

March 29, 2023

VIA Email and RESS



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

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Dear Ms. Marconi,

**Re: Independent Electricity System Operator
2023, 2024 and 2025 Fees, Expenditure and Revenue Requirement Submissions
Ontario Energy Board File No.: EB-2022-0318**

Pursuant to subsection 25(1) of the Electricity Act, 1998, the Independent Electricity System Operator (IESO) is hereby filing its 2023, 2024 and 2025 Fees, Expenditure and Revenue Requirement Submissions for review and approval by the Ontario Energy Board (OEB).

The IESO wishes to raise the following procedural issues with the OEB. First, the IESO proposes that the OEB's Notice of Hearing (Notice) be given in the following manner:

- The IESO shall post the Notice, and a link to the OEB's webpage, where all official documents in this application will be posted, on the OEB Applications section of the IESO's Regulatory Accountability webpage: <https://www.ieso.ca/en/Corporate-IESO/Regulatory-Accountability/OEB-Applications>;
- The IESO shall post an announcement, in English and French, on the IESO's News Releases webpage: <https://www.ieso.ca/en/Corporate-IESO/Media/News-Releases>;
- The IESO shall email the announcement to all market participants and interested parties who are registered to receive IESO news and other communiqués (this includes all connection proponents with respect to whom the IESO maintains a public registry);
- The IESO shall serve an electronic copy of the Notice and Revenue Requirement Submission, including the pre-filed evidence, on all registered intervenors in its 2022 Fees, Expenditure and Revenue Requirement Submission proceeding (EB-2022-0002); and
- The IESO shall provide an electronic copy of the Notice, the Revenue Requirement Submission and the evidence, and any amendments thereto, to anyone requesting these materials.

The IESO has included a draft Issues List which it believes addresses the issues of relevance to this proceeding and requests that this be posted for comment along with the Notice. The draft Issues List is attached as Appendix "A" for the OEB's consideration and the IESO requests that the OEB finalize the Issues List prior to parties filing interrogatories.

In addition, the IESO requests that it be provided three weeks (15 business days) to respond to interrogatories.

Confidentiality Request

In accordance with Rule 10 of the OEB's Rules of Practice and Procedure and section 5.1 of the OEB's Practice Direction on Confidential Filings, the IESO requests confidential treatment for Exhibit E-2-1 Attachment 2 – Project Charter – Core Network Refresh, and Exhibit E-2-1 Attachment 3 – Project Charter – Enabling Resources Program.

The IESO requests confidential treatment for the redacted portions in the attachments because they contain information that relates to the IESO's IT systems which if disclosed would create a cyber security risk that would allow for a threat actor to gain insights into IESO systems and status that could be used for malicious purposes. As well, disclosing the names of individuals and detailed document IDs, or other identifiers, provide specifics that would enhance attacks against the IESO, such as phishing and impersonation attacks, that could allow a threat actor to obtain sensitive information. Individual names also constitute personal information and are not relevant to the proceeding.

A table specifying the rationale for the information requested to be redacted is attached as "Appendix B". The IESO notes that the items that have been redacted from the documents that are the subject of this confidentiality request, have no bearing in the consideration of any issues in this proceeding.

Please contact me directly at 416-710-0620 or at Beverly.Nollert@ieso.ca if you have any questions.

Yours truly,



Beverly Nollert
Senior Manager, Regulatory Affairs

cc: Mr. Patrick Duffy, Stikeman Elliott LLP (email)
All EB-2022-0002 Intervenors (email)

Appendix A

DRAFT ISSUES LIST

22 Issues

1.0 Revenue Requirement, Operating Costs and Capital Spending

- 1.1** Is the IESO's Fiscal Year 2023 revenue requirement of \$208.4 million appropriate?
- 1.2** Is the IESO's Fiscal Year 2024 revenue requirement of \$218.4 million appropriate?
- 1.3** Is the IESO's Fiscal Year 2025 revenue requirement of \$229.7 million appropriate?
- 1.4** Is the IESO's 2023 projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?
- 1.5** Is the IESO's 2024 projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?
- 1.6** Is the IESO's 2025 projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?
- 1.7** Is the IESO's 2023 capital expenditure budget of \$86 million for appropriate?
- 1.8** Is the IESO's 2024 capital expenditure budget of \$75.9 million appropriate?
- 1.9** Is the IESO's 2025 capital expenditure budget of \$58.2 million appropriate?

2.0 Usage Fees

- 2.1** Is the methodology used to derive the IESO's proposed 2023 Usage Fees to be paid commencing January 1st, 2023 appropriate?
- 2.2** Is the methodology used to derive the IESO's proposed 2024 Usage Fees to be paid commencing January 1st, 2024 appropriate?
- 2.3** Is the methodology used to derive the IESO's proposed 2025 Usage Fees to be paid commencing January 1st, 2024 appropriate?
- 2.4** Is the IESO's proposal to charge or rebate the difference between the approved 2023 IESO Usage Fees and the interim fees in the billing cycle following the month in which OEB approval is received appropriate?
- 2.5** Is the proposed January 1st, 2023 effective date for the IESO's 2023 Usage Fees appropriate?
- 2.6** Is the proposed January 1st, 2024 effective date for the IESO's 2024 Usage Fees appropriate?
- 2.7** Is the proposed January 1st, 2025 effective date for the IESO's 2025 Usage Fees appropriate?

3.0 Operating Reserve

- 3.1** Is the IESO's proposal to retain an Operating Reserve of \$15 million in the Forecast Variance Deferral Account (FVDA) appropriate?

- 3.2** Is the IESO's proposal to clear the amount of the 2022 year-end balance in the FVDA that exceeds the \$15 million Operating Reserve 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 forecast 2023, 2024 and 2025 operational costs for the MRP appropriate in the context of the scope and timing of the overall project?
- 4.3** Are the IESO's forecast 2023, 2024, and 2025 capital costs for the MRP appropriate in the context of the scope and timing of the overall project?

5.0 Commitments from Previous OEB Decisions

- 5.1** Has the IESO responded appropriately to outstanding OEB directions from previous proceedings?

Appendix B

CONFIDENTIALITY REQUEST TABLE

Exhibit E-2-1 Attachment 2 – Project Charter – Core Network Refresh

Item	Page	Rationale for Redaction
1	1	Document ID – redacted for cyber security and relevance
2	1	Personal information - redacted for cyber security and relevance
3	1	Personal information - redacted for cyber security and relevance
4	1	Personal information - redacted for cyber security and relevance
5	1	Internal IESO systems – redacted for cyber security and relevance
6	2	Internal IESO systems – redacted for cyber security and relevance
7	4	Internal IESO systems – redacted for cyber security and relevance
8	6	Personal information - redacted for cyber security and relevance
9	6	Personal information - redacted for cyber security and relevance
10	6	Personal information - redacted for cyber security and relevance
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49	15	Internal IESO systems - redacted for cyber security and relevance
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Exhibit E-2-1 Attachment 3 – Project Charter – Enabling Resources Program

Item	Page	Rationale for Redaction
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