Coalition of Concerned Manufacturers & Businesses CANADA
Bravely Safeguarding Canadian Jobs

March 8, 2024

Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON
M4P 1E4

Dear Ms. Marconi,

RE: EB-2023-0336 Ontario Power Generation Market Renewal Program and Disposition of Deferral & Variance Accounts - CCMBC Interrogatories

Attached are the interrogatories of the Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) to Ontario Power Generation. CCMBC has reviewed the interrogatories submitted by the OEB Staff and believes that they cover many of the topics of interest to CCMBC. To avoid duplication CCMBC is submitting a small number of interrogatories on topics not covered by the OEB Staff.

Respectfully submitted on behalf of CCMBC,

Tom Ladanyi
Digitally signed by Tom Ladanyi
Date: 2024.03.08 16:05:28 -05'00'

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Matt Kirk (OPG Regulatory Affairs)
Andrew Pietrewicz (OEB Staff)
Ian Richler(OEB Staff)
Catherine Swift (CCMBC)
Muhammad Yunus (OEB Staff)
Intervenors of Record

EB-2023-0336

Ontario Power Generation Inc.
Market Renewal Program and Disposition of Deferral & Variance Accounts Application

Coalition of Concerned Manufacturers and Businesses of Canada

Interrogatories

March 8, 2024

A1-CCMBC-1
Reference: Exhibit A1, Tab 2, Schedule 1, Page 1

Preamble: "In this Application, OPG applies to the Ontario Energy Board ("OEB") pursuant to section 78.1 of the *Ontario Energy Board Act, 1998* (the "Act"), for:

(i) an order or orders approving changes to the calculation of amounts for the Hydroelectric Surplus Baseload Generation Variance Account ("SBGVA") and the Hydroelectric Incentive Mechanism ("HIM"), and approving the treatment of real time make whole payments, resulting from the implementation of the Independent Electricity System Operator's ("IESO") Market Renewal Program ("MRP");"

Questions:

a) What is the latest effective date for the order or orders mentioned in (i) above in the quoted text?

b) Please explain why orders are needed by the date provided in response to question (b)?

c) What would happen if the OEB did not issue the orders by that date?

H1-CCMBC-2
Reference: Exhibit H1, Tab 1, Schedule 1, Page 49

Preamble: "The Clarington Corporate Campus Deferral Account was approved in EB-2020-0290, effective January 1, 2022, to record, for the nuclear facilities, the revenue requirement impacts of OPG's capital expenditures and operating costs for its previously planned Clarington Corporate Campus. No entries were recorded in this account for 2022."

Question:
The quoted paragraph refers to “previously planned Clarington Corporate Campus”. Have the plans changed? If the answer is yes, please summarize the current plans. If the answer is no, please explain why the have been no entries in the deferral account.

H1-CCMBC-3
Reference: Exhibit H1, Tab 1, Schedule 1, Page 50

Preamble: “Prior to the sale, the Kipling Site primarily supported OPG’s unregulated business and was reported as an unregulated asset in OPG’s financial statements. To the extent that OPG has historically used a portion of the Kipling Site to support the company’s regulated operations, the revenue requirements have included asset service fees, as an ongoing OM&A expense akin to lease payments, charging the regulated operations for such use.”

Questions:

a) Please provide the date of the last day of use of any portion of the Kipling Site by OPG’s regulated operations?

b) Were there any leasehold improvements of the portion of the Kipling Site occupied by regulated operations since OPG leased space for its regulated operations at the site? If the answer is yes, were these costs included in OPG revenue requirements during those years?

M1-CCMBC-4
Reference: Exhibit M1, Tab 1, Schedule 1, Page 1

Preamble: “In this application, OPG is requesting approvals in three areas based on expected changes to Ontario’s electricity market that will be made under the Independent Electricity System Operator's (“IESO”) Market Renewal Program (“MRP”). Specifically, OPG proposes:

i. changes to the calculation of amounts for the Hydroelectric Surplus Baseload Generation Variance Account (“SBGVA”),
ii. changes to the Hydroelectric Incentive Mechanism (“HIM”), and
iii. to establish a treatment for real-time make whole payments (“MWP”).”

Questions:
Please provide the schedule and the cost estimate for the implementation of each of the following three changes:

a) changes to the calculation of amounts for the Hydroelectric Surplus Baseload Generation Variance Account (“SBGVA”),

b) changes to the Hydroelectric Incentive Mechanism ("HIM"), and

c) to establish a treatment for real-time, make whole payments ("MWP")."

d) Will commercial operations of OPG's unregulated hydroelectric stations be affected by the MRP?

e) Do OPG staff involved in the commercial operations of regulated OPG hydro-electric stations have any responsibilities in the commercial operations of unregulated OPG hydro-electric stations? If the answer is yes, please discuss how OPG ensures that there is no inappropriate use of information obtained from commercial operations of regulated stations.

M1-CCMBC-5
Reference:M1-Tab 1, Schedule 1, Page 10

Preamble:" The remaining spill volume would be identified as potential SBG spill. SBG conditions would be considered to be present when the applicable RT LMP for the resource as published by the IESO falls below the applicable GRC price threshold."

Questions:

a) How many hydroelectric stations does OPG operate, and will each station have its own RT LMP published by the IESO? Please explain your answer.

b) When would the IESO publish the RT LMP for each station? Will it be in real time or at some other frequency?

c) Please file numerical examples of the existing and proposed Spill Calculation methods. Please show all units and indicate sources of inputs.

M1-CCMBC-6
Reference: M1-Tab 1, Schedule 1, Page 11
Preamble: "The HIM supports the efficiency of the wholesale electricity market by providing OPG's regulated hydroelectric generators with the appropriate drivers to follow market signals while receiving a regulated payment for its output. This mechanism ultimately benefits customers by creating an economic driver for OPG to shift hydroelectric generation from low-price hours to high-price hours."

Question:

a) Since OPG's regulated hydroelectric generators constitute a large portion of the market, would the shifting of hydroelectric generation from low-price hours to high-price hours increase the market price during the low-price hours?

b) How would customers who are taking advantage of the low-price hours to charge EV's and batteries for emergency power benefit if the price during the low-price hours were to increase?

M1-CCMBC-7
References: Exhibit M1, Tab 1, Schedule 1, Pages 12 to 14; Chart 1, Pages 19 and 20

Questions:

a) Please file a numerical example of the calculation of HIM using the current HIM formula. Please show all units and indicate sources of inputs.

b) Please file a numerical example the calculation of HIM using the proposed HIM formula. Please show all units and indicate sources of inputs.

M1-CCMBC-8
Reference: Exhibit M1, Tab 1, Schedule 1, Pages 17 and 18; Chart 1, Page 20

Questions:

c) Please file a numerical example of the calculation of Unintended Benefit Adjustment using the current formula. Please show all units and indicate sources of inputs.

d) Please file a numerical example of the calculation of Unintended Benefit Adjustment using the proposed formula. Please show all units and indicate sources of inputs.