



**SOCIETY *of*  
UNITED PROFESSIONALS**  
IFPTE 160

21<sup>st</sup> May, 2024

Michelle Johnston  
President  
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**VIA Email and RSS Filing**

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

**Re:**  
**EB-2024-0004 Independent Electricity System Operator (IESO) Application to Modify  
2024 and 2025 Revenue Requirements, Expenditures, and Usage Fees  
Society of United Professionals' Final Submissions**

Dear Ms. Marconi,

Please find attached the Society of United Professionals' (SUP) Final Submissions in the EB-2024-0004 IESO Application to Modify 2024 and 2025 Revenue Requirements, Expenditures, and Usage Fees.

Thank you.

Sincerely,

  
[Original signed by]

Laurie Reid  
Acting President  
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Copy by email: interested parties



**SOCIETY *of***  
**UNITED PROFESSIONALS**  
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**Society of United Professionals'**  
**FINAL SUBMISSIONS**

**EB-2024-0004 Independent Electricity System Operator (IESO)**

**Application to Modify 2024 and 2025 Revenue Requirements,  
Expenditures, and Usage Fees**

**21<sup>st</sup> May, 2024**

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## **EB-2024-0004: Society of United Professionals' Final Submissions**

### **Introduction:**

This is the Final Argument of the Society of United Professionals ("the Society" or "SUP") in the EB-2024-0004 Independent Electricity System Operator (IESO) Application to Modify 2024 and 2025 Revenue Requirements, Expenditures, and Usage Fees. This Argument is organized as per the issues list, as provided in the OEB's Procedural Order No.2 dated 22<sup>nd</sup> March, 2024.

Rather than put forward positions on all issues, the Society has chosen to limit itself to those largely which it considers to be of primary concern to its interests and where it can provide a different perspective for the OEB's consideration in reaching its decision in this proceeding.

On the other issues, the Society supports the position put forward by the applicant.

### **1. General**

*1.1 What is the effect of the approved settlement proposal for the IESO's 2023-2025 Expenditures, Revenue Requirement, and Fees Application (and associated OEB decision), and the timing of the Minister of Energy's July 10, 2023 Letter upon the relief now sought by the IESO?*

The Society agrees with IESO's position that the inclusion of the Adjustment Mechanism in the EB-2022-0318 Settlement Proposal in no way precludes the IESO from applying to adjust its usage fees in response to unplanned material operating or capital budget arising from changes in government policy [IESO AIC pp4,5].

Further as noted by IESO, the review required by the Adjustment Mechanism was not triggered because the balance of the FVDA was not below zero at the end of 2023 [IESO AIC p2]. This is a key point which suggests that in the next IESO rebasing, consideration should be given to revising the Adjustment Mechanism so that it can be applied in circumstances such as this where the FVDA is expected to go below zero beyond the first year of the rate period. As EB-2022-0318 was IESO's first multi-year rebasing, the Adjustment Mechanism was developed and proposed without the benefit of prior experience under such a regulatory regime. In order to gain the key benefits of a multiyear rebasing, which include regulatory efficiency, certainty and timing of approval, [IESO AIC p7], it is only reasonable to expect that fine tuning would be made to elements such as the Adjustment Mechanism. In fact, effort should be expended by IESO to investigate whether there are other elements where adjustments could be made to gain further benefits.

SUP agrees with IESO's assertion that "as a matter of law, the Settlement Proposal could not restrain the provisions of the Electricity Act governing the establishment of the IESO's usage fees following the Minister's approval of the Amendment" [IESO

AIC p5]. It is inappropriate to view a Settlement Proposal as being able to limit or supersede legislation such as the Electricity Act.

## **2 Incremental Revenue Requirements**

Based upon submitted interrogatories, it would seem that a reasonable area being explored by OEB staff and some intervenors is whether hiring lags might impact the incremental revenue requirements driven by IESO delivering required results of the POG program. IESO outlined that it has taken a variety of reasonable steps in both 2023 and 2024 to support the acquisition of talent [IR OEB Staff 2-3]. This includes such things as increased Talent Acquisition Advisors, implementation of a hybrid work model, expanded partnerships with educational institutions and leveraging recruitment agencies for hard-to-fill roles.

Further, if there are potential shortfalls in hiring, IESO has demonstrated that the incremental impact on OPEX (between 2 to 4M\$ per year) [IR OEB Staff 2-4 (b)] would still result in a negative FVDA balance if the incremental revenue requirements are not granted, even if using an updated demand energy forecast [IR OEB Staff 2-2(b) Scenario 1,  $\$14.5\text{M} - \$4\text{M} \times 2 = \$6.5\text{M}$ ]. These sensitivity scenarios substantiate that IESO's 2024 and 2025 incremental revenue requirements are reasonable and required. Further, if these incremental revenue requirements are granted, the FVDA will ensure that both ratepayers and IESO are held whole going forward.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED ON THIS  
21st DAY OF MAY, 2024**