

Board Staff Interrogatories to the IESO

Interrogatory: No. 1

1.0 Need for Lennox as a Reliability Must Run (“RMR”) Resource

References: (1) OPG’s application for approval of the 2008-2009 RMR Agreement, Page 3

(2) Ontario Power Authority’s (“OPA”) application for approval of the Integrated Power System Plan (“IPSP”) (proceeding EB-2007-0707), pre-filed evidence, Exh D, Tab 8, Sch 1, Page 9

(3) OPA’s IPSP application, pre-filed evidence, Exh D, Tab 8, Sch 1, Attach 1, Page 10

Preamble

In the last paragraph in Reference (1), OPG states that:

While OPG was interested in extending the term of the RMR agreement beyond 12 months, the IESO’s technical assessment indicated that under the expected resource availability and demand forecast assumptions, there is insufficient justification to extend the Lennox RMR Agreement beyond September 30, 2009. If there is a material change in these assumptions the IESO will review this decision but at the present time the IESO is of the view that there is no continued need for Lennox as a RMR resource beyond September 30, 2009.

In Reference (2), the OPA states that:

All four units totalling 2,100 MW, at Lennox GS are assumed to remain in operation until 2020. The need for the capacity provided by Lennox GS is reduced beginning in 2020, as a result of the addition of new renewable and conservation resources.....

.....While Lennox is assumed to remain in service, its category changes from an existing resource to a planned resource in 2011. This is a result of Lennox, and therefore its RMR contract, not being needed for local reliability purposes after 2010.

Reference (1) suggests that the Independent Electricity System Operator (“IESO”) believes that Lennox will only be required as an RMR resource until September 30, 2009. Reference (2) suggests that the OPA believes that Lennox will be required as an RMR resource until at least through 2010.

In its Procedural Order No. 1, the Board indicated that it wishes to further examine the issue of the continued need for Lennox as an RMR resource.

(B) Questions/Requests for the IESO and OPA (Coordinated response preferred)

- 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.

(C) Questions/Requests for the IESO

- iii. If a discrepancy between the IESO's and OPA's assessments (see (ii) above) remains, please explain the basis of the IESO's assessment?

IESO Response:

B(ii) The IESO adopts the OPA's response; accordingly, please refer to the OPA's response to Board Staff interrogatory No. 1 B(ii).

C(iii) The IESO does not believe that there is a discrepancy between the IESO and OPA's assessment.