

March 25, 2026

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

Independent Electricity System Operator

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[www.ieso.ca](http://www.ieso.ca)

Dear: Mr. Murray

**Re: Ontario Energy Board File No.: EB-2025-0297  
Ontario Power Generation Inc, and DNNP LP 2027-2031 Payment Amounts**

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Pursuant to the Ontario Energy Board's March 4, 2026 Procedural Order No. 2, Schedule C, please find enclosed the Interrogatories of the Independent Electricity System Operator in the above-noted proceeding.

Sincerely



Carrie Aloussis  
Senior Manager, Regulatory Affairs

cc. via email:

Evelyn Wong, OPG  
Saba Zadeh, OPG  
Charles Keizer, Torys  
Aimee Collier, Torys  
EB-2025-0297 Intervenors

## **IESO INTERROGATORIES**

### **E1-IESO-1**

#### **Ref 1: Exhibit E1 Tab 2 Schedule 1 Pages 4-9**

#### **Preamble:**

**While both global Surplus Baseload Generation (SBG) and local SBG can lead to hydroelectric spill, this section explains why global SBG conditions were used to quantify SBG spill when calculating Surplus Baseload Generation Variance Account (SBGVA) entries in the Legacy Market and why global SBG conditions can no longer be differentiated from local SBG conditions in the Renewed Market. This section details OPG's proposal to continue to quantify SBG spill and make entries to the SBGVA on a total SBG basis (i.e., include spill due to global and local SBG conditions).**

#### **Questions:**

1. The proposed SBGVA recovery mechanism would compensate OPG for spill arising from local surplus conditions at a regulated rate, offsetting financial incentives that may otherwise encourage OPG to respond to local congestion through its production decisions. In this context, please:
  - a) Describe how the proposed SBGVA recovery mechanism provides value to the system through improved market outcomes; and
  - b) Provide all analysis OPG conducted or received relating to how the proposed SBGVA recovery mechanism will affect or has affected the energy and OR markets.
2. Please provide all analysis OPG conducted or received relating to the use of Locational Market Prices as an indicator for SBG conditions.
3. Please update "Chart 2: SBG Spill Booked to SBGVA (MWh)" found at Exhibit E1 Tab 2 Schedule 1 Page 8 as follows:
  - a) Provide monthly booked spill amounts from October 2025 through to the most recent month for which data is available.
  - b) Sum the total SBG spill booked for each full year (i.e., 2021-2025)

The table below is provided as an example of how OPG may choose to present the requested data.

<b>Chart 2: SBG Spill Booked to SBGVA (MWh)</b>							
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Avg.</b>
<b>January</b>	195	51	54	3	5	TBD	TBD
<b>February</b>	118	72	152	15	0	TBD	TBD
<b>March</b>	258	74	85	20	48	TBD	TBD
<b>April</b>	399	276	199	77	131	TBD	TBD
....							
<b>December</b>	62	62	6	17	TBD	TBD	TBD
<b>Annual MWh Total</b>	TBD						

4. Please provide a chart, in the same format as the above referenced Chart 2, showing the monthly dollar amounts recorded in the SBGVA account corresponding to each monthly spill amount provided in response to part (c)
  - a) Please sum the total dollar amounts for each full year (i.e., 2021-2025)

**E1-IESO-2**

**Reference: Exhibit E1 Tab 2 Schedule 1 Pages 10-20**

**Preamble: The Hydroelectric Incentive Mechanism (HIM) is designed to encourage shifting hydroelectric production from lower value to higher value periods in response to market signals.**

1. Please describe how the proposed change to SBGVA recovery mechanism would strengthen the incentives to respond to price signals during low price hours to shift energy production instead of spilling the energy and being compensated through the variance account.

2. The market co-optimizes between energy and operating reserve market to efficiently utilize resources required to meet system needs.
  - a) How does the HIM incentivize efficient participation in both the energy and operating reserve markets?
  - b) How could the HIM be revised to improve the incentive to provide ancillary services like operating reserve in the wholesale market?
  - c) Please provide all analysis OPG conducted or received regarding the HIM and participation in the energy and operating reserve markets.