



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

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## **DECISION AND ORDER**

**EB-2025-0128**

### **ONTARIO POWER GENERATION INC.**

**Application to Amend Licence EG-2023-0231**

**BY DELEGATION, BEFORE: Brian Hewson**

Vice President, Consumer Policy &  
Industry Performance

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**April 30, 2025**

# 1 OVERVIEW AND PROCESS

On March 28, 2025, Ontario Power Generation (OPG) applied to the Ontario Energy Board (OEB) under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) to amend Part 8 of its electricity generation licence (EG-2023-0231) which contains a condition that requires it to offer all available generating capacity into the markets administered by the Independent Electricity System Operator (IESO) for Operating Reserve, the Day-Ahead Commitment Process and for real-time Energy (Must-Offer Condition).

OPG has stated that the amendments to the Must-Offer Condition are required to reflect changes to the markets administered by the IESO due to the IESO's implementation of the Market Renewal Program, which is expected to be launched on May 1, 2025.

OPG also requested to amend Schedule 1 of its licence to correct a typographical error in the name of Atikokan Generating Station.

This Decision and Order is issued under delegated authority without a hearing pursuant to section 6(4) of the OEB Act. As part of its review of this matter, the OEB consulted with the IESO. The OEB also provided a draft of the proposed conditions to OPG for its comments.

As described below, the OEB is amending OPG's licence to reflect the Market Renewal Program. The OEB will also correct the typographical error in Schedule 1.

## 2 DECISION

In 2020, OPG's licence was amended to add a Must-Offer Condition which required it to offer all available generating capacity into the IESO-administered markets for Operating Reserve, real-time Energy, and in the Day-Ahead Commitment Process.<sup>1</sup> The amended licence also required OPG to enter into an agreement with the IESO in respect of the Must-Offer Condition, which was to include an IESO monitoring program, and to submit the agreement to the OEB for approval.

The Must-Offer Condition was intended to help prevent the exercise of market power, given that OPG and its related entities control approximately half of all generation capacity in the Province. The Must-Offer Condition requires that generation capacity not be withheld, which could otherwise lead to higher costs, inefficient dispatch, and uncompetitive outcomes.

The IESO's Market Renewal Program will make significant changes to Ontario's electricity markets which are expected to be implemented on May 1, 2025, including the introduction of new Day-Ahead Markets for Energy and Operating Reserve. The approved wording is set out in the Order section below.

### Findings

The Market Renewal Program will replace the current Day-Ahead Commitment Process and real-time markets, with a new Day-Ahead Market and Real-Time Market. Changes are required to the Must-Offer Condition in OPG's licence to reflect the implementation of these changes to the market, as the current wording of the Must-Offer Condition refers to the current markets under the current Market Rules (i.e., the Legacy Market Rules).

While the IESO has stated that the changes contemplated by Market Renewal Program will be implemented as of May 1, 2025, it has also provided for a potential return to the Legacy Market Rules in the event of issues encountered during the implementation of the new markets. problems. To account for this possibility, the OEB has bifurcated the Must-Offer Condition to preserve its applicability in circumstances where either of the Renewed Market Rules or the Legacy Market Rules are in force.

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<sup>1</sup> See OEB Decision and Order: [EB-2019-0258 / EB-2020-0110](#)

The OEB understands that OPG is currently engaged in discussions with the IESO regarding amendments to the Must-Offer Condition Agreement to reflect the changes brought about by the Market Renewal Program. The licence requires that any material changes to the Must-Offer Condition Agreement be submitted to the OEB for approval. The OEB expects OPG to submit the proposed amendments to the Must-Offer Condition Agreement as soon as possible.

The OEB will also correct the typographical error in the Schedule 1 list of generation facilities.

### 3 ORDER

#### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Section 1 of Part 8 of Ontario Power Generation's electricity generation licence (EG-2023-0231), is deleted and replaced with the following:
  1. Subject to any applicable regulatory or safety requirements and the Agreement described in paragraph 2, the Licensee shall comply with the following condition (the Must-Offer Condition):
    - a. the Licensee shall, at all times during any period that the Legacy Market Rules (as defined in the Market Rules) are in force, offer all available generating capacity into the IESO administered markets for Operating Reserve, the Day Ahead Commitment Process and real-time Energy; and
    - b. the Licensee shall, at all times during any period that the Renewed Market Rules (as defined in the Market Rules) are in force, offer all available generating capacity into the IESO administered markets for Energy and Operating Reserve, including the Day-Ahead Market and the Real-Time Market.
2. Item 4 in Schedule 1 of Ontario Power Generation's electricity generation licence (EG-2023-0231), is deleted and replaced with the following:
  4. The ownership and operation of Atikokan, located at Atikokan, Ontario.

**DATED** at Toronto April 30, 2025

**ONTARIO ENERGY BOARD**

Brian Hewson  
Vice President, Consumer Protection & Industry Performance