

Feedback Form

Cost Recovery for Integrating System Changes – July 22, 2021

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Cost Recovery for Integrating System Changes webpage unless otherwise requested by the sender.

Please provide feedback by August 12, 2021 to engagement@ieso.ca. Please use subject:

Feedback: Cost Recovery for Integrating System Changes Feedback

For context, the questions below are taken from slide 17 from the July 22, 2021 [presentation](#) posted on the [engagement webpage](#).

General

Topic	Feedback
Are there any factors the IESO should consider when deciding on how to apply fees for various types of activities (e.g., fixed rate vs. hourly rate)?	The costs associated with the new Reliable Integration activities should be based on the scope of the changes requested. Some work (often submitted as part of a “blanket SIA”) has little or no impact on grid reliability (e.g., like-for-like replacement of breakers, disconnect switches, or transformers that undergo regular maintenance), and the fixed rate may be more costly than an hourly one. Participants should have the option to choose between hourly and fixed billing, based on estimates provided by the IESO prior to the initiation of the task.
Topic	Feedback
What invoice timing (e.g., end of each work phase vs. periodically) would be most appropriate?	OPG would prefer to have invoice at the end of each phase for validity/traceability and planning purposes.
Topic	Feedback
Are there any specific considerations that should be incorporated into the implementation approach for the new fees?	In the event that the IESO requires changes to existing equipment, participants should not be charged under “Reliability Integration” for any required RANs or updates to IESO databases and tools. As an example, registration changes required to comply with new Market Renewal rules should not be charged to participants.
Topic	Feedback
Do any special considerations exist for specific groups of proponents?	The cost recovery of assessments should be based on the framework applicable at the time the task was initiated. That is, tasks initiated or in progress prior to the implementation date of the new cost recovery framework should be charged according to the current framework.

General Comments/Feedback

OPG would like to thank the IESO for the opportunity to provide comments. Below are several additional questions regarding the proposed changes:

- 1) At the July 22nd stakeholder webinar, in response to a market participant question, IESO staff stated that the IESO would be liable for any errors and omissions made during the assessment process, but that the IESO does not currently have an insurance policy covering such errors. Chapter 1 Section 13.1 of the Market Rules was recently amended to state that the IESO is liable only for errors and omissions of *gross negligence* (previous Market Rules

included liability for general negligence) in order for the IESO to match its liability to available insurance policies. In light of the above, and in the context of professional services, could the IESO please clarify the following:

- a) Can the IESO confirm it is liable for errors and omissions related to only gross negligence and not general negligence?
 - b) Does the IESO currently have insurance for errors and omissions related to gross negligence; if not, what is the IESO's approach of funding claims against the IESO, if successful.
 - c) When the IESO was unable to find general errors and omissions insurance in 2020 (as stated in stakeholder engagement materials), did the IESO pursue general errors and omissions insurance specific to professional services?
- 2) Please define the following terms used in the slide deck:
- d) "Small generation facility" and "Large generation facility". Are there specific thresholds that define whether a facility is small or large? Are these terms related to the Market Rules defined terms *small generation facility*, *minor generation facility*, *significant generation facility*, or *major generation facility*?
 - e) Congested versus Non-Congested Area. Please identify the criteria that will be used to determine whether a facility is in a Congested or Non-Congested area. Following Market Renewal go-live, will the congestion component of Locational Marginal Prices be used to define these terms?
- 3) Slide 14 lists factors that will influence proponents' costs. What criteria will be used to measure the "quality of information provided to the IESO"?