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BY EMAIL

March 8, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission on Procurement Registration Fees
Independent Electricity System Operator (IESO)
Application for approval of 2020 and 2021 revenue requirement, expenditures and fees
OEB File Number: EB-2020-0230**

In accordance with Procedural Order No. 4, please find attached the OEB staff submission for the above proceeding. This document has been sent to the IESO and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Andrew Bishop
Project Advisor, Generation & Transmission

Encl.

cc: All parties in EB-2020-0230



ONTARIO ENERGY BOARD

OEB Staff Submission on Procurement Registration Fee

Independent Electricity System Operator

**Application for approval of 2020 and 2021 revenue requirement,
expenditures and fees**

EB-2020-0230

March 8, 2022

Background

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.

On October 12, 2021, the IESO filed a settlement proposal that reflected a settlement between the IESO and participating intervenors (collectively, the Parties) on all issues included on the approved issues list, except for Issue 3.1, which dealt with the IESO's request for an increase in the registration fee from the currently approved up to \$10,000 per submission for electricity supply and capacity procurements, including ancillary services, to up to \$50,000 per submission.

The settlement proposal indicated that the Parties had agreed to defer consideration of the proposed fee of up to \$50,000 per submission for electricity supply and capacity procurements, including ancillary services, until after the IESO had developed a more detailed fee structure and completed its related stakeholder engagement efforts. As stated in the settlement proposal, deferring consideration of the proposed fee would allow the IESO an opportunity to conduct additional stakeholder engagement and include the outcomes in evidence, while also maintaining the schedule for acquiring capacity through related procurements. The OEB staff submission on the settlement proposal stated that “the proposed approach appropriately balances intervenors’ desire for additional information and the IESO’s desire to establish an acceptable fee structure prior to initiating applicable procurements.”

On February 22, 2022, the IESO filed a letter withdrawing its request for OEB approval to charge registration fees of up to \$50,000 per proposal on the basis that it had determined that there was “insufficient time to move forward with a change to the registration fee and to have the new fee in effect in advance of procurement initiatives directed by the Minister of Energy.” The letter explained that the IESO would “move forward with its planned procurements using previously approved registration fees of up to \$10,000 per submission”.

Through Procedural Order No. 4 (PO), issued on March 1, 2022, the OEB allowed parties to file objections to the IESO's withdrawal of its request for increased procurement fees. The PO provided that any objections are to be filed with the OEB and served on all parties by March 8, 2022 and the IESO's response to any objections is to be filed by March 15, 2022.

OEB Staff Submission

OEB staff does not object to the IESO's withdrawal of its request for an increase in the registration fee from the currently approved up to \$10,000 per submission for electricity supply and capacity procurements, including ancillary services, to up to \$50,000 per submission.

The IESO stated that it was withdrawing its request because there was not enough time to move forward with a change to the registration fee and to have the new fee in effect in advance of procurement initiatives directed by the Minister of Energy.

The settlement proposal stated that "procurement fees are a means of supporting an efficient and effective procurement process" and the Parties agreed to defer consideration of the IESO's proposed increase to its procurement fee pending the development of a more detailed procurement fee setting framework.¹ OEB staff notes that there may be merit in developing a detailed procurement fee setting framework on the basis of stakeholder input and the possibility exists to further explore such a framework in another IESO revenue requirement application proceeding.

~All of which is respectfully submitted~

¹ EB-2020-0230 Settlement Proposal, p. 14.