

From: [Office of the Registrar](#)
To: [REDACTED]
Subject: FW: Letter of Comment - EB-2022-0318
Date: Friday, April 21, 2023 10:22:55 AM

From: webmaster@oeb.ca <webmaster@oeb.ca>
Sent: Friday, April 21, 2023 10:05 AM
To: Office of the Registrar <Registrar@oeb.ca>
Subject: Letter of Comment - [REDACTED]

The Ontario Energy Board

-- Comment date --
2023-04-21

-- Case Number --
EB-2022-0318

-- Name --
Russ Houldin

-- Comments --

I object to the continuing waste of consumers' money on "market renewal". There never was, is not now and never will be an electricity "market" in Ontario. The link below tells us all we need to know about this absurdity. Monty Python - Dead Parrot Sketch - video Dailymotion To be more precise, the "wholesale market" is the Norwegian Blue. Even more strictly the administrative dispatch auction run by the monopsonistic IESO (and its predecessor IEMO) among "market participants", which is referred to as a "market", is the Norwegian Blue. That there never was a "retail market" is not widely known. I can speak authoritatively to this as I led the OEB's involvement with the EBT Standards under the RSC. The EBT system failed on May 1, 2002 and was not repaired until August of 2003 by which time the Eves government had effectively ended any "retail" market with its imposition in November of 2002 of a price cap on consumers. I refer to the terms in quotes because there is no physical electricity that can be divided into "wholesale" and "retail". These terms are legal fictions. Electrical energy moves through an electromagnetic field at the speed of light. What is referred to as a "retail electricity market" is actually just a settlement system among licensed retailers and electrical distributors. Which, as noted, was unable to perform settlements on "market opening" of May 1, 2002.

I could go on to relate how the "global adjustment" mechanism, which has now led to all energy, except imports, being priced by long term average pricing, has eliminated any possibility of matching hourly costs of supply with hourly uses. Adding irony to this, we now have interval meters for almost all consumers which could match hourly uses with prices but there are no hourly prices, or, at least meaningful hourly prices, since 2009. Prior to January 2009 the IESO hourly price was about \$50/MWh. This dropped to about half and, with some variation, has remained below that level. Any connection with plausible marginal costs has been severed. However, the IESO has known this for more than ten years and still persists in including "market renewal" among its expenditures so I would be wasting my time.

What "market renewal" is really about is the IESO desperately seeking ways to maintain its participant group. The only realistic way to put a stop to this flagrant waste is to disband the IESO which, like many bureaucracies, now exists to maintain its own existence but I realise that the OEB does not have the authority to do this. Refusing to approve market renewal expenditures would get the government's attention, though. The government could then move the IESO dispatch functions to Hydro One, which actually has operational control over the system. In addition to eliminating market renewal expenses this move would also end the various pseudo-"market" costs with a total savings to consumers of about \$150 million a year.

Respectfully submitted
Russ Houldin

-- Receive a copy of the decision? --

Yes

-- Attachment --