

REVISED

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Revision of July 22, 2022

BY E-MAIL TO: Registrar@oeb.ca

To: Ms. Nancy Marconi
Registrar
Ontario Energy Board

Dear Ms. Marconi,

**Subject: EB-2021-0243 (Phase 1 – Export Transmission Service Rate)
Technical Conference to Clarify Interrogatory Responses
Topics & Time Estimates (Revised July 22, 2022)**

The clarifications for topics I anticipate seeking at the Technical Conference on July 28, 2022 were listed in Table 1 of my letter dated July 18, 2022. The purpose of this letter to revise the Table 1 so that it is aligned with the list of witness panels for the conference issued by OEB staff on July 20, 2022. I have also amended the clarifications and references regarding IR Exhibit I-06-10.

My estimate of requiring up to about 60 minutes in total for seeking these clarifications remains unchanged; I may be able to complete it in lesser time depending on the nature and pace of clarifications.

Sincerely,

Naren Pattani
Intervenor

cc: Michael Price, Case Manager
James Sidlofsky, OEB Counsel

(Revised) Table 1: Summary of Topics and Time Estimates for Clarifications During Technical Conference

No.	Panel	IR Response Exhibit	Technical Clarification Subject	Time Estimate
1	HONI	Ex I-01-10	<p>Consideration of Exports for Planning Inter-Area Transmission in Ontario</p> <ul style="list-style-type: none"> Clarification will be sought to determine whether Hydro One takes into consideration the need to preserve existing export capability when planning internal transmission. (Refer to (a) Section 3.2 of “Ontario Resource and Transmission Assessment Criteria¹”; and (b) Proceeding EB-2021-0110, Exhibit B-2-1, Section 2.1, Page 21, Lines 15-19 & Project Sheet ISD T-SS-07). 	10 min
2	Elenchus.	Ex I-06-01 Item (g)	<p>Percent of “Shared Network Asset-Related Costs” as Fraction of Total Network Pool Revenue Requirement</p> <ul style="list-style-type: none"> Clarification will be sought to inform an overall comparison of export tariff compared to domestic tariff. 	5 min
3	IESO	Ex I-01-01 Item (f) Ex. I-06-06 Item (a)	<p>Intertie Congestion Pricing</p> <ul style="list-style-type: none"> Clarification will be sought to reconcile IR-1-1-1(f) which states that “all exports” are subject to ICP, with IR 1-6-6(a) which states that “ICP is applicable only during times of congestion.” 	5 min

¹ <https://www.ieso.ca/-/media/Files/IESO/Document-Library/Market-Rules-and-Manuals-Library/market-manuals/connecting/IMO-REQ-0041-TransmissionAssessmentCriteria.pdf>

No.	Panel	IR Response Exhibit	Technical Clarification Subject	Time Estimate
4	IESO	Ex. I-05-09 Item 9.1(ii) Ex. I-06-07 Ex. I-01-34 Item (k)	<p>Impact of IESO’s 2021 Annual Planning Outlook on Table 1 of IESO Market Implications Report (Attachment 3 of EB-2021-0243) – Part I (Congestion)</p> <ul style="list-style-type: none"> Clarification will be sought to inform whether, based on Figure 27 of the IESO’s 2021 Annual Planning Outlook, the likelihood of congestion is directionally expected to decrease in the future. (Figure 27 is shown in Attachment 1 below for convenience). 	5 min
5	IESO	Ex. I-06-09	<p>Impact of IESO’s 2021 Annual Planning Outlook on Table 1 of IESO Market Implications Report (Attachment 3 of EB-2021-0243) – Part II (Surplus Baseload Generation)</p> <ul style="list-style-type: none"> Clarification will be sought to inform whether, based on Figure 23 of the IESO Annual Planning Outlook, the quantity of energy representing avoided curtailments (which in turn determines, in part, the value of Avoided System Cost) may directionally be expected to decrease in the future. (Figure 23 is shown in Attachment 1 below for convenience). 	5 min
6	IESO	Ex. I-06-11	<p>Value of Analysis to Understand Impact of Exports on Energy Market Prices, and Therefore on Domestic Customers</p> <ul style="list-style-type: none"> In a request for analysis or data, IESO declined to provide further information and questioned the value of the request. The filed evidence is incomplete, since it does not account for the impact of exports on MCP paid by domestic customers. 	10 min

No.	Panel	IR Response Exhibit	Technical Clarification Subject	Time Estimate
			<ul style="list-style-type: none"> With the rationale for the original interrogatory to be further explained during the session (using figures in Attachment 2 below), the IESO will be requested to accept an undertaking to respond to the interrogatory. As a minimum, IESO will be requested to provide <i>anonymized</i> supply offers (price/quantity pairs for offer stack for generators and imports) for 12 hours (7 AM to 7 PM) of any midweek working day in February 2021 and in August 2021. (As noted in related interrogatories, this clarification is not intended to suggest exports should be discouraged, but simply to inform interpretation of the presented evidence). 	
7	IESO	Ex I-06-10 Ex I-01-01 Item (g)	<p>Uplift Charges Paid by Exports</p> <ul style="list-style-type: none"> Clarification will be sought about components of Uplift necessary to enable total demand (including export). Uplift components of interest include Operating Reserve², Congestion Management Settlement Credit (CMSC), Transmission System Energy Losses, Intertie Offer Guarantee (IOG), Day-Ahead Commitment Process (DACP), Voltage Support, Black Start Capability, and Frequency Regulation Services³. Clarification will also be sought about Uplift Cost components (since the website provided by IESO in Ex I-01-10 did not provide a summary of Uplift Cost components, nor did it appear to provide data for all components); IESO will be requested to provide historical (actual) cost data for Uplift Cost components in a summary form, for any month or a year, since IESO is the data owner and since it is suggesting that most of the Uplift Costs paid by exports should be considered a benefit to domestic loads. 	15 minutes

² See <https://www.ieso.ca/-/media/Files/IESO/Document-Library/training/ORGuide.ashx>

³ <https://www.ieso.ca/ancillary-services>

Attachment 1: Figures from IESO’s 2021 Annual Planning Outlook

Figure 23 | Surplus Baseload Generation

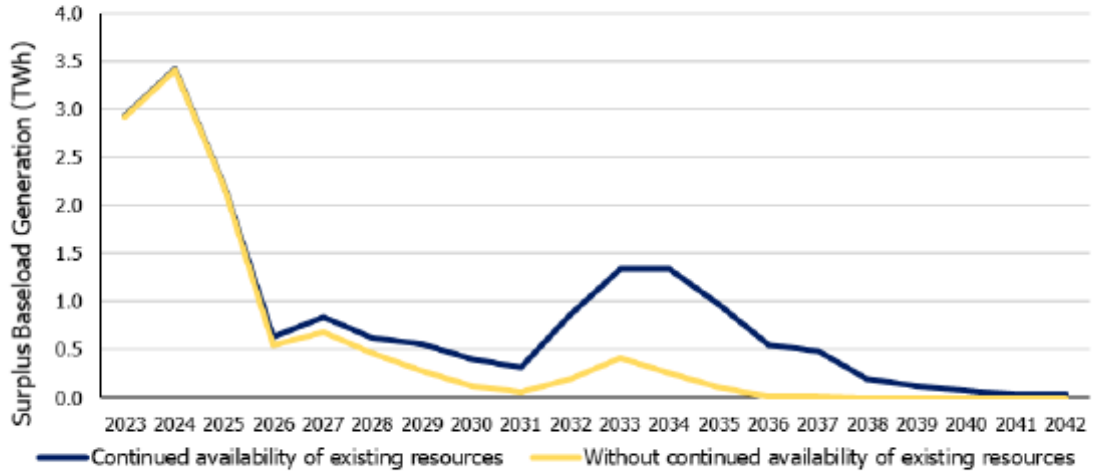
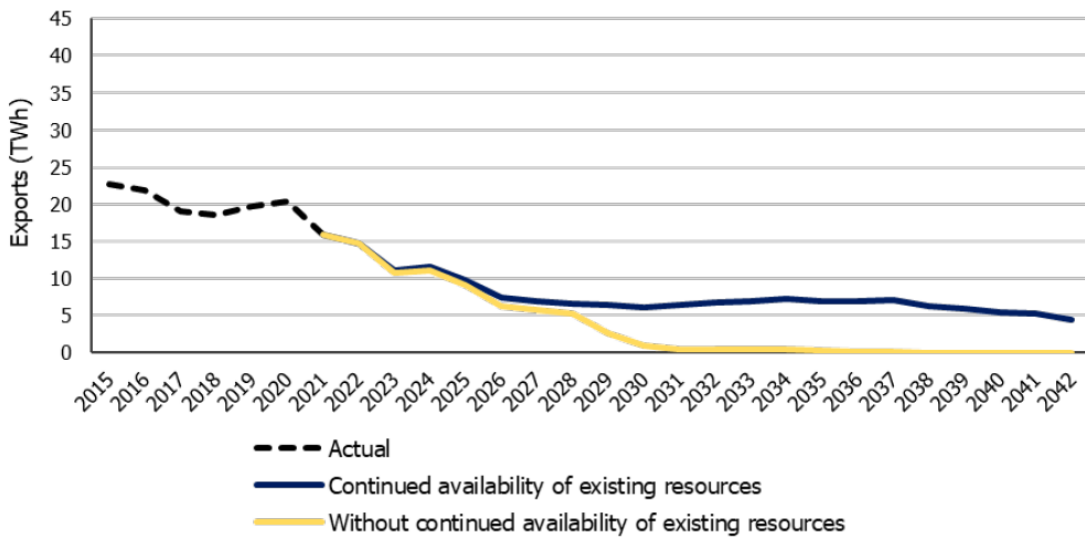


Figure 27 | Energy Production Outlook, Exports²⁰



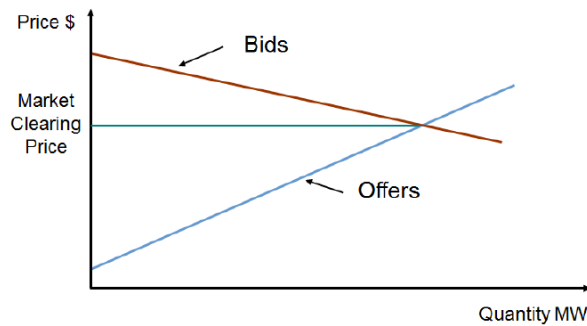
Source: <https://ieso.ca/-/media/Files/IESO/Document-Library/planning-forecasts/apo/Dec2021/2021-Annual-Planning-Outlook>

Attachment 2: Illustrations from IESO’s “Introduction to Ontario’s Physical Markets” (Page 20 & Page 28)

3.1 Determining the Market Clearing Price (MCP)

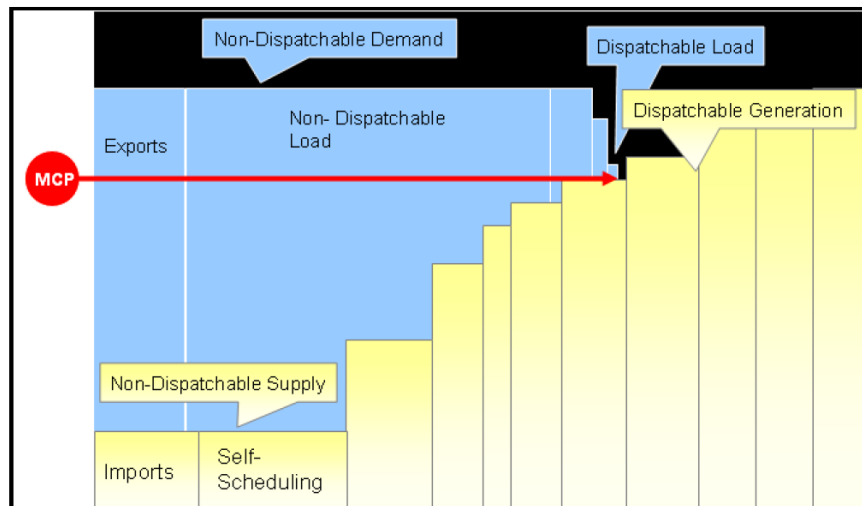
In a competitive market, the price of a product is based on supply and demand:

- The quantity demanded tends to increase as the price drops
- The quantity produced tends to increase as the price increases
- The price tends to be stable when it provides enough incentive to produce the quantity demanded



3. Determining the Market Clearing Price

The 5-minute MCP is set based on where these two curves intersect.



Source: <https://www.ieso.ca/-/media/Files/IESO/Document-Library/training/WB-Intro-Ontario-Physical-Markets.ashx>