

January 18, 2019

George Vegh
McCarthy Tetrault LLP
Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Dear Mr. Vegh:

Re: MR-0437-Q00: Resolute FP Canada (“Resolute”) Rule Amendment Submission – Demand Response Registration and Metering Requirements

Please find below IESO responses to the issues raised in your letters dated December 4 and 19, 2018.

McCarthy’s Comments on Behalf of Resolute (“McCarthy’s”)

1. *McCarthy’s believes that referring the amendment submission first to the Demand Response Working Group (DRWG) to inform Technical Panel discussions is improper. IESO staff has interjected itself into the market rule amendment process in violation of the market rules.*

IESO Response

The IESO disagrees that it has interjected itself into the amendment process in violation of the market rules. The IESO’s proposal of referring Resolute’s submission to the DRWG was intended to assist Technical Panel members. This approach is prescribed under section 4.9.3 of Chapter 3, where the Technical Panel may, at any time, establish working groups to assist it in the fulfillment of its responsibilities under section 4, Chapter 3. To date, the DRWG has been the appropriate forum to discuss Demand Response related changes and has informed the Technical Panel on the merits of all DR related amendments.

The IESO’s existing practice of proposing next steps for the consideration of the Technical Panel has been consistent over the years. The IESO has not received any objection to date from any Panel members on the proposed approach noted in the November 28, 2018 cover letter.

Ultimately, it is the Technical Panel’s authority to determine the extent of consultation that the Panel decides is appropriate in fulfillment of its responsibilities under the market rules and to make a determination on Resolute’s submission.

2. *The DRWG is an inappropriate forum for preliminary consideration, as it is run by IESO staff and comprised of other market participants who are competitors of Resolute. McCarthy’s does not believe that a process run by IESO staff can address issues in a credible, independent manner.*

IESO Response

The IESO respectfully disagrees that the DRWG is an inappropriate forum. The DRWG has held an enduring advisory role to assist the IESO in evolving DR over time. Per the DRWG Terms of Reference, membership in the DRWG remains open to all parties. Resolute will be given the opportunity to advocate for its proposed change at the February 12, 2019 DRWG meeting.

- 3. To ensure that the amendment submission is addressed transparently and to establish necessary safeguards to confirm that the Technical Panel is proceeding in a manner that is not impeded by IESO staff's self-interested position, McCarthy's requests that the IESO produce all past and future internal correspondence, memos, and notes relating to its consideration of the amendment submission, including all communications with the Technical Panel.*

IESO Response

Please find attached all correspondence to date with the Technical Panel on the amendment submission.

Please specify under what authority McCarthy's is requesting internal correspondence.

Next Steps

On January 29, 2019, the IESO will ask the Technical Panel to confirm its support to refer Resolute's submission to the DRWG, or to establish an alternative working group for the same purpose, as the Panel deems fit.

The IESO requests McCarthy's consent to publish its letters dated December 4 and 19, 2018 on the Technical Panel website, in addition to this responding letter.

Yours truly,

Jo Chung