

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** subsection 25 (1) of the Electricity Act, 1998;

**AND IN THE MATTER OF** a submission by the Independent Electricity System Operator to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements for the fiscal year 2023 and the fees it proposes to charge during the fiscal year 2023;

**AND IN THE MATTER OF** a submission by the Independent Electricity System Operator to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements for the fiscal year 2024 and the fees it proposes to charge during the fiscal year 2024; and

**AND IN THE MATTER OF** a submission by the Independent Electricity System Operator to the Ontario Energy Board for the review of its proposed expenditure and revenue requirements for the fiscal year 2025 and the fees it proposes to charge during the fiscal year 2025.

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS (“CME”)  
TO THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR (“IESO”)**

**Issue 1.4**

**1.4 Interrogatory CME-1**

Ref: Exhibit D, Tab 1, Schedule 3, p. 1 of 11, and Table 1

At Table 1, the IESO sets out that the 2022 actual average number of employees is 799. The IESO states that the budget average number of FTEs for 2023 is 914, and increase of 115 full time employees. At page 1, the IESO stated that the increase from 774 to 799 (25 FTE increase) was the highest single-year staffing increase over the past three years due to its enhanced recruitment capabilities.

- (a) Please advise why the IESO believes that a staff increase of 115 full time employees between 2022 and 2023 is achievable given that the previous highest increase in FTEs was 25 (less than one quarter of the proposed increase budgeted in 2023). Please reference any changes in approach from the IESO or in the labour market that would account for the significant difference in the IESO’s budget compared to historical actuals.

**1.4 Interrogatory CME-2**

Ref: Exhibit D, Tab 1, Schedule 3, p. 5 of 11

At page 5, the IESO states that it has an upcoming arbitration on the reopener on wages for the 2022, 2023 and 2024 contracts stemming from the recent bill 124 ruling and subsequent appeal.

- (a) Please confirm whether the reopener provision is only for the Society of United Professionals collective agreement, or whether there is a reopener provision in the Power Worker's Union collective agreement.
- (b) Please describe what actions, if any the IESO would take in response to changes for wages for the 2022, 2023, and 2024 contracts if an arbitrator were to provide for increases of greater than 1% in the arbitration. For instance, would the IESO apply to the Board to change usage rates?

**1.4 Interrogatory CME-3**

Ref: Exhibit D, Tab 1, Schedule 3, Attachment 3

At attachment 3, the IESO provides a study from Mercer on non-executive total remuneration.

- (a) Please either provide the last two benchmarking studies on total remuneration commissioned by the IESO, or reproduce (to the extent possible) a table such as the one shown on page 5 of 13 outlining the salary, TTC and TREM for management, Society and PWU and how it compares to the Energy Sector, Public Sector and Private Sector.
- (b) Could Mercer please describe what, in its view, the impact would be of having the Society or, if applicable, the PWU succeed in increasing compensation as a result of the reopener provisions in their collective agreements. Specifically, does Mercer have an idea of how the results of the IESO's benchmarking would change if the Society were to be granted a 2% or 3% increase rather than the 1% mandated by Bill 124?

**Issue 1.6****1.6 Interrogatory CME-4**

Ref: Exhibit B, Tab 1, Schedule 2, 2023-2025 business plan, p. 19 of 32; Exhibit D, Tab 1, Schedule 3, p. 1 of 11.

At page 19 of the business plan, the IESO shows that core operations staff is increasing from 714 forecast in 2022 to 856 in the 2025 budget (a 17% increase).

At page 1 of Exhibit D, the IESO states that the average FTE levels in 2023 are required to support energy procurements and prepare for the new MRP market functions/services.

- a) Please break out the increase of FTE's in core operations to the various departments or areas of the IESO that are driving the increase, and provide a brief explanation of

what tasks/responsibilities within those departments for which the new FTEs will be responsible. For instance, the description at Exhibit D for 2025 discusses the overall decline in FTEs but not the increase in core operations staff in each year between 2022 and 2025.

**Issue 1.7****1.7 Interrogatory CME-5**

Ref: Exhibit G, Tab 2, Schedule 3; Exhibit A, Tab 2, Schedule 2, Attachment 2

At Exhibit G, the IESO provides its 2023-2025 regulatory scorecard. It outlines whether the 2022 target was met or not. To the extent possible, please provide the following:

- (a) The 2020 and 2021 target values for each performance category; and
- (b) The 2020 and 2021 actual results for each performance category.

**Issue 3.1****3.1 Interrogatory CME-6**

Ref: Exhibit F, Tab 1, Schedule 1, p. 1.

At page 1, the IESO outlines its proposal to increase its operating reserve to \$15 million.

- (a) Please indicate all of the instances where the IESO has run a deficit and was required to resort to use of the operating reserve in the previous 5 years.
- (b) To the extent that the IESO is required to expend funds over and above its revenue requirement and operational reserve, please outline its impact on the IESO and its ability to achieve its mandate.
- (c) Please confirm that any expenditure of the operating reserve or amounts in excess of the operating reserve would be collected in future higher usage fees.
- (d) Please advise on what analysis the IESO performed to determine that \$5 million additional in the operating reserve was a reasonable and appropriate figure to defray the risks it identified.