July 9, 2026

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

Dear Mr. Murray,

RE: EB-2026-0142 IESO Application for Approval of 2026, 2027 and 2028 Revenue Requirements, Expenditures and Usage Fees
Interrogatories of Energy Probe

Attached are the interrogatories to the IESO on its evidence in its EB-2026-0142 Application for Approval of 2026, 2027 and 2028 Revenue Requirements, Expenditures and Usage Fees.

Submitted on behalf of Energy Probe.

Tom Ladanyi Digitally signed by Tom Ladanyi Date: 2026.07.09 17:10:25 -04'00'

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EB-2026-0142

EB-2026-0142 IESO Application for Approval of 2026, 2027 and 2028 Revenue Requirements, Expenditures and Usage Fees

Energy Probe Interrogatories

July 9, 2026

1.1, 1.2, 1.3, 1.7, 1.8, 1.9-EP-1
Reference: Exhibit B, Tab 1, Schedule 2, Page 8, *"Accelerating the Big Build"*.

Questions:

a) Please explain what is Big Build.

b) What was the original schedule of Big Build before it was accelerated?

c) What was IESO's role in the Big Build before it was accelerated?

d) When was Big Build Accelerated?

e) What is IESO's role now that Big Build has been accelerated?

f) What is the current schedule of Big Build?

1.1, 1.2, 1.3-EP-2
Reference: B-2-1, Attachment 2, Page 17

Question:
How was the 82% effectiveness of Stakeholder Engagement determined? Please show all calculations and explain sources of the numbers used in deriving the 82% figure.

1.1, 1.7-EP-3
Reference: Exhibit B, Tab 2, Schedule 1, Attachment 2, Page 19

Questions:

a) What is phishing?

b) Is phishing a positive or a negative activity and is it better to have higher or lower phishing trend?

c) How was the 98.4% Phishing Metrics Trend determined? Please show all calculations and explain sources of the numbers used in deriving the 98.4% figure.

1.1-EP-4
Reference: Exhibit B, Tab 2, Schedule 1, Attachment 2, Page 26

Questions:

a) What are "Accumulated Remeasurement Gains"?

b) Why did Accumulated Remeasurement Gains increase from $5,097 to $13,633 during 2024?

1.1,1.7-EP-5
Reference: Exhibit D, Tab 1, Schedule 1, page 2

Preamble: *"Computer software and service costs were $16.4 million higher than budget, of which $5.9 million is driven by cloud computing and project-related spending and the remaining $10.5 million is driven by cost pressures for various IT system maintenance and license expenses."*

Questions:

a) Please explain why cloud computing would increase costs.

b) If cloud computing increased costs, why did the IESO adopt cloud computing?

c) Did the move to cloud computing result in retirement of any IESO owned servers or other computer hardware?

1.1-EP-6
Reference: Exhibit D, Tab 1, Schedule 2, Page 7

Preamble*: "The 2026 budget of $72.3 million represents an increase of $5.9 million compared to 2025 actuals, primarily reflecting investments to support cybersecurity, information and data governance, and artificial intelligence. Additional increases relate to tools and systems required to enable new connections and resource integration, key project-related costs, software expenses such as the Meter Data Management System, and standard inflationary adjustments and union-negotiated merit increases."*

Questions:

a) Please file a detailed 2026 budget of $72.3 million showing amounts for each of the categories mentioned in the preamble.

b) Please file a detailed list of the categories causing the increase of $5.6 million.

1.1-EP-7
Reference: Exhibit D, Tab 1, Schedule 2, Page 8

Preamble: "*These pressures were partially offset by continued underspending on external legal counsel fees"*.

Questions:

a) What was the amount of underspending on external legal counsel fees?

b) What was the reason for underspending?

c) Should the budget be reduced by the amount of underspending? Please explain your answer.

1.1-EP-8
Reference: Exhibit E, Tab 2, Schedule 1, Page 2

Questions:

a) Please explain what the change in the accounting treatment for cloud computing solutions was and why it shifted costs from capital to operating costs.

b) Please provide the amounts of the costs that were shifted and when were they shifted.

c) Were any assets retired because of the shift? If the answer is yes, were the retirements treated as an adjustment to accumulated depreciation?

3.4, 3.7-EP-9
Reference: Exhibit B, Tab 1, Schedule 2, Pages 10 to 11, and Exhibit C, Tab 3, Schedule 1, Attachment 2, Page 1

Preamble: "*This approach also reflects how the electricity needs of large customers are evolving. Data centres and electric arc furnaces consume large amounts of power in unique ways, and a more collaborative approach is needed to ensure they can connect quickly while also maintaining grid reliability. Connecting these and other new customers will also require investing in more sophisticated system modelling and monitoring tools, technical expertise and training that will allow the IESO to more effectively and efficiently connect larger, more complex, and a growing number of customers to the system without jeopardizing reliability and safety. These types of tools are also needed to manage the battery energy storage systems procured to date, as well as intermittent resources, like wind and solar, to be procured in the future.*

Questions:

a) Please explain what is unique about consumption of power by data centres and how is it different from consumption of power by other large load customers?

b) How many data centres were operating in Ontario in 2025 and how many are expected to operate each year by the end of 2026, 2027, and 2028?

c) Please list the incremental costs that IESO expects to incur because of data centres in 2026, 2027 and 2028.

d) Does IESO charge owners of data centres fees for Connection Assessment and Reliable Integration related activities? If the answer is yes, do the fees recover the incremental costs that IESO expects to incur because of data centres? If the answer is no, please explain why not.

e) Please explain what is unique how data centres consume power and how they are different from other large load customers?

f) How many electric arc furnaces were operating in Ontario in 2025 and how many are expected to operate by the end of 2026, 2027, and 2028?

g) Please list the incremental costs that IESO expects to incur because of electric arc furnaces in 2026, 2027 and 2028.

h) Does IESO charge owners of electric arc furnaces fees for Connection Assessment and Reliable Integration related activities? If the answer is yes, do the fees recover the incremental costs that IESO expects to incur because of electric arc furnaces? If the answer is no, please explain why not.

i) Does IESO charge owners of battery energy storage systems as well as intermittent resources, like wind and solar fees for Connection Assessment and Reliable Integration related activities? If the answer is yes, do the fees recover the incremental costs that IESO expects to incur because of battery energy storage systems as well as intermittent resources, like wind and solar? If the answer is no, please explain why not.

3.4, 3,5, 3.6, 3.7-EP-10
Reference: Exhibit C, Tab 3, Schedule 1, Attachment 2, Page 2

Preamble*: "The IESO is updating its labour rate plus overhead recovery rate from $145 per hour to $190 per hour to reflect the average increase in labour costs and overhead over the 2026-2028 period; the addition of indirect costs of labour support; and the costs associated with the development of enhanced tools and systems designed to improve service levels. The new rate is fully allocated rate covering direct effort and indirect effort that would otherwise be borne by*
rate payers."

Questions:

a) Is the new rate a strictly cost based rate or were other rate design principles used in developing it?

b) Please file the calculation that shows how the proposed rate was developed?

3.5-EP-11

Reference: Exhibit B, Tab 2, Schedule 1, Attachment 2, Page 14 and Exhibit E, Tab 2, Schedule 1, Attachment 9

Preamble: *"The ERP is an integrated set of projects that will improve market effectiveness of electricity storage, hybrid and DERs to provide required system services and contribute to the safe and reliable operation of the bulk power system in Ontario. The ERP supports the Strategic Imperative to Renew the Real-Time Markets to Advance Energy Transformation."*

Questions:

a) Why are electricity storage, hybrid, and DERs currently not effective in the market?

b) What needs to be done to make them effective in the market, how Enabling Resources Program will accomplish this and how much it will cost in 2026, 2027 and 2028?

c) Please confirm that without the ERP safety and reliability of the bulk power system will be adversely affected by "electricity storage, hybrid and DERs".

d) How much of the cost of ERP does IESO expect to recover from ratepayers in 2026, 2027 and 2028?

e) Are owners of these resources that the Enabling Resources Program is enabling charged a fee to recover the cost of this program?

3.7-EP-12

Reference: Exhibit C, Tab 3, Schedule 1, Attachment 2, Page 1

Preamble: "*The IESO is requesting approval to change the fees it charges for Connection Assessment and Reliable Integration related activities."*

Questions:

a) Please list the types of customers that would be charged for Connection Assessment

b) What are Reliable Integration related activities?

c) Please list the types of customers that would be charged for Reliable Integration related activities.

3.7-EP-13
Reference: Exhibit E, Tab 2, Schedule 1, Attachment 9, Page 1

Preamble: *"The Enabling Resources Program (ERP) DER Integration Project aims to unlock the value that DERs can provide to the bulk electricity system by implementing:*

> *1. A new participation model for dispatchable DERs and DER aggregations (together referred to as "DER/As") to participate in the IESO-Administered Markets (IAM) and support Ontario's bulk system reliability needs.*
>
> *2. Approaches for data sharing and operational coordination between the IESO, Local Distribution Companies (LDCs) and DER/A operators."*

Questions:

a) What types of DERs is IESO referring to: rooftop solar, ground based solar, wind turbines, gas powered generators, battery storage systems?

b) How is the value of DERs locked now?

c) Please confirm that ERP is intended for parts of the transmission and distribution grid where two-way flow of electricity is possible.

d) What is the approximate percentage of the Ontario transmission and distribution grid where two-way flow of electricity is possible?

e) Please explain what are DER aggregations?

f) Will owners of DER/As benefit from ERP.

g) Will IESO charge owners of DER/A fees for Connection Assessment and Reliable Integration related activities to recover the cost of ERP?

3.10-EP-14
Reference: Exhibit B, Tab 2, Schedule 1, Attachment 2, Page 16

Preamble: *"A refreshed future skills-based learning catalogue was rolled out to employees in September 2024."*

Questions:

a) Please file the catalogue referenced in the preamble.

b) Please list the skills that IESO employees will need in the future and are now lacking and explain how IESO management determined that employees are lacking these skills.

4.1-EP-15
Reference: Exhibit F, Tab 1, Schedule, Page 2

Preamble:" As set out in the IESO's 2026–2028 Business Plan, the IESO proposed, and the Minister approved, an operating reserve of $30 million for the 2026–2028 period."

Questions:

a) Why was the $30 million selected instead of some other amount such as $20 million or $40 million?

b) Please file any calculations that support the $30 million amount.

c) Since the Minister already approved the increase in the operating reserve to $30 million is the IESO's position that the OEB has no choice but to approve it?