



Decision of the Independent Panel – Exemption Application #1359

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: 1359
2. Market Participant Name: Hydro One Inc. (“Hydro One” or, the “Applicant”)
3. Location/Site: Leamington TS, Aphria CTS, Mastron II CTS
4. Role of Applicant in the market as it pertains to this Exemption Application: Connection Applicant, Transmitter
5. Date Exemption Application Heard: January 21, 2021
6. Did Exemption Applicant agree to Terms and Conditions of the IESO Staff Recommendation: Yes
7. Market Rule(s) or Related Market Manual(s) from which the exemption is requested: Section 7.1 and 7.2 of the Ontario Resource and Transmission Assessment Criteria (ORTAC) market manual
8. Material Reviewed: a) IESO Staff Presentation b) Hydro One exemption application c) Hydro One additional submission d) IESO staff recommendation (and additional submission) e) Applicable market manuals
9. Applicant’s Position: Hydro One takes the position that the exemption is required in order to service the rapidly expanding demand for electricity in the Leamington area.

Otherwise, no new load could be connected until the system reinforcements are complete in 2026.

Part 3 – Decision

Decision:

Exemption #1359 is issued to Hydro One subject to the terms and conditions set forth below.

By granting Exemption #1359, , the Panel hereby revokes Hydro One’s existing exemption related to the same subject matter (#1355), as Exemption #1359 incorporates the substance of the existing exemption (#1355) rendering the existing Hydro One exemption (#1355) redundant.

Part 4 – Reasons

Reasons of the Panel:

Compliance with the market rules for transmitters and wholesale consumers is mandatory. However, it is possible for the IESO to grant an exemption from the market manuals on a discretionary and case-by-case basis.

In rendering the decision, the Panel considered the materials submitted by the IESO and the exemption applicant as well as the applicable market manual requirements. In consideration of the exemption application, the Panel specifically considered the following points:

- The IESO’s ability to direct operations and 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 or delay to the exemption applicant of complying with the requirement is reasonable
- The adequacy of the exemption plan submitted by the exemption applicant

The rationale contained in Hydro One’s application and the IESO staff recommendation related to the preceding points satisfied the Panel that granting the exemption will have no adverse impact on the IESO’s ability to maintain the reliability of the IESO-controlled grid. The IESO has been advised by Hydro One that the new customers to be connected have been informed of the potential for lower reliability and restoration timelines and that the new customers are supportive of proceeding as outlined.

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 - If greater than 5 years, the Panel must be satisfied that the circumstances justify a later date - Circumstances which will cause the exemption to immediately expire	March 19, 2026 System upgrades in the form of Lakeshore SS and the two 230 kV transmission circuits from Chatham SS to Lakeshore SS are expected to come in-service for Q3, 2022 and Winter 2025/2026, respectively.
Market Rule(s) or related Market Manual(s) from which the Exemption is granted	Section 7.1 and section 7.2 of ORTAC.
Restrictions on the manner of operation and/or additional obligations to be met during the term of the Exemption, if any	Planned outages on the 230 kV circuits C21J or C22J will be restricted under peak load conditions to mitigate the need for load curtailment and rejection at Leamington TS.
Monitoring Information Required Information required to be provided by the Exemption Applicant for monitoring by the IESO	An update every six months starting from the effective date of the exemption on the progress of Lakeshore SS and the two 230 kV transmission circuits from Chatham SS to Lakeshore SS projects.
Payment of Costs - Processing Costs (when introduced) - Incremental Exemption Costs - Settlement amounts to be withheld or repaid	N/A
Reconsideration/Removal - Date on which the Exemption will be reconsidered (if applicable) Circumstances under which the Exemption will be reconsidered (if applicable) other than unforeseen future change in circumstances	March 19, 2026
Transferability - 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)	N/A
Other:	N/A