on **September 15, 2021** starting at 9:30 a.m. If necessary, the settlement conference will continue on **September 16-17, 2021**. This will be a virtual event and information on how to participate will be provided in advance of the conference.
6. **Within 48 hours** of the conclusion of the settlement conference, the IESO shall file a letter informing the OEB of the status of the settlement discussions including whether a tentative agreement had been reached or if the parties propose to continue the settlement discussions.

7. If there is no settlement proposal arising from the settlement conference or the subsequent settlement discussions, the IESO shall file a statement to that effect with the OEB by **October 1, 2021**. In that event, parties shall file and serve on the other parties by **October 8, 2021**, any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.
8. If there is a settlement, any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **October 13, 2021**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
9. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **October 20, 2021**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2020-0230** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Andrew Bishop at Andrew.Bishop@oeb.ca and OEB Counsel, Ian Richler at Ian.Richler@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **July 15, 2021**

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original Signed By

Christine E. Long
Registrar

SCHEDULE A
PROCEDURAL ORDER NO. 1
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
EB-2020-0230
APPLICANT AND LIST OF INTERVENORS
JULY 15, 2021

Independent Electricity System Operator
Application for Revenue Requirement, Expenditures and Usage Fees for
2020 and 2021

EB-2020-0230

APPLICANT & LIST OF INTERVENORS

July 15, 2021

APPLICANT

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Independent Electricity System Operator

**Application for Revenue Requirement, Expenditures and Usage Fees for
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APPLICANT & LIST OF INTERVENORS

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APPLICANT & LIST OF INTERVENORS

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APPLICANT & LIST OF INTERVENORS

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APPLICANT & LIST OF INTERVENORS

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Independent Electricity System Operator

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SCHEDULE B
PROCEDURAL ORDER NO. 1
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
EB-2020-0230
DRAFT ISSUES LIST
JULY 15, 2021

Appendix A

DRAFT ISSUES LIST

17 Issues

1.0 Revenue Requirement, Operating Costs and Capital Spending

- 1.1** Is the IESO's Fiscal Year 2020 revenue requirement of \$188.6 million appropriate?
- 1.2** Is the IESO's Fiscal Year 2021 revenue requirement of \$191.8 million appropriate?
- 1.3** Are the IESO's 2020 staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?
- 1.4** Are the IESO's 2021 projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?
- 1.5** Is the IESO's 2020 capital expenditure envelope of \$52 million for capital projects for Fiscal Year 2020 appropriate?
- 1.6** Is the IESO's 2021 capital expenditure envelope of \$68.6 million for capital projects for Fiscal Year 2021 appropriate?
- 1.7** Has the IESO adequately described its material capital projects?

2.0 Usage Fees

- 2.1** Is the IESO's proposal to approve its 2020 Interim Usage Fees effective January 1, 2020 as final 2020 Usage Fees appropriate?
- 2.2** Is the methodology used to derive the IESO's proposed 2021 Usage Fees of \$1.271/MWh for domestic customers (including embedded generation) and \$1.0943 MWh for export customers to be paid commencing January 1, 2021 appropriate?
- 2.3** Is the proposed January 1, 2021 effective date for the IESO's 2021 Usage Fees appropriate?

3.0 Registration Fees

- 3.1** Is the fee of up to \$50,000 per submission for electricity supply and capacity procurements, including ancillary services, appropriate?

4.0 Market Renewal Program (MRP)

- 4.1** Is the reporting on financial and operational performance of the MRP appropriate?
- 4.2** Are the IESO's 2020 and forecast 2021 operational costs for the MRP appropriate in the context of the scope and timing of the overall project?
- 4.3** Are the IESO's 2020 and forecast 2021 capital costs for the MRP appropriate in the context of the scope and timing of the overall project?
- 4.4** Is the IESO's MRP Baseline Schedule and Budget for each year of the MRP appropriate?
- 4.5** Is the IESO's MRP Business Case appropriate?

5.0 Other Commitments from Previous OEB Decisions

- 5.1** Has the IESO adequately described the progress made towards reaching the 50th percentile for total compensation?