

From: Vegh, George
Sent: Tuesday, April 02, 2019 1:51 PM
To: Robert Doyle
Subject: RE: MR-00437 Follow Up

Robert, your latest note offers clarification of our communications and your conclusion that IESO staff’s conduct has been “in good faith”, “earnest” and “open”.

With respect to your clarification, I thought it would be helpful to set out the following chronology of the communications between Resolute and IESO staff.

| Date | Resolute Proposal | IESO Staff Response |
|-------------------|---|--|
| October 11, 2018. | Resolute proposes Market Rule Amendment in time for Technical Panel’s November 27 meeting in accordance with the Market Rules. | Does not share proposal with Technical Panel in time for the November 27 meeting and cancels the meeting. Refers Resolute’s proposal to DRWG working group. |
| December 4, 2018 | Resolute reiterates its request that the proposed Amendment is provided to the Technical Panel in accordance with the Market Rules, and not the DRWG; Resolute also requests IESO staff to produce correspondence with respect to its handling of Resolute’s proposal | (January 18, 2019). Forwards materials to Technical Panel. Does not respond to request for materials. |
| January 24, 2019 | Files Freedom of Information Request to obtain materials re: staff handling of Resolute Proposal | (February 20, 2019), IESO staff advises that the Technical Panel Chair, Michael Lyle, has determined that the IESO will require a total of over 100 days to respond to this request. |
| March 5, 2019 | Presents proposed rule to Technical Panel seeking to maintain metering configuration that was in place since 2013. | IESO staff provides first substantive response to proposed rule. Stating that it opposes proposal because it could lead to unintended consequences and is a design change. |
| March 8, 2019 | In response to Technical Panel direction, Resolute provides IESO staff with revised rule aimed at avoiding unintended consequences and confirming no design changes. The proposal states only that “nothing in this Rule shall disqualify demand response metering configurations previously approved under the DR1, DR2, DR3 or CBDR programs”. Resolute requests a response by March 13, 2019. This would allow discussion in time for presenting a proposal to the Technical Panel as part of the materials due on April 2. | (March 12, 2019). IESO staff responds “to acknowledge receipt of this email and say that we will connect back with you”; it provides no substantive response. (March 20, 2019). IESO staff proposes a meeting on the afternoon of March 28, “to accommodate a couple of vacation schedules on our end”; it provides no substantive response to Resolute’s proposal. |

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|----------------|--|---|
| March 22, 2019 | Resolute advises that it is not available on the afternoon of March 28 and expresses concern that IESO staff has not provided a substantive response to its proposal. | IESO staff provides no substantive response and advises that “The intent of the proposed [March 28] meeting was to discuss that substantive response.” |
| March 26, 2019 | Resolute expresses concern that it has not received a substantive response to its proposal and requests IESO staff to send revised submission with proposed amendment to Technical Panel directly. | <p>(March 27, 2019). IESO staff advises that it is opposed to Resolute’s proposal because “neither Resolute’s original nor subsequent proposed rule amendment language ensure that a Demand Response resources’ capacity obligation MW would be realized at the IESO-controlled grid level. “ The response does not contain reasons for this conclusion or any alternative proposal.</p> <p>(March 29, 2019) Staff states that it continues to oppose either the original or revised amendment and that “we have only recently determined that we are unable to identify a path toward amending Resolute’s proposal that we could support.”</p> |

In light of IESO staff’s activities to date, I will leave it to others to determine whether that conduct has been “in good faith”, “earnest” and “open”.

As to your request for a meeting, I suggest that an appropriate approach at this stage is for IESO staff to share with Resolute its responses to the Technical Panel’s questions so that Resolute has a better understanding of the basis for its position and then we can all consider how to best move forward.

From: Robert Doyle [mailto:robert.doyle@ieso.ca]
Sent: Friday, March 29, 2019 7:11 AM
To: Vegh, George
Subject: RE: MR-00437 Follow Up

George, I would like to clarify that I contacted you on March 20 to arrange a meeting between IESO and Resolute, a week before Resolute provided its answers to the TP questions, not after.

I would also reiterate that in advance of March 20, the IESO had been working diligently to assess Resolute’s proposal, its implications, and how it might be accommodated. The proposal represents a dramatic departure from our current practices and design philosophy, with implications for metering, settlements, and operations. It has required input from each of these groups, as well as input from members of teams working on the development of both the upcoming transitional capacity and incremental capacity auctions. There has been a lot of time dedicated to this on our side, and we would have been unable to engage in any discussion before I reached out.

As a point of further clarification, the IESO has approached this matter in good faith; we have only recently determined that we are unable to identify a path toward amending Resolute’s proposal that we could support. We are, however, earnest in our interest in meeting, and are open to the possibility that Resolute, on hearing our issues, may be able to recommend a way to navigate them that we have not considered. If your client is open to such a discussion, please send us some windows of availability for a meeting/conference call for the week of April 1 and we will work to find a mutually convenient date and time.

Thanks again – Rob

From: Vegh, George <gvegh@mccarthy.ca>
Sent: March 28, 2019 9:21 AM
To: Robert Doyle <robert.doyle@ieso.ca>
Subject: RE: MR-00437 Follow Up

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Rob, my understanding of the Technical Panel's March 5 direction was that Resolute and IESO staff should work together to find a resolution to this issue. It is disappointing that IESO staff is not prepared to do this. It is also disappointing that it took staff close to three weeks to disclose its position and only did so after Resolute put forward its responses to the Technical Panel's question and its revised market rule proposal.

If staff is prepared to discuss this with an open mind, Resolute would be pleased to find a time to discuss this further. However, the tone and substance of your note, and staff's conduct throughout this process, suggests that this is not possible. As a result, your proposal for a meeting where staff merely repeats its opposition is not a productive use of anyone's time.

From: Robert Doyle [<mailto:robert.doyle@ieso.ca>]
Sent: Wednesday, March 27, 2019 4:53 PM
To: Vegh, George
Subject: RE: MR-00437 Follow Up

Hi George –

Thanks for your email. We will send Resolute's updated market rule amendment submission and responses to TP member questions by the end of today. I will forward to you a copy of that correspondence, once sent.

Since March 8, IESO staff have been assessing Resolute's proposal in an effort to determine whether and to what extent it could be supported by the IESO, and what refinements would be required to achieve that objective. Having further considered the proposal, IESO staff have as yet been unable to identify a strategy for refining the proposed rule amendment submission that would both achieve what we understand to be Resolute's objective, and avoid adverse impact to the IESO's reliable and efficient operation of the IESO controlled grid. IESO staff are of the view that neither Resolute's original nor subsequent proposed rule amendment language ensure that a Demand Response resources' capacity obligation MW would be realized at the IESO-controlled grid level.

In good faith, we thought it would be most productive to have a meeting/conference call to discuss in further detail the IESO's analysis and its position with you and Resolute, and to invite you to assist us in navigating the obstacles we have identified. We very much remain open to having that conversation at a mutually convenient date and time.

Thanks again – Rob

From: Vegh, George <gvegh@mccarthy.ca>
Sent: March 26, 2019 3:43 PM
To: Robert Doyle <robert.doyle@ieso.ca>
Subject: RE: MR-00437 Follow Up

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Rob, on March 5, the Technical Panel requested Resolute and IESO staff to develop language for a market rule amendment that addresses both Resolute's position that the Market Rules were not meant to disqualify its previously approved configuration, and IESO staff's position that the original language of the proposed amendment could result in unintended consequences. On March 8, Resolute proposed simple language to avoid unintended consequences by revising its amendment to state that, "nothing in this Rule shall disqualify demand response metering configurations previously approved under the DR2, DR3 or CBDR programs."

IESO staff has now had close to three weeks to respond to this short and straight-forward proposal but it has not done so. Instead, staff is proposing postpone any response until a meeting to discuss this proposal on March 28, less than two business days before you have asked Resolute to respond to the Technical Panel's questions.

While Resolute remains prepared to discuss its proposal with IESO staff, Resolute is very concerned that staff's conduct continues to display an unwillingness to facilitate a resolution to this issue. Given staff's unwillingness to collaboratively resolve this issue, Resolute hereby proposes to amend its proposed amendment to reflect the proposal provided to staff on March 3.

Attached is a revised Market Rule Amendment Submission as well as Resolute's responses to the Technical Panel's questions. Please provide this email and its attachments to the Technical Panel members by the end of business on March 27, 2019 or, if you are not prepared to do so, please provide email addresses for Technical Panel members so that Resolute can provide this information directly.

Please advise when this has been forwarded to the Technical Panel.

From: Robert Doyle [<mailto:robert.doyle@ieso.ca>]
Sent: Monday, March 25, 2019 11:13 AM
To: Vegh, George
Cc: Thomas, Michelle
Subject: RE: MR-00437 Follow Up

Hi George –

Thanks for your response. The intent of the proposed meeting was to discuss that substantive response. I can work with Michelle to set up a time. We can schedule a conference call as opposed to a face-to-face meeting, if that works better, schedule-wise.

Thanks – Rob

From: Vegh, George <gvegh@mccarthy.ca>
Sent: March 22, 2019 2:21 PM
To: Robert Doyle <robert.doyle@ieso.ca>
Cc: Thomas, Michelle <MTHOMAS@MCCARTHY.CA>
Subject: FW: MR-00437 Follow Up

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Hello Bob. Unfortunately the afternoon of March 28th won't work. Michelle can propose alternative times. In any event, at the request of the Technical Panel, on March 8, Resolute provided a proposal to the IESO with respect to a revised rule and I was hoping to get a substantive response to that proposal.

From: Thomas, Michelle
Sent: Friday, March 22, 2019 2:08 PM
To: Vegh, George
Subject: FW: MR-00437 Follow Up

Please see attached.

From: Robert Doyle [<mailto:robert.doyle@ieso.ca>]
Sent: Wednesday, March 20, 2019 8:31 AM
To: Thomas, Michelle
Cc: Parla, Julie K.
Subject: RE: MR-00437 Follow Up

Good morning Michelle –

Wanted to connect back and ask if the afternoon of March 28 could work for a follow-up discussion on this issue? Apologies for the limited window, I'm just trying to accommodate a couple of vacation schedules on our end. If that window doesn't work, please let me know if you have some alternate windows.

Thanks and let me know – Rob

From: Robert Doyle
Sent: March 12, 2019 12:54 PM
To: 'MTHOMAS@MCCARTHY.CA' <MTHOMAS@MCCARTHY.CA>
Cc: Tam Wagner <tam.wagner@ieso.ca>; Parla, Julie K. <JPARLA@MCCARTHY.CA>
Subject: RE: MR-00437 Follow Up

Hi Michelle –

By way of introduction, I work in the market rules group at the IESO and will be taking over from Jo Chung as the IESO point of contact for the Resolute market rule amendment submission. I wanted to acknowledge receipt of this email and say that we will connect back with you.

Thanks – Rob

Robert Doyle
Supervisor, Market Rules, IESO
905-855-6402

From: Thomas, Michelle [<mailto:MTHOMAS@MCCARTHY.CA>] **On Behalf Of** Vegh, George
Sent: March 08, 2019 3:52 PM
To: Tam Wagner
Cc: Parla, Julie K.
Subject: MR-00437 Follow Up

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Hello Tam. At the Technical Panel this week we committed to work together to craft language that will address Resolute's and the IESO staff's main concerns. In particular, at the meeting, IESO staff expressed the concern that the original language proposed by Resolute could result in unintended consequences because it was not clear whether it would permit certain configuration scenarios that IESO staff had identified as potentially available.

The following language is designed to address staff's concern by specifying that the current versions of the market rules are not meant to disqualify configurations that the IESO has previously approved under the DR1, DR2, DR3 or CBDR programs. In this way, the Rule does not result in the risk of unintended consequences that staff identified as potentially available.

Please provide any comments you have on the draft by end of day on March 13. Thank you.

Chapter 7, Section 18.2.1.2:

18.2.1 No person may participate in a demand response auction nor receive a demand response capacity obligation unless that person has:

18.2.1.2 submitted and has been approved by the IESO, using forms and procedures as may be established by the IESO in the applicable market manual, the amount of demand response capacity that the demand response auction participant is willing to provide, provided that nothing in this Rule shall disqualify demand response metering configurations previously approved under the DR1, DR2, DR3 or CBDR programs;

Chapter 7, Section 19.2.1.1:

19.2.1 A demand response market participant is eligible to participate as an hourly demand response resource provided that the demand response market participant:

19.2.1.1 demonstrates to the satisfaction of the IESO that it can provide the demand response capacity obligation, as specified in the applicable market manual, provided that nothing in this Rule shall disqualify demand response metering configurations previously approved under the DR1, DR2, DR3 or CBDR programs;



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