Shepherd Rubenstein

BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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June 17, 2022
Our File: EB20210243

Attn: Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: EB-2021-0243 – UTR Generic Proceeding – SEC Interrogatories on APPrO Evidence

We are counsel to the School Energy Coalition ("SEC"). Attached, please find interrogatories on the evidence filed by APPrO on behalf of SEC.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Ted Doherty, SEC (by email)
Intervenors (by email)

EB-2021-0243

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, as amended;

AND IN THE MATTER OF a Generic Hearing on Uniform Transmission Rates Related Issues and the Export Transmission Service Rate.

INTERROGATORIES ON INTERVENOR EVIDENCE

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1-SEC-APPrO-1
[p.9] Please confirm that Power Advisory's quantitative analysis is based on 2018-2021 supply and demand conditions and market data. If confirmed, please confirm that insofar as those conditions change in the future, Power Advisory's analysis will be impacted.

1-SEC-APPrO-2
[p.16-17] If exports provided no monetary benefits to domestic customers (discussed in paragraph 50-53), would Power Advisory still believe that the application of cost causation principles should result in no ETS rate for the reasons set out in paragraph 47 to 49? Please explain your response.

1-SEC-APPrO-3
[p.21] Power Advisory notes that with respect to hydroelectric generators, "selling supply at a "loss" reduces the economic efficiency of the wholesale market, but occurs often in Ontario as a combination of the hybrid design and surplus baseload supply". Please provide Power Advisory's opinion on how much of this is caused by incentives of OPG's Hydroelectric Incentive Mechanism (HIM) and the existence of a Surplus Baseload DVA, as opposed to operational features of hydroelectric generators.

1-SEC-APPrO-4
[p.31, 35] Please reconcile Power Advisory's view that "it is difficult to see a clear trend on when energy exports are most likely to flow, as they occur even in hours where the spread in real-time prices between the two markets is extremely negative – meaning HOEP was significantly higher than real-time prices in New York", with statements that "available public data of export volumes, intertie prices and HOEP, clearly show that export traders are highly responsive to prices."

1-SEC-APPrO-5
[p.34] How much ICP revenue does Power Advisory estimate is avoided as a result of Transmission Rights?

1-SEC-APPrO-6
[p.35] Power Advisory states that "there are a number of limitations with available public data compared to what is required to provide a highly accurate estimate price elasticity and system-wide benefits of exports":

a. Please confirm that the IESO has this data.

b. Did the Power Advisory, through its sponsor APPrO, request this data by way of interrogatories to the IESO? If not, please explain why it did not.

1-SEC-APPrO-7
[p.36-38] Please provide the underlying spreadsheets/models, and identify the source of the data for Figures 13, 14, and 15.

1-SEC-APPrO-8
[p.38, 44, 49] Power Advisory states that, "[b]ased on exports between 2018 and 2021, a $4.69/MWh increase in the cost to export energy from Ontario will reduce exports by more around 17.0 TWh – declining from 75.9 TWh to 58.9 TWh." It also states that, "a decrease in the ETS rate from $1.85/MWh to $0/MWh results in an increase in export volumes of more than 10 TWh – increasing from around 75.9 TWh to 86 TWh." Please provide a step-by-step explanation, including all supporting data, assumptions, and all specific calculations,, regarding how the 58.9 TWh and 86 TWh amounts were calculated.

1-SEC-APPrO-9
[p.39, p.44, 49] Power Advisory calculated that an increase in the ETS rate will lead to a "reduction in congestion rent totals $169.0 million – falling to $397.9 million from $567.0 million, or a near 30% decline, in congestion rent collected". It also calculated that a decrease in the ETS rate to $0 will result in an "increase in congestion rent totals $111.0 million – increasing to $678.1 million from $567.0 million in congestion rent collected over the 2018 – 2021 time period." Please provide a step-by-step explanation, including all supporting data, assumptions, and all specific calculations, regarding how the $397.8M and $678.1 in congestion rents were calculated.

1-SEC-APPrO-10
[p.41, p.45, 49] Power Advisory states that a "higher ETS will reduce exports in hours when the province is curtailing wind supply", and provides an estimate that a higher ETS will result in as much as 7.6 TWh of increased wind curtailment between 2018 and 2021." It also estimates that a ETS rate of $0 would have resulted in "as much as 5.8 TWh of potential curtailment could have been avoided." Please provide a step-by-step explanation, including all supporting data, assumptions, and all specific calculations, regarding how the 7.6 TWh and 5.8 TWh in congestion rents were calculated.

1-SEC-APPrO-11
[Table 42-43, 45-46] Power Advisory's analysis is based on 2018 to 2021 data. Please revise the analysis, to show the impacts for each for 2018, 2019, 2020, 2021 and year-to-date 2022. Please detail all supporting calculations and assumptions.

1-SEC-APPrO-12
[p.47] Assuming the IESO surplus baseload generation forecast is accurate, please discuss how it would impact Power Advisory's analysis.

Respectfully, submitted on behalf of the School Energy Coalition this June 17, 2022.

Mark
Rubenstein
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Mark Rubenstein
Counsel for the School Energy Coalition