

OPA RESPONSE TO BOARD STAFF INTERROGATORY 1.0 (B) ii.

QUESTION

(B) ii. Please provide an explanation of the apparent discrepancy between the IESO's assessment that an RMR agreement for Lennox is not needed beyond September 2009 and the OPA's assessment that it will be required until at least through 2010.

RESPONSE

The OPA's information was based on the submission to the OEB by the IESO in EB-2006-0205 for the period October 2006 to September 2007. This submission indicated that "there is a need for at least three Lennox units and likely four units during high demand periods over the next three years, or until additional supply is brought into service in the Toronto area or Eastern Ontario." The IESO has subsequently revised its assessment that an RMR agreement for Lennox is not needed beyond September 2009 to address local area reliability concerns, as in 2009 sufficient gas-fired generation capacity is expected to be available in the Toronto area and the Ottawa area transmission reinforcements related to the interconnection to Quebec are expected to be in service, and demand forecast assumptions were different

Plans for the use of Lennox as a system resource when it is no longer required as a RMR resource are currently being re-assessed in response to the Supplementary Directive issued on September 17, 2008. The need for Lennox to continue operation as a peaking resource into the period beyond 2010 will continue in order to meet overall system adequacy and operability requirements.