ONTARIO POWER GENERATION

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By RESS & Email

Registrar@oeb.ca

Mr. Ritchie Murray, Acting Registrar
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Mr. Murray:

Re: Ontario Power Generation Inc. ("OPG") Request for Approval of Amendment to Must Offer Condition Agreement

1.0 Introduction

OPG is a licenced electricity generator EG-2023-0231 (attached as Appendix "A") (the "**Licence**").[1] OPG requests approval of an amendment to a must-offer condition agreement to include reference to the Brighton Beach Generating Station ("**Brighton Beach**"). This request is made pursuant to sections 6(4), 21(4)(b), and 74 of the *Ontario Energy Board Act, 1998*. The applicant submits that the OEB can dispose of this application without a hearing, as no person will be adversely affected in a material way by the outcome.

2.0 Background

In 2020, following the decision and order EB-2019-0258/EB-2020-0110, OPG's Licence was amended to include a must-offer condition.[2] This condition required OPG to offer all available generating capacity into the Independent Electricity System Operator ("**IESO**") -administered markets for operating reserve, real-time energy, and the day-ahead commitment process (the "**Must-Offer Condition**").[3] The OEB described the rationale for the Must-Offer Condition as follows:

[1] EG-2023-0231, Electricity Generation Licence, Issued October 3, 2023.

[2] EB-2019-0258/EB-202-0110, Decision and Order, April 9, 2020, p. 8.

[3] Ibid.

> The Must-Offer Condition was added to OPG's Licence following the acquisition by OPG (through a wholly owned subsidiary, Portlands Energy Centre L.P. ["PEC LP"], also known as Atura Power) of control over the Halton Hills Generating Station and the Napanee Generating Station, and all of the Portlands Energy Centre, in which it previously held a 50% interest. These conditions were meant "to ensure confidence in the market and to protect consumers", and "to address concerns about the potential abuse of market power that may arise from the completion of the transaction." The Must-Offer Condition in particular was intended to ensure that OPG's generation assets fully participate in the IESO-administered markets.[4]

The Licence required that OPG enter into an agreement with the IESO for the purpose of assessing ongoing compliance with the Must-Offer Condition (the "**MOCA**") and to file the MOCA for approval of the OEB.[5] The Licence also requires that any material changes to the MOCA must be filed with the OEB for approval.[6]

On July 29, 2020, OPG submitted to the OEB by way of letter the MOCA signed by OPG and the IESO, indicating that the agreement would take effect on date it was approved by the OEB.[7] On October 15, 2020, the OEB approved the MOCA.[8]

The Licence and Must-Offer Condition was subsequently amended on April 30, 2025, to include a reference to the implementation of the renewed market whereby OPG was required, at all times during any period that the renewed market rules are in force, to offer all available generating capacity into the IESO administered markets for energy and operating reserve, including day-ahead market and the real-time market.[9]

Effective July 16, 2024, PEC LP assumed control over market operations of Brighton Beach. The IESO and OPG agreed to amend the MOCA to reflect this change in the form attached as Appendix "B" (the "**MOCA Amendment**"). The MOCA Amendment does not address amendments to the MOCA related to implementation of the Renewed Market Rules for the Ontario Electricity Market.[10] By way of this letter, OPG requests the OEB's approval of the MOCA Amendment.

3.0 Amendment to the Must-Offer Condition Agreement

Effective July 16, 2024, PEC LP assumed control over market operations, including control over offers in the IESO-administered markets for energy and operating reserve, of Brighton Beach. OPG and the IESO have agreed to the MOCA Amendment to include reference to Brighton Beach. The parties have

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[4] EB-2020-0110, Letter from OEB to OPG, October 15, 2020, p. 1-2.

[5] EG-2003-0104, part 8. EG-2023-0231, part 8.

[6] EG-2003-0104, s. 8. EG-2023-0231, part 8.

[7] EB-2020-0110, Letter from OEB to OPG, October 15, 2020, p. 1.

[8] EB-2019-0258, Letter from OEB to OPG, October 15, 2020, p. 2.

[9] EB-2025-0128, Decision and Order, April 30, 2025, p. 3.

[10] See: <Renewed Market Rules & Manuals Library>.

further agreed to execute the MOCA Amendment upon receiving the OEB's approval and file a copy of the executed MOCA Amendment with the OEB if so directed.

OPG respectfully requests the OEB's approval of the MOCA Amendment attached as Appendix "B". Please do not hesitate to contact the undersigned with any questions.

Yours truly,

Vlad Urukov

Vlad Urukov
Director, Market Compliance

Cc: Bob Yeoman, IESO Market Assessment and Compliance Division
Steve Zebrowski, Senior Manger, Regulatory Affairs