

# Memorandum

## IESO BUSINESS UPDATE

To: Stakeholder Advisory Committee

From: Kim Marshall, VP, Corporate Services and CFO

Date: August 3, 2016

**Subject: IESO Business Update – RT-GCG Program Cost Recovery Framework**

The IESO is conducting a stakeholder engagement to develop a new cost recovery framework for the Real Time Generation Cost Guarantee (RT-GCG) program. The goal of this engagement is to develop a framework which will clarify and increase the transparency for market participants of costs eligible to be submitted for recovery and reduce the scope and frequency of audits related to the RT-GCG program.

Over the course of several months, the IESO has consulted with stakeholders to develop a set of universal pre-approved cost values to represent different costs eligible for recovery under the program. These values have been informed by individual generator cost submissions, expert advice from consultants and internal analysis. The IESO has also begun a one-on-one consultation process with individual RT-GCG participants to develop certain costs which will be applied on a resource specific basis –this includes planned maintenance costs.

The IESO has proposed Market Rule amendments to enable this new framework and these are currently going through the Technical Panel process. IESO discussions with participants related to the development of resource-specific costs are ongoing and will continue into the fall. The IESO is targeting implementation of the new cost recovery framework for December 2016.