



Decision of the Independent Panel Exemption Application #1357

PART 1 – PANEL MEMBERS

Panel members hearing the application: Steve Baker, Michael Bernstein, Patricia Koval, Joe Oliver

PART 2 – GENERAL INFORMATION

1. Exemption Application ID: #1357
2. Market Participant Name: Ontario Power Generation ("OPG" or, the "Applicant")
3. Location/Site: Darlington Standby Generators
4. Role of Applicant in the market as it relates to this Exemption Application: Generator
5. Date Exemption Application Heard: July 30, 2020
6. Did Applicant Agree to Terms and Conditions of the IESO Staff Recommendation: Yes.
7. Market Rule(s) and related Market Manual(s) from which exemption is requested: Chapter 4, Appendix 4.2, Category 1
8. Material Reviewed:
 - a) IESO summary presentation
 - b) OPG exemption application
 - c) OPG additional submission
 - d) IESO staff recommendation
 - e) Applicable market rules
9. Applicant's Position: OPG takes the position that this exemption is necessary because of the prohibitive cost to achieving compliance with the market rules. Additionally, OPG asserts that there would be extensive regulatory review in order to change existing procedures.

PART 3 – DECISION

Decision:

Exemption #1357 is issued to Ontario Power Generation subject to the terms of conditions set forth in the Reasons of the Panel below.

PART 4 – REASONS

Reasons of the Panel:

Compliance with the *market rules* for *generators* is mandatory. However, it is possible for the *IESO* to grant an *exemption* from the *market rules* on a discretionary and case-by-case basis if certain criteria are met.

In rendering the decision, the Panel considered the materials submitted by OPG, the *IESO* staff recommendation as well as the applicable *market rule* requirements.

The exemption application, supporting materials and the discussion with *IESO* staff during the Panel meeting satisfied the Panel that granting the *exemption* does not adversely impact the *IESO's* ability to direct the operations and maintain the reliability of the *IESO-controlled grid*.

In consideration of the *exemption* application, the Panel considered the following criteria:

- The *IESO* ability to maintain the *reliability* of the *IESO-controlled grid* with the *exemption* in place
- The ability of the *IESO* to ensure non-discriminatory access to the *IESO-controlled grid*
- Whether the cost to the applicant of complying with the *market rules* requirements are reasonable
- The adequacy of the *exemption* plan submitted by the applicant

Therefore, the *exemption* is granted for the lifetime of the Darlington standby generators equipment.

PART 5 – TERMS AND CONDITIONS

Effective Date of Exemption (or event causing exemption to become effective)	The date when and if the exemption is granted.
Date of Expiration of Exemption <ul style="list-style-type: none">• If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date	For the lifetime of the Darlington standby generator load shedding scheme.

<ul style="list-style-type: none"> • Circumstances which will cause the exemption to immediately expire 	
Market Rule(s) or related Market Manual(s) from which the Exemption is granted	Market Rules Chapter 4, Appendix 4.2, Category 1.

Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any	<p>OPG may only connect to the IESO-Controlled Grid and test the Standby Generators with IESO’s prior approval; and</p> <p>OPG may need to delay or adjust the timing of their testing of the Standby Generators if the IESO considers it necessary.</p>
Monitoring Information Required Information required to be provided by the Exemption Applicant for monitoring by the IESO	None.
Payment of Costs <ul style="list-style-type: none"> • Processing Costs (when introduced) • Incremental Exemption Costs • Settlement amounts to be withheld or repaid 	Not applicable.
Reconsideration/Removal <ul style="list-style-type: none"> • Date on which the Exemption will be reconsidered (if applicable) <p>Circumstances under which the Exemption will be reconsidered (if applicable) other than unforeseen future change in circumstances</p>	None.
Transferability <ul style="list-style-type: none"> • List the terms and conditions that need to be met to allow for a transfer of this exemption to be approved by IESO staff • Transferability in respect of a corporation, refers to a change of control of the corporation within the meaning of the Business Corporations Act (Ontario) 	None.
Other:	None.