



May 6, 2016

Independent Electricity System Operator
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Market Renewal Work Plan

NextEra Energy Canada, LP (“NextEra”) would like to take this opportunity to comment on the IESO’s Market Renewal Work Plan, presented to stakeholders at the April 19th consultation session.

NextEra appreciates the IESO’s desire to ensure the market is as efficient as possible and will continue to meet future needs; however any changes to the current market must consider impacts to generation contracts. First and foremost contract holders must not be at an economic disadvantage as a result of changes brought forward as part of the market renewal process. NextEra was encouraged to hear at the April 19th meeting that the IESO recognizes that consultations on market redesign cannot happen without corresponding discussions with contract counterparties.

If the IESO moves forward with the proposed suite of changes, it will potentially trigger FIT contract amendments. We would hope that the IESO will have early contact with contract counterparties on the impacts of the proposed changes and engage in collaborative discussions with generators on potential contract amendments to ensure generators remain whole.

In terms of consultation mechanisms, NextEra recommends that the IESO have one on one discussions with contract holders on the impacts associated with the proposed changes. Beyond contract related discussions, NextEra is open to participating in either separate working groups on specific technical issues or larger open stakeholder sessions. The method of consultation is not as important as ensuring adequate opportunity for stakeholder feedback and setting clear targets, deliverables and timelines to ensure they are met. Given the other work that the IESO and stakeholders are participating in such as LRP II and the review of the Long Term Energy Plan (LTEP), the IESO also should consider internal and external resource constraints when setting timelines for the Market Renewal work.

The IESO must also keep in mind that the current market design came about as a result of political direction that sought to ensure ratepayers were not subject to significant rate increases, as well as to promote and implement certain public policy goals. Ontario has not historically been comfortable with pure price signals to encourage development of generation.

NextEra Energy Canada, LP

This is unlikely to change in the future so the IESO must seek to balance the desire for market change with the political reality associated with ratepayer increases.

Once again NextEra would like to thank the IESO for the opportunity to comment on the Market Renewal Work Plan. We look forward to working with the IESO on this initiative.

Sincerely,

Jennifer Tuck
Director, Regulatory Affairs and Government Relations