

January 19, 2016



VIA Email, Courier and RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Dear Ms. Walli:

**Re: Independent Electricity System Operator
2016 Expenditure and Revenue Requirement Submission
Ontario Energy Board File No.: EB-2015-0275**

Pursuant to subsection 25. (1) of the *Electricity Act, 1998*, as amended, please find enclosed, in PDF searchable electronic form, the IESO's 2016 Expenditure and Revenue Requirement Submission ("Submission"). The requisite number of paper copies will follow by courier. All intervenors to the Independent Electricity System Operator's ("IESO") and the Ontario Power Authority's ("OPA") 2014 Submissions, EB-2013-0381 and EB-2013-0326 respectively, have been copied on this Submission.

There are several procedural matters that the IESO wishes to raise with the Board at this time. First, the IESO proposes that the Board's Notice of Application ("Notice") be given as follows:

- The IESO shall post the Notice, including the pre-filed evidence, on the IESO's website at the "Corporate Reporting" page;
- The IESO shall post an announcement, in English and French, on the IESO's website at the "IESO News" page which will be emailed to all market participants and interested parties who are registered to receive IESO news and other communiqués (this includes all connection proponents with respect to whom the IESO maintains a public registry); and
- The IESO shall serve an electronic copy of the Notice and the Submission, including the pre-filed evidence, on all registered intervenors to EB-2013-0381 and EB-2013-0326.

The IESO respectfully requests that it not be required to publish the Board's Notice in newspapers as has been required in past years as, primarily, publication did not result in new or additional intervenors. Notices are generally published to maximize exposure to all persons that may be affected or may have an interest in an application. The IESO believes that the steps by which it proposes to give the Notice to interested parties will be more effective in reaching such parties than publication in newspapers. Additionally, as the prior intervenors represent a variety of customer classes and types, a wide range of consumers' interests are represented through intervenors to EB-2013-0381 and EB-2013-0326.

As it did for its 2014 Submission, IESO staff will personally contact all intervenors to EB-2013-0381 and EB-2013-0326 after the Board has issued its Letter of Direction, in order to communicate the date by which an intervention request should be filed with the Board.

Second, similar to previous years' proceedings, the IESO has included a draft Issues List which the IESO believes addresses the issues of relevance to this proceeding and requests that this be posted for comment along with the Notice. The draft Issues List is attached as Appendix "A" for the Board's consideration.

Third, the IESO proposes a written hearing with a Settlement Conference for this proceeding. A draft Schedule of Events is attached as Appendix "B" for the Board's consideration.

Fourth, historically the IESO filed its Submission containing projections for the current year and filed supplementary updated information containing audited financial actual data at a later date. The IESO proposes to file supplementary information with its 2015 audited financial statements with the Board and copy all intervenors to EB-2015-0275 on March 31, 2016. The IESO requests that the Interrogatory phase of its 2016 Submission commence after this date. The IESO consulted with intervenors who were participants in the Settlement Conferences of the IESO's and OPA's 2014 Submissions about scheduling the discovery process after it files supplementary information. No intervenors were opposed this approach.

Please contact the undersigned or Adrian Pye, Senior Regulatory Analyst if you have any questions or wish to discuss these points further.

Yours truly,



Nancy Marconi
Senior Manager, Regulatory Affairs

cc: Mr. Fred Cass, Aird & Berlis (email)
Intervenors to EB-2013-0326 and EB-2013-0381 (email)
Rudra Mukherji, Case Manager, Ontario Energy Board (email)

Appendix "A"
IESO Fiscal Year 2016 Revenue Requirement Submission
Draft Issues List
EB-2015-0275

1.0 Proposed Fees

- 1.1 Are the expenditures and revenue requirement of \$182.1 million, and the usage fee of \$1.13/MWh as described in the Minister-approved Business Plan, appropriate?
- 1.2 Is the proposed single usage fee appropriate?
- 1.3 Are the registration fees of up to \$10,000 per proposal for electricity supply and capacity procurements, including conservation and load management procurements, appropriate?
- 1.4 Are the non-refundable application fees for standard offer programs, such as the Feed-in-Tariff ("FIT") program of \$0.50/kW of proposed Contract Capacity, having a minimum of \$500 and to a maximum of \$5,000, appropriate?
- 1.5 Is the Large Renewable Procurement qualification submission fee from RFQ applicants appropriate? Which is the sum of:
 - a) The greater of: (a) \$2,000 for the first (or only, if only one renewable fuel is proposed) proposed renewable fuel submitted; or (b) \$1.00 per KW of estimated contract capacity for all large renewable projects to a maximum amount of \$30,000; plus
 - b) \$2,000 for each additional renewable fuel proposed.
- 1.6 Is the \$1,000 application fee for market participation appropriate?

2.0 Deferral and Variance Accounts

- 2.1 Are the proposed dispositions of the existing Deferral and Variance Accounts appropriate?
- 2.2 Are the proposed Deferral and Variance Accounts appropriate?
- 2.3 Is the retention of \$10 million of operating reserve appropriate?

3.0 Merger Costs and Savings

- 3.1 Have the merger costs been dealt with appropriately?
- 3.2 Have merger savings been captured appropriately?

Appendix "B"
Draft Schedule of Events
EB-2015-0275

The IESO proposes the following schedule for the Board's consideration in this proceeding:

- The IESO shall file any supplementary information containing audited financial actuals for 2015 and any other information and material with the Board and serve this to intervenors by Thursday, March 31, 2016.
- Board staff and the intervenors shall request any information and material from the IESO that is in addition to the IESO's pre-filed evidence with the Board, and that is relevant to the hearing, by written interrogatories filed with the Board and served to the IESO on or before Thursday, April 21, 2016.
- The IESO shall file with the Board complete written responses to the interrogatories and serve them on intervenor(s) on or before Thursday, May 12, 2016.
- A Settlement Conference will be held at 2300 Yonge Street, Toronto on the 25th floor commencing Thursday, May 19, 2016 from 9:30 a.m. to 5:00 p.m. and continuing, if necessary, on Friday, May 20, 2016 at 9:30 a.m.
- Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than 4:45 p.m. on Friday, May 27, 2016.