

**OEB STAFF INTERROGATORY 28**

Issue 3.1 Is the IESO's request to charge (or rebate) market participants the difference between the approved 2021 IESO usage fees and the interim fees they paid in the next billing cycle following the month in which OEB approval is received appropriate?

3-Staff-28

**INTERROGATORY**

a. Exhibit C / Tab 3 / Schedule 1 / p. 1

Preamble:

The IESO has requested that the OEB approve a fee of up to \$50,000 per proposal for electricity supply and capacity procurements, including ancillary services. At the above reference, the IESO states that the current registration fee of \$10,000 will be inadequate to recover costs for IESO work entailed for future procurements.

Questions:

- a) Please describe the process used by the IESO to determine that a \$50,000 registration fee is appropriate and would adequately recover the costs of future procurements.
- b) Please confirm if through the current \$10,000 registration fee, the IESO has recovered the costs of procurements undertaken in 2019 and 2020.
- c) The IESO's request represents a 500% increase to the current registration fee. Please indicate if the IESO believes the significant increase will present a barrier for any qualified proponents to participate in IESO-led procurements. If not, why not?
- d) Please identify the types of procurements that the IESO proposes to undertake in 2021 and 2022 and to which the \$50,000 registration fee will apply. When responding, please identify how these procurements, and the proponents the IESO expects to participate in them, differ from those undertaken in previous years that were subject to the \$10,000 fee.
- e) Does the IESO foresee incurring the same level of costs for each procurement? Does the IESO see validity in adopting more than one registration fee that can be customized to match each procurement's cost in part to limit any potential barriers to participation?

**RESPONSE**

- a) The IESO has not yet established registration or proposal fees for upcoming procurements. The request to increase the fee up to a maximum of \$50,000 allows the IESO to charge a fee, to an established maximum threshold, for participation in procurements. The fee is intended to encourage quality proposals from proponents who

1 can demonstrate financial wherewithal and to allow the IESO to defray some of the  
2 costs of administering the procurement. The proposed increase to the fee is based on  
3 IESO experience from running past procurements, fees charged in other jurisdictions for  
4 similar procurements, and with consideration that near term procurements outlined in  
5 the IESO's Annual Acquisition Report may solicit larger scale projects and will require a  
6 means to encourage only serious proposals that proponents can deliver on.

7 With regard to the IESO's experience from running past procurements, the request for  
8 charging a registration fee up to \$50,000 was based off the Large Renewable  
9 Procurement (LRP 1) which was designed to acquire new-build renewable electricity  
10 resources. The LRP 1 was run by the former Ontario Power Authority and had a fee that  
11 amounted to a maximum of \$40,000 and an RFP Registration Fee of \$10,000.

12 The IESO also examined similar procurements run by the Alberta Electricity System  
13 Operator (AESO). The AESO's Renewable Electricity Program (REP) procurement  
14 charged similar submission fees that are in all cases, not to be less than \$10,000 and  
15 not more than \$50,000 plus, in all events, \$2,500 for each renewables project proposal  
16 in excess of one.

- 17 b) The IESO did not conduct any procurements for electricity resources in 2019 and 2020  
18 where the \$10,000 registration fee was charged.
- 19 c) The proposed threshold is a maximum amount. The IESO will present draft documents  
20 for stakeholder comment, which will include any fees that are proposed to be charged  
21 as part of every procurement. At the draft request for proposal (RFP) and draft contract  
22 stage, proponents will have an opportunity to comment on the draft procurement  
23 design, including the proposed fee. The IESO will aim to balance stakeholder feedback  
24 with the desire to establish a threshold for participation that ensures quality proposals  
25 are submitted by proponents with financial wherewithal.
- 26 d) As described in the IESO's Annual Acquisition Report (AAR), the IESO has proposed that  
27 it will commence the Medium-Term RFP in 2021 and conclude in 2022. In addition, the  
28 IESO will continue development work on the Long-Term RFP. Both procurements are  
29 capacity procurements. The registration fees for these procurements have not yet been  
30 established but would not be greater than \$50,000, which is the proposed maximum  
31 fee. Stakeholders will have an opportunity to comment on the proposal fee/registration  
32 fee during the draft RFP stage of each procurement. Future procurements that focus on  
33 new-build facilities will require significant capital investment and therefore financial  
34 wherewithal on the part of proponents. Higher fees may be warranted in these cases in  
35 order to ensure that quality proposals are submitted.
- 36 e) The IESO does not foresee incurring the same level of costs for each procurement. Each  
37 procurement will be unique and based on the reliability and system needs to be met at  
38 the time. The IESO will establish fees that reflect the unique circumstances of each

1 procurement, including the expected participants, size of projects, the procurement  
2 target and other factors. As stated in response to a), the proposed registration fee  
3 would be a maximum. The actual registration fee used in a particular procurement could  
4 be adjusted to account for the variables outlined above. As stated in response to c), the  
5 IESO would stakeholder the proposed registration fee for each procurement.



**REASCWA INTERROGATORY 10**

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

3.1-REASCWA-10

**INTERROGATORY**

Reference: Exhibit C, Tab 3, Schedule 1, Page 1, Lines 2-18

Preamble: To REASCWA's knowledge, the IESO has to date not engaged stakeholders through any public IESO-led stakeholder engagement initiatives regarding plans to charge a registration fee up to \$50,000 per proposal for electricity supply and capacity procurements, including ancillary services, within any IESO administered procurement initiative. Higher registration fees could act as a barrier to competition within IESO administered procurement initiatives and could ultimately result in less resource options and less supply procurement to help meet Ontario's supply needs.

a) Has the IESO consulted with any stakeholders, particularly potential participants within procurement initiatives for electricity supply and capacity procurements, including ancillary services, regarding plans to charge a registration fee up to \$50,000 per proposal, including within the on-going Resource Adequacy stakeholder engagement initiative?

b) Please provide any materials relating to a) above.

**RESPONSE**

a) The IESO has not yet consulted stakeholders regarding plans to charge a registration fee of up to \$50,000 per proposal. See response to Schedule 1 - 3.1 OEB Staff 28c) with regard to the IESO's plan to stakeholder specific registration fees for each procurement

b) See response to a).



**REASCWA INTERROGATORY 11**

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

3.1-REASCWA-11

**INTERROGATORY**

Reference: Exhibit C, Tab 3, Schedule 1, Lines 2-18

a) Has the IESO conducted any research or performed any analysis regarding Canadian and U.S. comparable registration fees for electricity supply and capacity procurements, including ancillary services, prior to declaring plans to charge a registration fee up to \$50,000 per proposal?

b) Can the IESO provide research and analysis relating to a) above?

**RESPONSE**

a) See response to Schedule 1 - 3.1-OEB Staff 28a).

b) See the following websites for additional information:

i) <https://www.ieso.ca/en/Sector-Participants/Energy-Procurement-Programs-and-Contracts/Procurement-Archive>

ii) <https://www.aeso.ca/assets/Uploads/REP-Round-1-Consolidated-Request-for-Qualifications.pdf>





1 **REASCWA INTERROGATORY 12**

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

4 3.1-REASCWA-12

5 **INTERROGATORY**

6 Reference: Exhibit C, Tab 3, Schedule 1, Lines 2-18

7 a) Can the IESO provide internal or external analysis and reasons why it has identified that  
8 the current \$10,000 registration fee will be inadequate to recover costs for IESO work  
9 entailed for future procurement initiatives?

10 **RESPONSE**

11 a) The IESO does not expect to fund the totality of future procurements through the  
12 registration fee, rather it will be used to defray some of the costs of its administration  
13 and the cost of external consultants hired to support the procurement. See response to  
14 Schedule 1 - 3.1 OEB Staff 28.



1 **REASCWA INTERROGATORY 13**

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

4 3.1-REASCWA-13

5 **INTERROGATORY**

6 Reference: Exhibit C, Tab 3, Schedule 1, Lines 2-18

7 Preamble: Lines 10-12 of Exhibit C, Tab 3, Schedule 1 states that "IESO expects that in the  
8 near-term these fees will be charged in late 2021 and early 2022 primarily in relation to the  
9 mid- and long-term procurements contemplated under the IESO's Resource Adequacy  
10 framework".

- 11 a) Does this mean that the up to \$50,000 registration fee per proposal will not be  
12 applicable to participants within IESO administered Capacity Auctions, as Capacity  
13 Auctions have been identified as the main procurement initiative to meet short-term  
14 supply needs within the Resource Adequacy Framework?
- 15 b) Aside from planned procurements associated with late 2021 and early 2022, will the  
16 proposed registration fee of up to \$50,000 per proposal be applied to any other  
17 procurements for electricity supply and capacity procurements, including ancillary  
18 services?

19 **RESPONSE**

20 a) The \$50,000 registration fee per proposal would not be applicable to participants  
21 with respect to their participation in the Capacity Auction.

22 b) The fees in question (up to \$50,000 per proposal) may be applicable to registration,  
23 application, or qualification submissions in other procurements as may be required.



**REASCWA INTERROGATORY 14**

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

3.1-REASCWA-14

**INTERROGATORY**

Reference: Exhibit C, Tab 3, Schedule 1, Lines 2-18

Preamble: Lines 15-17 of Exhibit C, Tab 3, Schedule 1 states that “the fees are meant to cover costs the IESO incurs to process procurement applications and administer Requests for Proposals including costs related to external advisors such as fairness, legal, technical and financial”.

a) Please provide budgets required to administer the RFPs to address supply needs in the mid-term and long-term, as indicated by IESO.

b) Please provide analysis and further information showing how planned registration fees of up to \$50,000 per proposal will be needed to recover the costs to administer these planned RFPs?

**RESPONSE**

a. The work entailed for future procurements generally falls into two major categories: IESO labour and external consultants and lawyers. See response to Schedule 12 - 3.1 OSEA 5. The budget for this work is included within the general OM&A budget for the Planning, Acquisition and Operations department. See Exhibit D-1-1, pages 1 and 2.

b. To clarify, the IESO does not expect to fund the totality of future procurements through the registration fee, rather it will be used to defray some of the costs of its administration and the cost of external consultants hired to support the procurement. See response to Schedule 1 - 3.1 OEB Staff 28.



1 **REASCWA INTERROGATORY 15**

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

4 3.1-REASCWA-15

5 **INTERROGATORY**

6 Reference: Exhibit C, Tab 3, Schedule 1, Lines 2-18

7 a) In response to procurement initiatives (e.g., RFPs), does the IESO have an internal  
8 forecast for how many potentially resource proposals it expects to pay the up to  
9 \$50,000 registration fee per proposal?

10 b) Please provide a forecast and any associated materials relating to a) above.

11 **RESPONSE**

12 a) The IESO does not have an internal forecast for how many proposals it expects to pay  
13 the up to \$50,000 registration fee per proposal.

14 b) See response to a).





**REASCWA INTERROGATORY 16**

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

3.1-REASCWA-16

**INTERROGATORY**

References: Exhibit C, Tab 3, Schedule 1, Lines 2-18, and  
Exhibit D, Tab 1, Schedule 3, Page 1, Lines 3-6

- a) Do the planned RFPs (to be initialized in late 2021 and late 2022, respectively, to meet supply needs in the mid- and long-term timeframes) represent needed procurement initiatives resulting from cancellation of the ICA in July 2019?

**RESPONSE**

- a) In response to stakeholder feedback, the IESO transitioned away from the ICA and its "one-size-fits-all" approach and developed the Resource Adequacy framework. The Medium-Term and Long-Term RFPs form part of the Resource Adequacy framework and will be key to meeting reliability needs that emerge mid-decade. The Resource Adequacy Framework was developed in consultation with stakeholders and provides an acquisition approach as follows: Global capacity needs in the operational or near-term planning timeframes are addressed through capacity auction targets. Other needs are addressed using an RFP or enhancements to the capacity auction, unless there is an insufficient pool of participants for robust competition. In those cases, a bilateral negotiation (including an RMR at times) may be used.



REASCWA INTERROGATORY 17

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

3.1-REASCWA-17

**INTERROGATORY**

References: Exhibit C, Tab 3, Schedule 1, Lines 2-18, and  
Exhibit D, Tab 1, Schedule 3, Page 1, Lines 3-6

a) Leading up the cancellation of the ICA in July 2019, did the IESO consider whether RFPs resulting in execution of procurement contracts would be needed to meet known future supply needs?

b) Did stakeholders, particularly resource developers and owners, communicate to IESO that RFPs and procurement contracts will be needed to help meet Ontario's future supply needs?

c) Please provide materials relating to b) above.

**RESPONSE**

a) Throughout the engagement on the Incremental Capacity Auction (ICA), stakeholders emphasized that there is no one size fits all approach for committing resources; rather that a suite of tools would be required which consider varying resource characteristics (e.g. fuel type, age, etc.). As part of the ICA close out, the IESO committed to engaging with stakeholders in a discussion on potential tools that could be used to help meet Ontario's long-term capacity needs. The Resource Adequacy Framework was developed throughout this engagement and includes the medium and long-term RFPs.

b) See response to a).

c) Please see engagement materials and stakeholder feedback on the ICA:  
<https://www.ieso.ca/en/Market-Renewal/Stakeholder-Engagements/Market-Renewal-Incremental-Capacity-Auction>



**REASCWA INTERROGATORY 18**

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

3.1-REASCWA-18

**INTERROGATORY**

References: Exhibit C, Tab 3, Schedule 1, Lines 2-18,  
Exhibit D, Tab 1, Schedule 2, Page 2, Lines 24-27, and  
Exhibit D, Tab 1, Schedule 3, Page 1, Lines 3-6

Preamble: The IESO had planned to develop and implement the ICA to help meet Ontario's supply needs to ensure resource adequacy and reliability of Ontario's power system. OM&A and capital budgets were set by the IESO to develop and implement the ICA to address Ontario's supply needs, yet the IESO has stated the need to recover costs via up to \$50,000 registration fees per proposal to administer RFPs – to meet the same supply needs that were forecast at the time of beginning the development of the ICA.

- a) Did the IESO re-allocate any of the avoided expenditures relating to the cancellation of the ICA towards administration of the planned RFPs (to be initialized in late 2021 and late 2022, respectively, to meet supply needs in the mid- and long-term timeframes)?
- b) Please provide a detailed breakdown of any re-allocation of ICA OM&A and capital budgets related to expenditures to other projects regarding to procurement of resources relating to a) above.

**Response:**

- a) The decision to cancel the Incremental Capacity Auction (ICA) was made in 2019. At that time, only the capital budget for the ICA had been approved. At the cancellation of the project, those capital funds were no longer required and therefore not available for use. The operating expense budget for ICA was redeployed to other IESO initiatives in 2019. Staff resources that were proposed to be hired in support of the ICA were also no longer required and the hiring did not proceed. There is no funding link between these two initiatives.
- b) See response to a).



**EDA INTERROGATORY 8**

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

EDA Interrogatory 8

**INTERROGATORY**

**Evidence Reference:** C/3/1

**EDA Interrogatory 8**

- a) Please discuss the fairness of charging the party that submits to IESO procurements for electricity supply and capacity the proposed \$50,000 charge versus recovering the costs of the procurements from the parties that benefit from the procurement; please state all assumptions and simplifications.
- b) Please provide the IESO's analysis that demonstrates the unfairness of continuing to charge the party that submits to IESO procurements for electricity supply and capacity at the currently approved charge.

**RESPONSE**

- c) The proposed fee is consistent with the generally accepted regulatory principle of cost causality where the applicants to procurements impose a cost on the IESO to assess their applications, even when an applicant is unsuccessful in a procurement. See also response to Schedule 1 - 3.1 OEB Staff 28.
- d) See response to Schedule 1 - 3.1 OEB Staff 28.





**OSEA INTERROGATORY 5**

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

OSEA IR 5, ISSUE 3.1

**INTERROGATORY**

*Reference:* Exhibit C-3-1 – Other Funding and Fees

*Preamble:* The IESO proposes to increase the fee per proposal for electricity supply and capacity procurements including ancillary services from \$10,000 per proposal to \$50,000 per proposal. OSEA is concerned that this increase will negatively impact projects from local communities and smaller renewable generation projects from offering services in IESO competitive procurements.

Questions:

- a) Please provide a detailed description of the “work entailed for future procurements”<sup>1</sup> that will be funded by the registration fee. Please provide a breakdown of the work entailed for future procurements, for example, by labour, communications, IT systems, capital expenditures, professional services, legal support etc.
- b) Please describe in detail the list of future procurements the IESO expects to operate that will be funded by the registration fee. Please include the timelines (i.e., years of procurement), scope of procurement, number of proposals expected to be received, potential revenue to be generated by the IESO per proposal, and IESO’s reasoning for any assumptions or estimates.
- c) Please explain how the IESO concluded that the current registration fee will be “inadequate to recover costs for IESO work entailed for future procurements,” and provide the IESO’s business case, analysis or rationale for increasing the fee to \$50,000 per proposal.
- d) The IESO has announced the intent to execute two bi-lateral agreements in the Annual Acquisition Report (AAR)<sup>2</sup>.
  - a. Please provide an estimate of funds spent or that will be spent by IESO to negotiate each bilateral agreement.

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<sup>1</sup> See Exhibit C-3-1, Page 1, Lines 8-9.

<sup>2</sup> IESO Annual Acquisition Report dated July 2021 (<https://www.ieso.ca/-/media/Files/IESO/Document-Library/planning-forecasts/aar/Annual-Acquisition-Report-2021.ashx>).

- 1           b. Does the IESO intend to recover a proposal fee or negotiation fee associated  
2           with each bilateral contract? If so, please provide an estimate of the fee amount.
- 3       e) Aggregation of small resources can provide substantial capacity and services to the  
4       IESO. Please explain the treatment of small resource aggregation schemes under the  
5       proposed proposal fee increase.
- 6       f) Please provide any analysis the IESO has completed with respect to competitiveness  
7       from higher and lower proposal fees. In particular, please describe the impact that IESO  
8       expects the proposed higher proposal fee will have on what entities compete for  
9       procurement and the number of proposals received.
- 10      g) Please provide a summary of proposal fees in neighbouring jurisdictions. If the IESO  
11      does not have this information, please explain why benchmarks to other jurisdictions for  
12      work entailed in procurement services were not developed when determining the  
13      proposed registration fee increase.

14    **RESPONSE**

- 15      a) The work entailed for future procurements generally falls into two major categories:  
16      IESO labour and external consultants and lawyers. IESO labour will be focused on  
17      procurement design, drafting procurement documents, engaging with stakeholders and  
18      responding to stakeholder feedback, finalizing procurement documents, administering  
19      procurement intake, proposal evaluation, contract offer and debriefs with unsuccessful  
20      proponents. External consultants will support the IESO throughout the procurement  
21      process. External legal counsel will support the IESO's internal legal counsel, the  
22      technical consultant will support the development of procurement materials and  
23      processes by providing advice on technical parameters, while the financial consultant will  
24      provide advice on financial aspects of the procurement. A fairness advisor will monitor  
25      the procurement and proposal evaluation and provide a written report that attests to the  
26      fairness of the process, upon completion.
- 27      b) The IESO does not expect to fund the totality of future procurements through the  
28      registration fee, rather it will be used to defray some of the costs of its administration  
29      and the cost of external consultants hired to support the procurement. See response to  
30      Schedule 1 - 3.1 OEB Staff 28d) with regard to the known future procurements the IESO  
31      intends to run. Please note that the IESO does not have an estimate for the number of  
32      proposals it will receive for the procurements.
- 33      c) See response to Schedule 1 - 3.1 OEB Staff 28.
- 34      d) See below:
- 35          a. The IESO estimates each bi-lateral agreement negotiation will require \$100k -  
36          \$150k in costs for legal and technical advisors.
- 37          b. It is expected each party will be responsible for the costs they incur to negotiate  
38          the agreements.

- 1 e) Each procurement will outline the specifics of the fees that will be charged and will be  
2 subject to stakeholder feedback. The IESO would take account of the particulars of the  
3 procurement in setting the specific fee. See response to Schedule 1 - 3.1 OEB  
4 Staff 28e).
- 5 f) The fees may be adjusted for each individual procurement and will aim to balance  
6 competitiveness with effectiveness of ensuring that capable proponents bring forward  
7 serious proposals.
- 8 g) See response to Schedule 4 - 3.1 REASCWA 11.



**PWU INTERROGATORY 3**

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

**3-PWU-3**

**INTERROGATORY**

Ref: Exhibit C, Tab 3, Schedule 1, Plus Attachment(s), Page 1 of 2

**2 Registration Fee**

In addition to the IESO's 2021 usage fees, the IESO requests approval for the following fee:

- A fee of up to \$50,000 per proposal for electricity supply and capacity procurements, including ancillary services

The IESO requests approval of an increase to the \$10,000 registration fee approved in the IESO's 2019 Revenue Requirement Submission (EB-2019-0002). The IESO has identified that the current registration fee will be inadequate to recover costs for IESO work entailed for future procurements.

a) Please describe in detail how future procurements will be different from the past to justify the increase in registration fee from \$10,000 to up to \$50,000

b) The proposed registration fee is "up to \$50,000." Is the registration fee a flat charge regardless of the type of procurement? If not, what are the determinants of the charge?

**RESPONSE**

a) See response to Schedule 1 - 3.1 OEB Staff 28.

b) The up to \$50,000 fee is applicable to a registration, application, or qualification submission under a specific procurement. The fee will be based on a number of factors, including: the nature of the system need being met, the expected participants, type and size of project (i.e., new-build vs. existing resources), MW target. Each specific fee for a procurement will be presented to stakeholders for comment prior to the issuance of final procurement documents (RFP and Contract).



1 **SEC INTERROGATORY 19**

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

4 3.1-SEC-19

5 **INTERROGATORY**

6 [A-1-3, p.2; C-3-1, p.1] The IESO is requesting approval for a “[a] fee of up to \$50,000 per  
7 proposal for electricity supply and capacity procurement, including ancillary services.”[emphasis  
8 added]. Please explain how the IESO will determine the specific fee charged to review each  
9 proposal.

10 **RESPONSE**

11 See response to Schedule 1 - 3.1 OEB Staff 28.





**VECC INTERROGATORY 3**

3.0 Registration and Application Fees

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

3.1-VECC-3

**INTERROGATORY**

Reference: Exhibit A, Tab 1, Schedule 3, page 2

a) Please explain how the \$50,000 fee is derived.

b) Is the implementation of the MRP expected to significantly change the revenue from this fee?

c) What is the forecast revenue from this fee if approved in each of 2022 through 2024?

**RESPONSE**

a) The up to \$50,000 registration fee is a maximum threshold that builds on fees used in previous procurements and other jurisdictions. See responses to Schedule 1 - 3.1 OEB Staff 28, and Schedule 4 - 3.1 REASCWA 11.

b) No, this fee is unrelated to MRP.

c) The IESO does not expect to fund the totality of future procurements through the registration fee, rather it will be used to defray some of the costs of their administration and the cost of external consultants hired to support the procurement. See response to Schedule 1 - 3.1 OEB Staff 28.



**OEB STAFF INTERROGATORY 29**

Issue 3.2 Is the \$1,000 Application Fee for market participation appropriate?

3-Staff-29

**INTERROGATORY**

a. NA

Preamble:

The IESO intends to continue charging \$1,000 for the IESO's market participation application fee.

Questions:

- a) Please indicate when the current market participation application fee of \$1,000 was first charged by the IESO.
- b) Please describe the purpose of the market participation application fee. For instance, is the purpose to recover the costs incurred by the IESO to process the application? When responding, please indicate the degree to which the current fee achieves its intended purpose.

**RESPONSE**

- a) The market participation application fee has been charged by the IESO since market opening in 2002.
- b) The fee is related to the administrative effort expended by the IESO to complete the process of registering and authorizing market and program participation that is required of any organization that wishes to participate in the IESO-administered markets (IAM). The fee continues to serve its intended purpose and the IESO has not proposed to revisit the fee in this proceeding.



1 **APPrO INTERROGATORY 23**

2 Issue 3.2 Is the \$1,000 Application Fee for market participation appropriate?

3 3.2-APPrO-23

4 **INTERROGATORY**

5 **Reference:** Exhibit B-2-1, Pages 13 and 18 of 41

6 **Preamble:** The evidence provides that the IESO received application fees of \$23,000 in 2020.

7 Will the IESO continue to charge a \$1,000 application fee to market participants in 2021? If so,  
8 does the \$1,000 application fee include the IESO's cost of insuring any and all of the engineering  
9 work it conducts as part of market participation applications and related impact assessments?

10 **RESPONSE**

11 The IESO intends to continue charging the \$1,000 market registration application fee to Market  
12 Participants in 2021. Please refer to the IESO's response to Schedule 1 - 3.2 OEB Staff 29b)  
13 with regard to the purpose of the fee.



**VECC INTERROGATORY 4**

Issue 3.2 Is the \$1,000 Application Fee for market participation appropriate?

3.2-VECC-4

**INTERROGATORY**

Reference: Exhibit A, Tab 1, Schedule 3, page 2

a) When was the \$1,000 application fee last changed?

b) What was the annual revenue from this fee over the past 3 years?

c) Why is appropriate to change the supply and capacity procurement fees and leave the application fees unchanged?

**RESPONSE**

a) The \$1,000 application fee has not changed since market opening.

b) Please see the following table:

**Table 1: Registration Fees Revenue 2018-2020**

Thousands \$	2018	2019	2020
Registration Fees	3	22	23

c) The IESO's procurement fee and application fee are separate fees that are utilized for different aspects of the IESO's business and any changes to these fees are assessed independently of each other.

