

OPA RESPONSE TO CME INTERROGATORY 2

QUESTION

OPG's November 10, 2008 letter indicates that the Integrated Power System Plan ("IPSP"), which OPA filed with the Ontario Energy Board on August 29, 2007, stated OPA would become a buyer of output from Lennox after the IESO's RMR contract with Lennox expires. In the context of this evidence, CME requires the following information from OPA:

- a) Please advise whether OPA remains committed to buy Lennox output following the expiry of the IESO's RMR contract with Lennox; and, if so, then describe the terms and conditions on which OPA will acquire Lennox output, at that time, which will assure that the interests of electricity consumers are protected.
- b) If OPA is not now committed to acquiring Lennox output after the expiry of the IESO's RMR contract with Lennox, then please describe the changes in circumstances that have occurred since the initial IPSP was filed on August 29, 2007, which operate to eliminate Lennox as a "planned resource" after expiry of the IESO's RMR contract with Lennox.

RESPONSE

- a) OPA remains committed to the continued operation of Lennox GS. OPA could enter into a procurement contract with OPG regarding Lennox GS as the result of a Ministerial Directive or OEB approval of the IPSP Procurement Process.

Any OPA procurement contract for the Lennox GS has yet to be designed – it could be a physical contract (for energy and/or capacity) or a financial contract (affording revenue guarantee for energy and/or capacity). Therefore, pending on the contract design, the OPA may not necessarily 'buy Lennox output'. The terms and conditions have yet to be defined – a logical starting point is the Lennox RMR.

- b) Please see the response to part a).