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March 13, 2024

**By Email and RESS**

File No.: 1019261160

Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Independent Electricity System Operator  
2024 to 2025 Fees, Expenditure and Incremental Revenue Requirement  
Ontario Energy Board File No. EB-2024-0004**

We write further to our letter dated March 7, 2024 to advise that the parties participating in the settlement conference have been unable to reach an agreement, including with respect to further procedural steps in this proceeding.

As set out in its 2024-2025 incremental Revenue Requirement Submissions, the IESO requests that the OEB approve the incremental expenditure and revenue requirements and proposed fees, without a hearing pursuant to subsection 25(7) of the *Electricity Act, 1998*, or alternatively by way of a written hearing.

By way of these applications, the IESO is seeking OEB approval of \$9.9 million in incremental expenditure and revenue requirements over 2024 and 2025 to support specific initiatives in the provincial government's *Powering Ontario's Growth: Ontario's Plan for a Clean Energy Future* plan (the "**Plan**"). The Plan outlines early actions to meet the province's growing demand for electricity in the 2030s and beyond while transitioning to a clean electricity system.

The IESO was directed to support several initiatives in the Plan by the Minister of Energy in a letter dated July 10, 2023. The Minister approved an amendment to IESO's 2023-2025 Business Plan on November 28, 2023 that included the incremental expenditures and revenue requirements to ensure the IESO has the resources needed to support the initiatives identified in the Plan. The remainder of the IESO's 2023-2025 Business Plan, upon which the 2023-2025 Revenue Requirement Submissions in EB-2022-0318 were premised, remains unchanged.

The IESO acknowledges that certain interveners may argue that the applications cannot be approved without the consent of the parties to the approved Settlement Proposal in EB-2022-0318. However, the approved Settlement Proposal in EB-2022-0318 does not by its terms, and as a matter of law could not, restrain the provisions governing the review of the IESO's fee following the Minister's approval of an amended business plan under the *Electricity Act, 1998*.

The IESO believes that proceeding without a hearing is appropriate given the nature of its applications. The incremental expenditure and revenue requirements for 2024 and 2025 are directly related to the fulfillment of governmental priorities and represent increases of 2.0% and 2.4% respectively as compared to the revenue requirements previously approved for 2024 and 2025 in EB-2022-0318. Further, the IESO intends to fulfill, and is not seeking to modify or revisit, the commitments it made in the Settlement Proposal in EB-2022-0318 that was approved by the OEB on August 29, 2023. The IESO will be reporting on its progress in meeting those commitments as part of the 2026-2028 Revenue Requirement Submissions.

This IESO believes that its proposed approach is consistent with the provincial government's objective of increasing regulatory efficiency in the electricity sector.

Alternatively, if the OEB decides a hearing is required, the IESO requests that the OEB direct that its review of the 2024-2025 Revenue Requirement Submissions proceed by way of an expeditious written hearing. To this end, the IESO's proposed issues list and procedural steps are set out in Appendices "A" and "B" respectively. The IESO's proposed procedural steps include filing its responses to the clarification questions posed during the Settlement Conference (which will be completed by Friday, March 15, 2024) and submitting an argument-in-chief followed by submissions by parties and the IESO. The IESO does not believe a further round of interrogatories is warranted given the narrow scope of this application.

The IESO requests that the OEB direct interveners to provide any comments on the proposed issues list and procedural steps by March 15, 2024 to ensure this matter continues to proceed expeditiously.

Yours truly,



Patrick G. Duffy

PGD/sb

cc. All parties to the proceeding

## **Appendix A**

### **DRAFT ISSUES LIST**

#### **Issues**

##### **1.0 General**

- 1.1 Is the IESO's requested relief permitted without the consent of the parties to the approved Settlement Proposal in EB-2022-0318?

##### **2.0 Incremental Revenue Requirements**

- 2.1 Is the IESO's Fiscal Year 2024 incremental revenue requirement of \$4.5 million appropriate?
- 2.2 Is the IESO's Fiscal Year 2025 incremental revenue requirement of \$5.4 million appropriate?

##### **3.0 Usage Fees**

- 3.1 Are the IESO's proposed 2024 and 2025 Usage Fees appropriate?
- 3.2 Is the proposed effective date of the next billing cycle following the month in which OEB approval is received for the IESO's 2024 Usage Fees appropriate?

**Appendix B**  
**PROPOSED PROCEDURAL STEPS**

The IESO proposes the following procedural steps for OEB review of the IESO's 2024 & 2025 Incremental Expenditures, Revenue Requirements and Fees in EB-2024-0004, should the OEB decide to proceed with a written hearing:

1. The IESO shall file an electronic copy of the responses to questions of clarification provided during the Settlement Conference through the OEB's online filing portal, and serve them on all intervenors registered in EB-2022-0318, by March 15, 2024.
2. The IESO shall file a written argument-in-chief with the OEB and serve it on all intervenors registered in EB-2022-0318 by March 27, 2024.
3. Any written submissions by OEB Staff and intervenors registered in EB-2022-0318 shall be filed with the OEB and served on all other parties by April 11, 2024.
4. Any reply submission by the IESO, shall be filed with the OEB and served on all intervenors registered in EB-2022-0318 by April 25, 2024.