

Memorandum

To: Stakeholder Advisory Committee

From: Devon Huber, Regulatory Affairs and Market Rules

Date: May 10, 2023

Re: IESO Business Update – 2023-2025 Revenue Requirement Submissions

The following provides an update to members of the Stakeholder Advisory Committee (SAC) on the IESO's 2023, 2024 and 2025 revenue requirement submissions to the Ontario Energy Board (OEB). The IESO's expenditures and revenue requirements, as well as the fees it charges, are regulated by the OEB.

On March 29, 2023, the IESO applied to the OEB for approval of its proposed revenue requirements, expenditures and usage fees for fiscal years 2023, 2024 and 2025. The submissions and other documents that form the record of the OEB's proceeding are available on the [OEB's website](#) (Case Number EB-2022-0318). As part of the application, the IESO has requested the following domestic and export usage fees for OEB approval:

- A 2023 revenue requirement of \$208.4 million and related usage fees of \$1.3857/MWh for domestic customers and \$1.0885/MWh for export customers effective January 1, 2023.
- A 2024 revenue requirement of \$218.4 million and related usage fees of \$1.4212/MWh for domestic customers and \$1.2455/MWh for export customers effective January 1, 2024.
- A 2025 revenue requirement of \$229.7 million and related usage fees of \$1.4499/MWh for domestic customers and \$1.4276/MWh for export customers effective January 1, 2025.
- Capital expenditures budgets for 2023, 2024 and 2025 of \$86.0 million, \$75.9 million, and \$58.2 million, respectively.

The proposed revenue requirements, expenditures and fees are based on the IESO's 2023-2025 Business Plan that was approved by the Minister of Energy on February 15, 2023. The IESO's expenditures, revenue requirements and fees allow the IESO to ensure the reliability of the province's power system on behalf of all Ontarians, leveraging its expertise and purposeful engagement to advance energy policy that cost-effectively achieves this goal. The IESO continues to carefully review all expenditures and seek out new efficiencies, however, to fully prepare the sector for the future by driving and guiding transformation, new investments in people and systems are needed. Learn more about the IESO's key initiatives and financial plans in its [2023-2025 Business Plan](#).

On April 14th, the OEB issued a Notice of Application for the proceeding that invited interested parties to participate in the proceeding. The IESO expects the OEB to issue a Procedural Order next which will set out the schedule of the proceeding including provisions for submissions on the issues of the proceeding, written interrogatories on the IESO's evidence, and a settlement conference to provide an opportunity for intervenors and the IESO to come to an agreement on the issues.