



**Capital Power Corporation, Thorold CoGen L.P.,
Portlands Energy Centre L.P. doing business as Atura
Power, St. Clair Power L.P., TransAlta (SC) L.P.**

**Application to Review Amendments to the Market Rules
made by the Independent Electricity System Operator**

**DECISION AND PROCEDURAL ORDER NO. 3
December 23, 2024**

On November 7, 2024, Capital Power Corporation, Thorold CoGen L.P., Portlands Energy Centre L.P. doing business as Atura Power, St. Clair Power L.P., and TransAlta (SC) L.P., a group of non-quick start gas-fired generators (NQS Generation Group), jointly filed an application under section 33 of the *Electricity Act, 1998*, S.O. 1998, c. 15, (Schedule B). The application requests that the Ontario Energy Board (OEB) review a set of amendments to the market rules made by the Independent Electricity System Operator (IESO) (MR-00481-R00 to -R013) (Amendments), revoke the Amendments and refer them back to the IESO for further consideration. The Amendments deal with a comprehensive set of changes to the IESO-administered markets required to operationalize the IESO Market Renewal Program (MRP) to evolve Ontario's electricity market.

On November 19, 2024, the OEB issued Procedural Order No. 1 which established a date for a transcribed virtual pre-hearing conference that all parties were required to attend, and provided for matters to be addressed at the pre-hearing conference.¹ On November 26, 2024, the OEB convened the pre-hearing conference and heard submissions from parties on the issues list, the scope of the proceeding, intervention requests, costs, disclosure requests, proposed evidence and the procedural schedule.

Following the pre-hearing conference, the OEB issued Decision and Procedural Order No. 2 (PO2) on December 2, 2024, which, among other things, accepted the intervention requests of:

- HQ Energy Marketing Inc. (HQEM)
- Association of Power Producers of Ontario (APPrO)

¹ [Procedural Order No.1.](#)

- FirstLight Holdings Inc. (FirstLight)
- School Energy Coalition (SEC)
- Consumers Council of Canada (CCC)

PO2 also required the IESO to file a document describing the objectives of the Amendments, providing a detailed overview of the Amendments, describing how they achieve the objectives of the Amendments and describing key changes to the current market rules and the expected impacts on market participants (Market Rule Description Evidence).²

PO2 stated that:

[The Market Rule Description Evidence] will provide context for the application and will allow the OEB to better understand the basis on which NQS Generation Group seeks to challenge the Amendments. This will also address the request made by FirstLight “with respect to what pricing will look like under the Retail Settlement Code”, as part of the description of the expected impacts resulting from the market rule amendments.³ [Emphasis added]

PO2 also set out the schedule for the proceeding including the filing of IESO’s Market Rule Description Evidence, and the NQS Generation Group’s application evidence.

FirstLight’s Request for Further Information from IESO

In accordance with PO2, on December 11, 2024, the IESO filed its Market Rule Description Evidence.⁴

On December 12, 2024, FirstLight filed a letter stating that the IESO’s Market Rule Description Evidence “failed to describe how the Amendments will impact negative pricing for distribution-connected suppliers that are settled under the OEB’s Retail Settlement Code” and requested the OEB to direct the IESO to file such evidence.⁵

On December 16, 2024, the IESO filed a letter that disagreed with FirstLight’s position on the adequacy of the IESO’s Market Rule Description Evidence filing.⁶

² [Decision and Procedural Order No. 2](#), p.10.

³ [Decision and Procedural Order No. 2](#), p.11.

⁴ [IESO Market Rule Description Evidence](#).

⁵ [FirstLight Letter](#), December 12, 2024, p.1.

⁶ [IESO Letter](#), December 16, 2024, p.1.

On December 17, 2024, FirstLight filed a further letter⁷ which stated that its intervenor request form⁸ as well as its submissions at the pre-hearing conference⁹ indicated its interest was in the impacts the Amendments will have on negative pricing for distribution-connected suppliers that are settled under the OEB's Retail Settlement Code and reiterated its request that the IESO be required to file the requested information.

Findings on FirstLight's Request for Further Information

The OEB will not require the IESO to file additional evidence requested by FirstLight.

The IESO was asked to provide a detailed overview of the Amendments and their impact on market participants. In the Market Rule Description Evidence filed by the IESO, the IESO stated that the Amendments would require changes to the Retail Settlement Code. This is governed by a separate process that falls within the decision-making jurisdiction of the OEB's Chief Executive Officer.¹⁰ In its December 16, 2024, letter in response to FirstLight, the IESO stated:

In any event, the IESO has further considered FirstLight's specific request to address what negative pricing will look like under the RSC [Retail Settlement Code]. The IESO anticipates that any negative OZP [Ontario Zonal Price] pricing will be treated under the RSC in the same manner that negative HOEP [Hourly Ontario Energy Price] pricing has been treated under the RSC. That said, any amendments to the RSC are under the jurisdiction of the Board and the Board only recently initiated a process for considering MRP related amendments to the RSC.¹¹

At the pre-hearing conference, FirstLight indicated that it did not intend to file evidence if information was filed by the IESO as requested by FirstLight. Given that the OEB is not requiring the IESO to file further information, the OEB will allow FirstLight to submit its own evidence describing the nature of the impact that FirstLight says the Amendments will have from their perspective. Any such evidence from FirstLight shall be restricted to the scope of this proceeding as described in PO2 and be filed by **December 31, 2024**.

⁷ [FirstLight Letter](#), December 17, 2024, p.1.

⁸ [FirstLight Intervenor Request Form](#).

⁹ [Pre-Hearing Conference Transcript](#), p. 97, lines 14-28.

¹⁰ OEB Act s. 70.1.

¹¹ [IESO Letter](#), December 16, 2024, p. 2.

IESO Motion to Strike NQS' Evidence

In accordance with PO2, on December 18, 2024, NQS Generation Group filed the evidence on which it intends to rely in support of its application consisting of a report prepared by Power Advisory (NQS Expert Report).¹²

On December 23, 2024, IESO filed a Notice of Motion (Motion)¹³ seeking an order of the OEB that:

- (a) strikes out portions of NQS' Expert Report on the basis that they are “irrelevant, out of scope, and contrary to Procedural Order 2”;
- (b) directs NQS Generation Group to file and deliver an amended NQS Expert Report on or before January 3, 2025, that redacts the portions struck;
- (c) requires NQS Generation Group to pay the IESO's costs for the Motion and;
- (d) provides such further and other relief that the OEB deems just.

Findings on IESO Motion

The OEB acknowledges receipt of the IESO's Notice of Motion. The OEB has determined that it will hear submissions from the NQS Generation Group and intervenors on the IESO's Motion. Any party that wishes to file a submission shall file it with the OEB and serve it on all parties by **December 30, 2024**.

For greater certainty, the procedural schedule and timelines set out in PO2 remain in effect. Further procedural orders may be issued by the OEB in due course.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Any party may file a written submission regarding the IESO Motion with the OEB and shall serve it on all parties by **December 30, 2024**.
2. FirstLight may file evidence describing the nature of the impact of the Amendments on FirstLight with the OEB and shall serve it on all parties by **December 31, 2024**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is

¹² [NQS Generation Group Evidence](#)

¹³ [IESO's Motion](#)

defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2024-0331** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at michael.bell@oeb.ca and OEB Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **December 23, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar